

# Employee Recognition Awards

Section: Human Resources

Number: 57.200

Title: Employee Recognition Awards

## Index

### POLICY

- [.100 POLICY STATEMENT](#)
- [.105 APPLICABILITY](#)
- [.110 POLICY RATIONALE](#)
- [.120 AUTHORITY](#)
- [.130 APPROVAL AND EFFECTIVE DATE OF POLICY](#)
- [.140 KNOWLEDGE OF THIS POLICY](#)
- [.150 DEFINITIONS](#)
- [.160 RESPONSIBILITIES](#)
- [.170 RECOGNITION PROGRAM COMPONENTS](#)
- [.180 COMPLIANCE](#)
- [.190 RECORDS RETENTION](#)
- [.200 AWARD TYPES, FREQUENCY, AND PAYROLL PROCESSING](#)
- [.300 AMENDMENT AND REVOCABILITY](#)
- [.690 CONTACT INFORMATION](#)
- [.695 HISTORY](#)

### APPENDIX

- [.700 EMPLOYEE RECOGNITION AWARDS SUMMARY CHART](#)

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### POLICY

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#### **.100 POLICY STATEMENT**

Institution presidents may establish and maintain performance award programs, with awards payable, up to established limits, from an institution's Education and General funds. Service awards may be provided only from non-institutional funding sources (e.g., Foundation). Other awards payable from sources other than Education and General funds, such as Foundations or donor gifts available for such purposes, are not limited in their amount by this policy.

## **.105 APPLICABILITY**

This policy applies to all faculty, academic/administrative unclassified, classified and student employees of the Oregon University System.

## **.110 POLICY RATIONALE**

OUS seeks to ensure that awards for employee and team performance, and for service be made in amounts commensurate with other awards made from state agencies' General fund allocations.

## **.120 AUTHORITY**

The basis for this policy is provided in the following:

- [ORS 351.070 - Board's General Powers as to Higher Education and Institutions, Personnel Systems](#)
- [OAR 580-020-0100 - Human Resources System](#)
- [OAR 166-475-0010\(8\) - Publications, Promotions and Alumni Records](#)

## **.130 APPROVAL AND EFFECTIVE DATE OF POLICY**

Approved by the Vice Chancellor for Finance and Administration on August 30, 2006. The effective date of the policy is August 30, 2006.

## **.140 KNOWLEDGE OF THIS POLICY**

All Chancellor's Office and institutional personnel with fiscal or human resources responsibilities should be knowledgeable of this policy.

## **.150 DEFINITIONS**

**Performance awards:** Cash or non-cash awards that recognize and promote extraordinary employee and/or team achievements to reward and reinforce desired, demonstrated behavior, achievement, and results. Performance awards do not include defined merit pay programs that may be a part of bargaining unit compensation plans, or salary performance incentives that may be included in individual employment contracts.

**Service awards:** Cash or non-cash awards to honor length of service or retirement.

## **.160 RESPONSIBILITIES**

### **A. CHANCELLOR'S OFFICE**

<b>High level roles</b>	<b>High level responsibilities</b>
Payroll Manager	Maintains Banner database, as well as the payroll rules and tables.

Internal Audit Division	Gathers responses from the institutions for the State on audit findings and sub-recipient monitoring, plus other requests, as necessary.
Controller's Division	Provides limited guidance to institutions.

## B. INSTITUTION

High level roles	High level responsibilities
Award Administrator or Committee	Identifies award-eligible events, programs, and circumstances, recipients, and timing of awards.
Recipient of Awards	Accepts awards, signs related contracts (some must be reviewed by the Department of Justice).
Administrator of Awards Programs	Reviews expenditures, prepares invoices, collects funds from sponsors, identifies and allocates funds received.
Reporting Manager	Prepares financial and other reports for sponsors, institutional leadership, and the Chancellor's Office.
Audit Contact	Coordinates specific audit activity, including responding to audit findings.

### .170 RECOGNITION PROGRAM COMPONENTS

An institution president (or designee) shall determine the nature of employee performance and service recognition programs, to include:

- program objectives
- eligibility criteria
- plan administration procedures
- award types:
  - cash or
  - non-cash
- communication to employees

### .180 COMPLIANCE

Each institution president shall ensure that the program is in compliance with all applicable rules, policies, and regulations. He/she shall ensure the program can be financed within the limits of his/her institution's available operating budget and, if applicable, its legislatively approved program.

## **.190 RECORDS RETENTION**

Each institution shall prepare and retain records of cash awards and non-cash awards, summary lists of recipients, and program changes made by the institution as they occur.

## **.200 AWARD TYPES, FREQUENCY, AND PAYROLL PROCESSING**

### **Performance Awards Paid from Education and General Funds**

Cash and non-cash performance awards paid from Education and General funds of the institution are generally one-time awards, and shall not exceed \$50 in a calendar year (maximum of \$50 per individual if award is a team award).

- Cash and non-cash award amounts shall not be included in the employee's base salary.
- Employee(s) may receive a cash or a non-cash award, or a combination of the two.
- Cash awards are processed through the payroll system and are subject to taxation as income.

### **Performance Awards Paid from Other than Education and General Funds**

Cash and non-cash performance awards paid from other than Education and General funds of the institution are not limited to a specific dollar amount.

- Cash and non-cash awards shall not be included in the employee's base salary.
- Employee(s) may receive a cash or a non-cash award, or a combination of the two.
- Cash awards are processed through the payroll system and are subject to taxation as income.
- Non-cash awards up to \$400 in a calendar year per employee are non-taxable to the employee.

### **Service Awards not Permitted to be Paid from Education and General Funds**

Cash and non-cash service awards may not be paid from Education and General funds.

### **Service Awards Paid from Other than Education and General Funds**

Cash and non-cash service awards paid from other than Education and General funds are not limited to a specific dollar amount.

- Cash and non-cash awards may not be included in the employee's base salary.
- Employee(s) may receive a cash or a non-cash award, or a combination of the two.
- Cash awards are processed through the payroll system and are subject to taxation as income.
- Non-cash awards valued under \$400 are excluded from taxation. The \$400 limitation is an annual exemption for a single employee each calendar year.

## Related Items

- Receptions or events at which service or performance awards are presented are not processed as awards to the recipient(s). Education and General funds may not be used to provide refreshments or facilities for voluntary social events, either off-site or on-site, such as retirement celebrations.
- Gift certificates are cash equivalents and subject to the provisions for cash awards.

## .300 AMENDMENT AND REVOCABILITY

The Oregon University System retains the right to modify, change, or discontinue this policy at its discretion.

## .690 CONTACT INFORMATION

Direct questions about this policy to the following offices:

Subject	Contact
General questions from institutional personnel	Institution Office of Human Resources
General questions from institutional central administration and Chancellor's Office personnel	Chancellor's Office Controller's Division

## .695 HISTORY

01/27/06 - Proposed for drafting

04/14/06 - HR Directors Review

05/15/06 - Directors of Business Affairs, Budget Officers, Administrative Council Review

06/01/06 - Approved by Administrative Council

07/05/06 - Revised

07/25/06 - Reissued for Review

08/30/06 - Approved

03/09/07 - Revision

*Policy Last Updated: 03/09/07*

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## APPENDIX

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### .700 EMPLOYEE RECOGNITION AWARDS SUMMARY CHART

#### [EMPLOYEE RECOGNITION AWARDS SUMMARY CHART - PRINTABLE VERSION](#)

Award Type	Funding Source	Limits	Tax Reporting
<b>Employee or team achievement awards (performance awards)</b>	Budgeted Operations - Funds beginning with 00 or 01.	Allowable.  Shall not exceed \$50 per person and generally are one-time awards.	Cash and cash equivalents including gift certificates are taxable through the payroll system.  Non-cash awards are not taxable (not to exceed \$50).
	Funds other than Budgeted Operations.	Allowable.  Not limited to a specific dollar amount.	Cash and cash equivalents including gift certificates are taxable through the payroll system.  Non-cash awards up to \$400 are not taxable.
<b>Retirement or length of service awards (service awards)</b>	Budgeted Operations - Funds beginning with 00 or 01.	Not allowable.	N/A
	Funds other than Budgeted Operations.	Allowable.  Not limited to a specific dollar amount.	Cash and cash equivalents including gift certificates are taxable through the payroll system.  Non-cash awards up to \$400 are not taxable.
<b>Refreshments for voluntary social events such as retirement celebrations</b>	Budgeted Operations - Funds beginning with 00 or 01.	Not allowable.	N/A

	Funds other than Budgeted Operations.	Allowable	N/A
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Table Source: Krista Borg, University of Oregon

*Appendix Last Updated: 12/27/06*