# GUIDELINES FOR THE STAFF RECOGNITION AND DEVELOPMENT PROGRAM FOR POLICY COVERED (NON-REPRESENTED) OFFICE OF THE PRESIDENT EMPLOYEES 2007-2008

## Purpose:

The Staff Recognition and Development Program (SRDP) is designed to recognize and reward outstanding individual and/or team performance; and to provide for employee development opportunities which will enable an employee or groups of employees to function more effectively on the job and/or enhance an employee's advancement within the University of California.

Whereas merit increases are intended as a means of rewarding sustained performance of regularly assigned functions, employee awards are generally more strategic in focus and should bear some relationship to the accomplishment of organizational goals.

## Eligibility:

All non-represented staff employees (career and limited) are eligible to participate, and are therefore covered by the provisions of the assessment plan. The following employees are not eligible for participation in the SRDP:

- Employees in Senior Management Group,
- Employees in contract, per diem and/or floater appointments, and
- Employees in bargaining units.

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[1] Employees in contract appointments are not eligible for awards through the assessment plan; however, they may be eligible for departmental award funding if their eligibility has been incorporated into the provisions of their contract.

## Award Funding:

Award funding for the Staff Recognition Program is provided by a 0.89% assessment of payroll for all staff titles, excluding Senior Management Program, contract, floater, per diem and bargaining unit employees. Departments may utilize additional available funds to supplement the central assessment program and/or to provide rewards for contract, floater and/or per diem employees who would otherwise be ineligible. Any such departmental award programs should follow the guidelines described in the section entitled "*Award Limitations and Taxability*," and should be designed to ensure consistency in the application of the award program and eligibility for awards regardless of funding source.

## Award Categories:

Awards may be given to individuals as well as to teams of employees who have contributed to UCOP in specific ways, as determined by the Division Head (or designee). Examples of qualifying outcomes include: improved customer service, innovative ideas for process simplification, productivity improvements, cost reductions, revenue enhancements, and other measurable performance outcomes. Awards will be in the following categories:

- **Individual Performance Awards** – Reward staff for individual accomplishments and outcomes, typified by meeting important targets or objectives, or for contributions to the organizational mission beyond usual expectations. Divisions/Departments are encouraged to incorporate sufficient flexibility in incentive performance award timing to permit managers to reward significant contributions soon after their occurrence.

- **Team Awards** – Reward staff for team-based projects that achieve measurable outcomes or make other meaningful contributions to the goals and mission of UCOP. Contributions may result from short-term projects, committees, or other official or unofficial work groups. Team awards may be particularly appropriate in situations where work is interdependent.

## Types of Awards:

Within the guidelines established by the appropriate Division Head, the following are indicative of, but not limited to, the types of awards available:

- Cash awards to recognize outstanding individual and/or team accomplishments;
- Non-cash awards to recognize meritorious individual accomplishments;

- Funding for courses and workshops leading to a degree, certification, or license undertaken to develop needed skills and knowledge that may lead to promotional opportunities;
- Professional seminars and conferences;
- Any other professional/educational option that would increase the recipient's employment and promotional opportunities.

NOTE: *Non-Cash awards for such items as non-negotiable gift certificates, plaques, food, etc. may be processed through SRDP and/or departmental funds. Non-cash awards of up to $75 are non-taxable. Non-cash awards in excess of $75 are reportable as income to the employee and subject to Social Security and Medicare taxes. Non-cash awards over $75 are treated as exceptions and must be approved in advance by the President, Provost, Executive Vice President, Vice President, Chancellors, Principal Officers of The Regents, or their designees. The exception request must specify the type and purpose of the award, the special circumstances that require an exception, and the name of the employee receiving the award. Entertainment awards are not allowed under A21, Federal contracts and grants (i.e. season tickets to sporting or cultural events).

## Award Limitations and Taxability:

Individual and Team awards are limited to a **maximum** of:

- 15% of an employee's annual salary for an individual award;
- $3,000 per member for team awards;
- $500 for individual spot cash awards; and
- $3,500 for professional development awards.

All cash awards are subject to withholding for Social Security and Medicare and for Federal and state taxes at the flat rate (25% for Federal and 9.3% for state). Departmental funding for awards may not exceed 5.0% of total annual departmental payroll for eligible employees.

For the purposes of this program, cash awards are defined as direct non-base building compensation provided to the employee and do not include professional development costs paid directly to a vendor or reimbursed to the employee.

**\*See Business and Finance Bulletin G-41 for more detail on Employee Non-Cash Awards**

UCOP Staff Recognition and Development Program

## Nomination and Selection Criteria:

The Staff Recognition and Development Program is contingent on the employee's demonstration of outstanding performance that benefits the Division/Department in one or more of the following areas:

- **Outstanding Performance**: Demonstrated and sustained outstanding performance that consistently exceeds goals and job expectations in quantity and quality;

- **Creativity**: One-time innovation or creation that results in time/dollar savings or benefit, or ongoing innovative/creative activities that benefit organizational systems, protocols, and/or procedures.

- **Organizational Abilities:** Extraordinary skills in leadership resulting in the accomplishment of significant division or departmental goals and objectives; project management (which could include developing a project and implementing it with substantial success); organizational capability leading to a greater level of department or broader effectiveness;

- **Work Incentives:** For meeting productivity, customer service, or similar goals; and/or

- **Teamwork:** Acting as an exceptionally effective and cooperative team member in carrying out goals of the department/unit, demonstrating superior interactions with, and a positive influence on, managers, peers, supervisors, subordinates, the University community, and the client population served. This individual will be notably "service-oriented" and a key resource person. Individual contributions to the Division/Departmental diversity efforts may be recognized within this category.

The nomination for each award should provide specific information about the individual or team contributions, performance examples, goals accomplished, or targets met or exceeded.

## Application and Selection Process:

Following the criteria established in these guidelines, a review and selection process shall be established by each Division Head (or designee) for his/her respective areas. The process used by each Division should ensure consistency in the selection process and in the application of the selection criteria within the Division/Department.

**Staff Recognition, Award Timing and Reporting Deadlines:**

SRDP Awards may be presented at any time during the fiscal year.  All awards, including those for professional development activities, should be processed in accordance with year-end closing schedules (processed no later than inclusion in the May Payroll Ledgers.)

Each Division/Department should establish its own implementation procedures, including the selection process, award cycle and application deadlines, within the parameters of these guidelines.  A copy of each unit's internal procedures should be sent to the Chief Human Resources Officer, UCOP Human Resources.

# UCOP STAFF RECOGNITION AND DEVELOPMENT  PROGRAM PROCEDURES AND PAYMENT PROCESSES

The Office of the President's Staff Recognition and Development Program (SRDP) is funded through the system wide assessment system that assesses all regular pay of eligible employees, regardless of funding source, through the payroll/personnel system. All assessments include the amount required to fund the employer benefits expense and are used to fund either cash awards paid directly to the employees as taxable earnings or as non-cash training/development awards paid through the vendor payment system.

## IAP Assessment and Payment Mechanisms

The assessment rate of 0.89% is automatically applied as a benefit expense against all accounts and funds supporting an eligible employee's pay.  The allocation and payment cycle is on a July 1 through June 30 fiscal year basis for oversight, review, and reporting purposes.  A specific allocation representing that department/division's assessments for the prior three-month period will be provided on a quarterly basis to each Division/Department.  A full fiscal year's allocation serves as the upper limit of each Division/Department's total spending authority under this program.  Division Heads may re-allocate spending authority within their organization, but in no case can the allocation be exceeded.  Expense transfers will be required for any expenditure exceeding the allocation. **Small balances of less than 10 per cent may be carried forward from year to year.**

A unique fund, **69430**, has been established by Financial Management and should be used for all cash and professional development awards made under the Staff Recognition program.  Funding will be provided on a quarterly basis, one month after the end of the quarter.  Departmentally funded awards should **not** be made from fund 69430 but should be made from another departmental discretionary fund.

## Payment of Cash Awards

All cash awards to eligible employees under the Staff Recognition Program are made via the payroll/personnel system (PPS) using the unique fund for SDRP awards, 69430. The Division/Department BruinBuy preparer will enter the transaction when a completed **SRDP Cash Payment** form is submitted.  A copy of the form is attached and is available at:http://hrop.ucop.edu/forms_pubs/form-srdp.html .

This form must be signed by the division/department head to indicate approval.

Division/Department EDB preparers will enter the transaction into the PPS, using the DOS code **SPA**.   The award will be paid to the employee in the same manner as the receiving employee's regular earnings (e.g., Direct Deposit or check).  The expense for the cash payment will be recorded against the 69430 fund for the SRDP.

Divisions/Departments are responsible for determining the timing of awards within the fiscal year, however, normally each award payment must be computed and recorded as an expense no later than the preliminary May ledger.  .

Divisions/Departments may give awards beyond their annual SRDP allocation amount by funding them from department sources and entering the DOS code _**LEA**_ in the payroll/personnel system.  For departmentally funded awards, the procedure is the same as outlined above except that the DOS code LEA must be used and the charge should be recorded against a departmental account/fund.

## Payment of Non-Cash Awards

Non-cash awards such as gift certificates and Non-Cash professional development awards made under this Staff Recognition program are paid through the Purchasing and Accounts Payable (BruinBuy) system, using fund 69430.  The Division/Department BruinBuy preparer will enter the transaction when a completed *SRDP Non-Cash Payment* form or a **Non-Cash Professional Development** form is submitted along with the appropriate documentation for the expense.  Copies of the forms are attached and available at http://hrop.ucop.edu/forms_pubs/form-srdp.html . This form must be signed by the division/department head to indicate approval.  NOTE: The payment of any non-cash awards must comply with Business & Finance Bulletin G-41.

Payment or reimbursement for educational or development activities that are consistent with the interests of the University and which are related to an employee's position and/or to the employee's professional, technical, or managerial skills, are not taxable.

## Program Evaluation:

Each Division/Department shall establish a process to evaluate the effectiveness of the program and ensure achievement of program objectives.   Specific performance measures should include:
- Correlation of awards to employee performance and organizational goals;
- Ease of administration;
- Compliance with Office of the President guidelines;
- Equitable distribution across eligible personnel programs and fund sources;
- Adequate documentation including accurate reporting to Human Resources; and
- Employee satisfaction.

Each Division should submit a spreadsheet reporting activity by individual, fund source (where the salary is paid) and program on a template which will be provided by Office of the President's Human Resources.  This report should be submitted to the Director, UCOP Human Resources by July 15, 2008.  These forms will be retained in HR for potential audit purposes and a summary report for UCOP will be sent to The Regents.

**Important Note:**  The Report should specify all awards given including those funded by SRDP monies as well as supplemental departmental funds.