



Incentive Awards

DGO Policy Internal 04

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Revised Date:

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Approved By: Jenney Rees

References/Authority: Utah Administrative Code Section R477-6-7 and Subsection R477-7-7(1)(c); State of Utah Finance Accounting Policies FIACCT 05-03.06, 05-03.07, 05-03.08

1 PURPOSE

This policy establishes parameters for awarding incentives to employees of the Department of Governments Operations (DGO). This policy outlines the types of awards that may be awarded, to whom an incentive may be awarded, and who may award incentives.

2 GUIDING PRINCIPLES

DGO values its employees and desires to reward them for work performed above and beyond normal expectations through the use of individual and team incentive awards. DGO encourages the appropriate, applicable, and judicious use of all forms of incentive awards as established in Section R477-6-7 and Section R477-7-7(1)(c). Incentive awards are discretionary and are dependent upon the availability of financial and other resources. This policy aims at rewarding individuals and teams for behaviors which exhibit exceptional quality and/or creativity and that support the department values, goals, and mission.

The Executive Director can make exceptions to this policy as allowed by applicable law and State of Utah Accounting Policies and Procedures.

3 POLICY

3.1 Eligibility

DGO employees in an active status are eligible to be nominated or considered for incentive awards established in this policy unless prohibited per 3.1.1.

Cash incentive awards for DGO employees are permitted across divisions and from other government entities with the exception of Division of Human Resource Management employees. See 3.1.1.B.

3.1.1 Eligibility Exceptions

- A. The following employees are not eligible for incentive awards:
 - a. employees with unsatisfactory performance appraisals during the time work is evaluated for an incentive;
 - b. employees on corrective action during the time work is evaluated for an incentive;
 - c. employees with disciplinary actions pending or imposed during the time work is evaluated for an incentive; and



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- d. non-benefited employees are not eligible for administrative leave awards.
- B. Division of Human Resource Management employees are not eligible for:
 - a. cash incentive awards unless they are awarded by the Division of Human Resource Management (DHRM); or
 - b. a referral bonus for any division including DHRM.

3.2 General Provisions

- A. Incentive awards may include:
 - a. Cash awards
 - b. Performance based incentives
 - c. Cost-saving bonus
 - d. Market-based bonus
 - e. Referral bonus
 - f. Non-cash awards
 - g. Administrative leave
 - h. Retirement and service awards, cash and non-cash
- B. Employees may be nominated for and awarded cash, non-cash or administrative leave incentive awards for many reasons, including but not limited to:
 - a. providing exceptional customer service;
 - b. improving efficiency of services to customer(s) and/or stakeholder(s);
 - c. efforts resulting in cost savings and/or revenue increases; or
 - d. assuming additional workload.
- C. The minimum cash award allowable is \$25.
- D. Individual awards shall comply with Section R477-6-7 and shall not exceed \$4,000 per pay period and \$8,000 per fiscal year.
- E. The Executive Director or designee must approve cash incentive awards and bonuses over \$2,000.00.
 - a. The Executive Director authorizes Division Directors to approve incentive awards of \$2,000.00 or less.
- F. Division Directors shall establish an incentive award approval process which includes the employee's direct supervisor and the division budget officer.
- G. All incentive awards must be documented and evaluated per the guidelines established in this policy.
- H. A copy of the documentation shall be provided to the HR field office.
- I. The HR field office shall upload a copy of the documentation into the individual employee's personnel file.

3.3 Cash Incentive Awards

3.3.1 Performance Based Incentive Awards

- A. Cash incentive awards may be granted to an employee or group of employees that demonstrates exceptional effort or accomplishment beyond what is normally expected on the job for a unique event or over a sustained period of time as established in Section R477-6-7(2)(a)(i).
- B. Cash incentive awards must comply with 3.2.
- C. Nominator must complete the appropriate DGO Cash Incentive Form.
- D. Nominations must be reviewed through the process determined by the Division Director.
- E. Approved award documentation is given to payroll to process.



3.3.2 Bonus Awards

- A. Bonus incentive awards must comply with 3.2.
- B. Nominator must complete the appropriate DGO Bonus Form.
- C. Nominations must include information relevant to the specific bonus category of cost savings, market based or referral bonus as detailed below.
- D. Nominations must be reviewed through the process determined by the Division Director.
- E. Approved Cost Savings and Market base award documentation is given to payroll to process.

3.3.2.1 Cost Savings Bonus

A cost savings bonus may be awarded to an employee who suggests or implements a procedure or system that increases productivity or saves costs in the department or other agencies. Reductions in cost must be demonstrable and subject to audit if necessary.

3.3.2.2 Market Based Bonus

A cash market-based incentive award may be given as an incentive to acquire or retain an employee with job skills that are critical to the state and difficult to recruit in the market. Market-based awards include retention bonus, recruitment or signing bonus, scarce skills bonus, or relocation bonus.

- A. All requests for market-based bonuses shall include documentation specifying how the agency will benefit by granting the bonus and shall be submitted to DHRM for approval.

3.3.2.3 Referral Bonus

A referral bonus may be given to an eligible employee who refers a job applicant who is subsequently selected and remains employed for six months.

- A. Dependent on a division director's discretion and available funds, a referral bonus of \$1,000 may be paid to a current DGO employee who refers a potential job applicant who is subsequently hired and successfully employed by DGO for a minimum of six months.
 - a. Referrals for intern and temporary positions are ineligible for the bonus.
- B. The referred job applicant must be an external candidate who does not work for any branch of the State government, and has never worked for DGO, DAS, DHRM or DTS.
- C. The referring employee shall:
 - a. be a current DGO employee (except DHRM); and
 - b. not be involved in the hiring decision or in the direct line of authority for the vacant position.
- D. Career service exempt positions:
 - a. An employee who wishes to make a referral must complete the referral form and must submit the referral form, potential applicant's resume and contact information to the HR field office and the hiring official prior to the scheduling of interviews.
- E. Career service positions:
 - a. An employee who wishes to make a referral must complete the referral form and must submit the referral form to the HR field office prior to the closing of a recruitment for a Schedule B position. Failure to do so shall result in ineligibility to receive the bonus.
 - b. The HR field office will notify the hiring manager if a referred candidate is on the final referred list for interviews.



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- F. When a referred candidate is hired as a result of the referral and has worked for DGO for six months, the HR field office shall acquire the necessary approving signatures and forward the referral to payroll for processing

3.4 Retirement and Service Awards

Awards in the form of cash or cash-equivalents may be given for years of service and retirement in accordance with the State of Utah FIACCT 05-03.07 and 05-03.08 governing Service/Retirement Awards.

3.5 Noncash Incentive Awards

3.5.1 Noncash Incentive Awards Program

Employees or groups of employees of DGO and of any other Executive Branch agency are eligible to be nominated or considered by a DGO employee for a noncash incentive award.

- A. Any DGO employee may recommend a noncash incentive award for another DGO employee or group of employees or other Executive Branch agency employees through the DGO Noncash Incentive Awards Program.
- B. Noncash incentive awards shall be administered in compliance with Section R477-6-7 and the Division of Finance Policy 05-03.06 governing Incentive Awards and Bonuses.
- C. Individual noncash incentive awards may not exceed a value of \$50 per occurrence and \$200 for each fiscal year.
 - a. Approved non-cash incentive awards are considered non-taxable to the employee.
 - b. Cash equivalent incentive awards shall be subject to payroll taxes and shall follow standards and procedures established by the DGO Division of Finance.

3.5.2 Administrative Leave in Lieu of Cash

An eligible DGO employee may be awarded paid administrative leave in lieu of cash. Administrative leave awards may only be awarded within the same division.

- A. The Executive Director's written approval is required for administrative leave in lieu of cash awards in excess of one day per Section R477-7-7(c)(ii).
- B. A division director can approve administrative leave of up to eight consecutive hours per occurrence in accordance with Section R477-7-7.
 - a. The division director shall issue a written certificate of administrative leave to the receiving employee using the appropriate DGO Admin Leave Incentive Form,
 - i. Approval shall comply with 3.5.2.A or B.
 - ii. The certificate may include an expiration date.
- C. The cumulative total of administrative leave awarded to an employee shall not exceed 16 hours in a fiscal year.
 - a. Administrative leave given to all employees by the Governor or Executive Director does not count towards the 16 hours administrative leave available under this policy.
- D. Employees shall record used administrative leave hours using the OR (Other Reward) code in the payroll system.
- E. Supervisors shall ensure the OR code is used in the payroll system when approving timesheets in payroll for administrative leave awarded in lieu of cash.
- F. No agency other than DGO may grant administrative leave in lieu of cash to a DGO employee.



4 RELATED DOCUMENTS (e.g., procedures, other policies, forms etc.)

- DGO Admin Leave Incentive up to 8 Hours
- DGO Cash Incentive up to \$2000
- DGO Admin Leave or Cash Incentive over 8 Hours or Cash Incentive Greater than \$2000
- DGO Bonus Form Under \$2000
- DGO Bonus Form \$2001-\$4000
- DGO Employee Referral Form
- DGO Noncash Incentive Awards Program
- State of Utah Accounting Finance Accounting Policies

Amendment/Change Log

<Policy Name> Amendment/Change Log					
Date	Section/ Heading	Change/Edit	Additional Information (if needed)	Change Approved By	Change Approval Date