

2008-2009 Staff Incentive Award Guidelines

Updated 3-10-09

Purpose of Incentive Awards

PPSM 34 (Incentive Awards): The purpose of the program is to encourage excellence in University service, recognize and reward significant achievements and contributions, recognize and reward outstanding individual and team performance, and support professional development.

Merit Increase versus Incentive Award: Merit increases are intended to reward sustained performance of regular duties and responsibilities; incentive awards should have a strategic focus and should have a relationship to the accomplishment of organizational goals.

Vice Chancellors may continue to customize the award programs.

Types of Awards

Lump-Sum Cash Awards: The Staff Recognition and Development Program, Incentive Award Program, and Department-Funded Awards described below provide for cash, lump-sum, non-base building incentive award payments. The payments are considered taxable income and are processed through Payroll.

Professional Development: Payments intended for professional development (e.g. seminar fees, conference registration) should be paid directly to the third party when possible. Employees may pay the third party and be reimbursed when necessary. Travel and other expenses related to the professional development may be included in the reimbursement.

Non-cash Awards: Employees may also be awarded non-cash awards (e.g. gifts and gift certificates); however, non-cash awards cannot be paid from the assessment funding and must be consistent with Business & Finance Guideline G-41.

Link to [G-41](#)

Link to procedures for [Non-cash Awards](#)

Paid Time Off: Paid time off is not permitted as an award.

Important note:

All cash and non-cash awards to represented employees whose collective bargaining agreements have expired require union notification and agreement. Please contact Human Resources-Compensation for guidance.

Staff Award Programs & Description of Service (DOS) Codes

Staff Recognition and Development Program: Policy covered (Unit 99) career and limited employees whose annual base salary is \$99,999 or less are eligible for awards under the Staff Recognition and Development Program, subject to the limitations listed below. Per diem, contract, floater, staff whose annual base salary is \$100,000 or more, and SMG employees are not eligible. Students are eligible to receive awards as long as the award is not paid from work-study funds. The awards are funded from the SRDP assessment. (See *Funding*.)

DOS Codes

- **SRD** (Staff Recognition & Development)
- **TIA** (Team Incentive Award)
- **SAP** (Student Award Program)

Incentive Award Program: Patient Care Technical (EX) employees and Police Officers (PA) are eligible for awards under the Incentive Award Program. The awards are funded from the IAP assessment. (See *Funding*.)

DOS Codes

- **IAP** (Incentive Award Program)
- **TIA** (Team Incentive Award)
- **SAP** (Student Award Program)

Department-Funded Awards: All staff employee groups are eligible for department-funded awards. The awards are paid from a department's own funds.

DOS Codes

- **LEA** (Local Employee Award)
- **TIL** (Team Incentive Award-local)
- **SAL** (Student Award Program-local)
- Note: **AWD** is no longer in use

Nondiscretionary Awards DOS Codes: Only to be used upon instruction from HR.

NDI (Nondiscretionary Award)

ABP (Student-Bonus-SRDP)

NDL (Nondiscretionary Award-Local)

ABL (Student Bonus-Local)

Award Amounts

- No employee may receive more than \$1,000 per fiscal year from all award types combined, and no award may be granted to SMG (Senior Management Group) staff nor to staff whose annual base salary exceeds \$99,999.
- A department may not exceed 5% of eligible payroll in total awards.
- LEA, TIL and SAL awards may not exceed \$300 per employee in a fiscal year for represented employees.

Funding

Payroll Assessment: The funding for the Staff Recognition and Development Program and the Incentive Award Program is made available through a payroll assessment. Each month, when payroll is run, all pay coded with the Description of Service (DOS) code REG is assessed for eligible employees. Upon payment of an award, the department is reimbursed from the central assessment pool if the payment is coded with the DOS codes SRD, IAP, TIA, SAP, NDI, or ABP.

Assessment Percentage: For policy covered employees, the SRDP assessment for fiscal year 2008-2009 remains at 0.89%. For groups covered by the 2008-2009 IAP, the assessment remains at 0.5%.

Budgets: The actual IAP and SRD budget is dependent upon the assessments made each pay period. Departments' Distribution of Payroll Expense (DOPE) reports reflect the assessment. Departments should use the EmployeeLink "IAP Query" to determine the amount of funding available for awards.

Link to [IAP Query](#)

Fringe Benefits: The cost of fringe benefits for IAP and SRD awards is deducted from the assessment pool. The fringe benefit percentage is 9.35%, which leaves 90.65% of the assessment available for awards (100% - 9.35% = 90.65%). The "Incentive Awards Program" query mentioned above takes into account the cost of fringe benefits in projecting available balances.

General Fund and Work-Study Fund Limitations

- General funds may not be used for department funded awards (LEA, TIL and SAL) paid to non-general funded staff.
- Work-study funding may not be used to fund awards for students. However, funding used to supplement work-study funds may be used to grant awards to students.

How to Process a Payment

When: The 2008-2009 fiscal year deadline for all award types is **June 8, 2009**.

Link to [Award Form](#)