

UTAH DEPARTMENT OF HUMAN SERVICES POLICY AND PROCEDURES		
Reference: 02-08	Effective Date: July 2, 2004	Page 1 of 8
	Revision Date: July 3, 2012	
SUBJECT: INCENTIVE AWARD AND BONUS PROGRAM		
RATIONALE: The Department of Human Services establishes an Incentive Award and Bonus Program to recognize and reward employees for their exceptional work performance that results in efficiency, cost savings and innovations, etc., and to meet targeted human resource requirements.		

I. DEFINITIONS:

For the purpose of this policy:

A. **“Division director”** means the director of the following divisions within the Department:

1. Aging and Adult Services
2. Child and Family Services
3. Juvenile Justice Services
4. Services for People with Disabilities
5. Substance Abuse and Mental Health

B. **“Office director”** means the director of the following offices within the Department:

1. Administrative Hearings
2. Executive Director
3. Fiscal Operations
4. Licensing
5. Public Guardian
6. Recovery Services
7. Services Review
8. and all other offices that fall under the direct supervision of the Executive Director or Deputy Directors of the Department.

C. **“Agency administrator”** means:

1. Superintendent of the Utah State Hospital
2. Superintendent of the Utah State Developmental Center
3. Region or Program Directors/Administrators (or the equivalent) in the Division of Child and Family Services, Division of Juvenile Justice Services, Division of Services for People with Disabilities, and the Office of Recovery Services.

II. POLICY

Pursuant to State of Utah Human Resource Management Rules R477-6-5 on Incentive Awards and R477-7-7(1)(c) on Administrative Leave, reward in lieu of cash, the Department establishes an incentive award and bonus program with the following parameters.

- A. Divisions and offices may reward employees with performance based incentive awards, cost savings and market based bonuses, by cash or administrative leave with pay.
- B. Division/office/institution incentive award and bonus plans may be used as a tool to meet recruitment, retention, or coverage needs in high-skill areas with labor market shortages.

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- C. All division/office/institution incentive award and bonus plans shall be approved by the division or office director, then submitted to the Executive Director's Office and receive approval prior to implementation.
- D. Divisions and offices may not award an incentive award or bonus based solely on an employee's annual performance evaluation rating, even if it is "exceptional."
- E. The awarding of all incentives and bonuses is subject to availability of budget as determined by the division or office directors, or Department executive administration.
- F. The funds to compensate employees for incentive awards and bonuses are to come from the appropriation unit where employees are employed.
- G. Non-cash incentive awards and cash equivalent awards (gift certificates, etc.) are not permitted within the Department of Human Services.
- H. Nothing in this policy prohibits the purchase of office supplies and office equipment to be used in the course of state business.
- I. All incentive awards and bonuses shall meet eligibility and criteria requirements and be documented, evaluated, and approved by the appropriate division or office director, agency administrator, or DHRM, as specified in Sections IV and V of this policy.
- J. Each division or office is responsible to maintain appropriate documentation of all cash and administrative leave awards issued to employees.
- K. A copy of all approved cash, bonus, and administrative leave with pay incentive award nomination forms shall be placed in the recipient's personnel file.
- L. This policy does not apply to administrative leave awarded by the Governor's Office, leave approved as part of employee investigations or disciplinary actions, or other administrative leave awarded per Human Resource Management Rule R477-7-7 (1), except (1)(c), "reward in lieu of cash."
- M. Exceptions to this policy may be granted by the Executive Director, Department of Human Services.

III. TYPES OF INCENTIVES

The following types of incentives are available to reward employees who meet the criteria detailed in this policy in Section IV, Eligibility and Criteria.

A. Cash Incentive Awards and Bonuses

Cash incentive awards and bonuses, when approved for use by the Executive Director

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1. Division/office issued cash incentive awards and bonuses:
 - a. Awards range from no less than \$50.00 and up to \$500.00.
 - b. Shall be approved by division or office directors or agency administrators to recognize employees who meet one or more of the performance and/or cost savings criteria as outlined in Section IV.B.1 and 2 of this policy.
 - c. Awards to individual employees shall not exceed a maximum of \$500.00 in a fiscal year unless approved by the Executive Director.

2. Department issued cash incentive awards and bonuses:
 - a. Awards range from \$501.00 to \$4,000.00.
 - b. Shall be approved by the Executive Director to recognize employees who meet one or more of the criteria in Section IV.B of this policy and which results in positive outcomes over a sustained period of time.
 - c. All market based bonus awards shall also be approved by DHRM pursuant to the procedures outlined in Section V.5.
 - d. Individual awards shall not exceed \$4,000.00 per pay period and a maximum of \$8,000.00 in a fiscal year.
 - e. A single payment of up to \$8,000 may be granted as a retirement incentive.
 - f. Any exception to this limit must be approved by the Executive Director and be in conformity with Department of Human Resource Management Rules R477-6-5.

B. Administrative Leave with Pay

Administrative leave with pay in lieu of cash, when approved for use by the Executive Director and available based on agency budget, shall be awarded based on the following.

1. Division/office directors or agency administrators may approve administrative leave from a minimum of one (1) hour to one full day of work per occurrence.
2. Only the Executive Director may approve administrative leave exceeding one full day of work per occurrence.

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3. The cumulative total of administrative leave awarded to any employee shall not exceed 40 hours in a fiscal year.
4. Administrative leave given as a reward in lieu of cash may be given from one department of state government to employees of another department of state government if the Executive Directors of both departments agree in advance.

C. Service and Retirement Awards

Service and retirement awards may be given to employees in accordance with the Division of Finance rules.

D. Combination Awards

A combination of cash and administrative leave may be issued by the Executive Director, division or office directors, or agency administrators consistent with this policy.

IV. ELIGIBILITY AND CRITERIA

A. Eligibility

1. Any employee or group of employees in the Department who receive benefits, including probationary employees, may be eligible for cash, bonus, or administrative leave with pay incentive awards.
2. Any employee or group of employees who do not receive benefits are eligible for cash incentive awards or bonuses only.
3. The following employees are ineligible for cash, bonus and administrative leave with pay incentive awards:
 - a. Employees with an overall unsuccessful performance evaluation within the last 90 days.
 - b. Employees who are currently on performance improvement plans.
 - c. Employees who are on administrative leave pending the results of an investigation into their conduct.
 - d. Employees who have received some form of disciplinary action (written reprimand, suspension without pay, or demotion) within the last 12 months.

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- e. Paid board members are not considered employees and are not eligible for incentive awards.

B. Criteria

Justifications for cash incentive awards, bonuses, or administrative leave with pay must meet one or more of the following criteria.

1. Performance based incentive awards:

The employee has demonstrated exceptional effort or accomplishment beyond what is normally expected on the job for a unique event or over a sustained period of time. For example:

- a. Improvement in Department operation—applied creative ideas, initiative, leadership, and investment of time beyond standard expectations for improvement of agency function.
- b. Statewide benefits and public service—increased or improved public service/safety/health, or reduced duplication of statewide efforts (such as improved interagency data systems, communication and coordination).
- c. Outstanding work effort—positively exceeded normal job responsibilities and expectations for a unique event or over a sustained period of time.

2. Cost savings bonuses:

The employee has increased productivity, generated savings within the Department, or has submitted a cost savings proposal. Cost savings shall be documented in the justification. For example:

- a. Increased revenue within the Department.
- b. Saved significant money and/or time expenditures.

3. Market based bonuses:

The employee is being rewarded as part of a pre-approved division/office/institution incentive award and bonus plan to meet targeted human resource requirements in a fiscally responsible manner. For example:

- a. Retention bonus—for an employee who has unusually high or unique qualifications that are essential for the agency to retain.

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- b. Recruitment or signing bonus—to incentivize a qualified job applicant to work for the department.
- c. Scarce skills bonus—to attract a qualified job candidate who has scarce skills required for the job.
- d. Relocation bonus—for a current employee who must relocate to accept a position in a different commuting area.
- e. Referral bonus—for a current employee who refers a job applicant who is subsequently selected.

V. PROCEDURES

A. General Procedures

1. An incentive award nomination may be initiated by any Department employee(s) or individual(s) outside of the Department who has (have) direct knowledge of the achievement of the employee(s) being nominated.
2. Bonus nominations are initiated by division or office management for their own employees.
3. Nominations of individual employees or groups of employees must be submitted on a Department of Human Services “Cash Incentive Award or Bonus” form, or an “Administrative Leave Incentive Award” form, which are attached to this policy. A separate form shall be submitted on each employee, even if several are being nominated for the same performance or reasons.
4. Nominations shall be made as soon as possible but no later than within six (6) months of the date of the performance or reason for which the employee is being nominated.
5. Nominations for market based bonuses shall include a written justification specifying how the division or office will benefit by granting the bonus based on:
 - a. budget;
 - b. recruitment difficulties;
 - c. a mission critical need to attract or retain unique or hard to find skills in the market; and
 - d. other market based reasons.
6. Use of administrative leave with pay is subject to the same prior approval process as the use of annual leave.

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7. The "Administrative Leave Incentive Award" form shall include the number of hours approved and the date by which all the administrative leave must be used.
8. Cash incentive and administrative leave awards shall be used within one year from the date issued. Unused cash incentive awards or administrative leave hours shall be forfeited if not used within one year from the date issued, or upon transfer or reassignment to a different DHS division or office, or upon termination from the Department.
9. An employee who receives a cash incentive award or bonus shall submit a copy of the award form, and any other required documentation, to DHRM as supporting documentation for payroll processing.
10. An employee who receives administrative leave in lieu of cash shall enter leave code "OR" for the leave hours applied on the Employee Self-Serve (ESS) payroll system, and shall submit a copy of the administrative leave form to DHRM as supporting documentation for payroll processing.
11. Divisions and offices shall be responsible to track all the cash incentive awards and bonuses, and administrative leave issued to their employees. Tracking shall include employee names, reasons(s) for the award/bonus/leave, the amount of cash or administrative leave issued, and the date it was issued.

B. Division/Office Issued Cash Incentive Awards, Bonuses, and Administrative Leave

1. Nominations shall be submitted on the "Cash Incentive Award or Bonus" form or "Administrative Leave Incentive Award" form to the division or office director or agency administrator where the nominated employee works.
2. The division or office director or agency administrator reviews the form and either approves by signing the form or disapproves by returning the form to the nominator(s).
3. The division or office director or agency administrator may request additional information and/or interviews as he or she feels are necessary.
4. The division or office may establish a committee to review and recommend awards or bonuses for division or office director consideration.

C. Department Issued Cash Incentive Awards, Bonuses, and Administrative Leave

1. Nominations shall be submitted on the appropriate "Cash Incentive Award or Bonus" form, or the "Administrative Leave Incentive Award" form to the

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2. The division or office director shall review the nomination and, if the director supports the nomination, forwards it to the Executive Director for consideration. The division or office director may include additional justification stating the reasons why the nomination should be approved by the Executive Director.
3. The Executive Director reviews the nomination and approves by signing the form or disapproves by returning the form to the division or office director. For market-based bonuses, the Executive Director will forward the nomination to DHRM for final approval. DHRM will notify the Executive Director in writing of approval and denials.
4. All original forms and materials will be returned to the division or office director.

Palmer DePaulis

Palmer DePaulis, Executive Director
Department of Human Services

Date: 7/3/2012

**DEPARTMENT OF HUMAN SERVICES
CASH INCENTIVE AWARD OR BONUS**

Employee: _____ Division or Office: _____

Nominator: _____ Employee's EIN: _____

Nomination date: _____ Division or Office: _____

Reason(s) for Award or Bonus (check all that apply):

_____ Performance Based Incentive Award

_____ Cost Savings Bonus

_____ Market Based Bonus (requires Executive Director and DHRM approval)

I. Division/Office Issued Cash Incentive Award or Bonus (from \$50.00 to \$500.00)

Amount: \$ _____

Approved by: _____
(Division/office director or agency administrator)

Approval date: _____

(Attach a written justification for the cash incentive award or bonus)

II. Department Issued Cash Incentive Award or Bonus (from \$501.00 to \$4,000.00)

Amount: \$ _____

Approved by: _____
(Executive Director)

Approved by: _____
(DHRM) required for market based bonus

Approval date: _____

(Attach a written justification for the cash incentive award or bonus)

Note: Cash incentive awards and bonuses shall be used within one year from the date issued. Unused cash incentive awards and bonuses shall be forfeited if not used within that time frame, or upon transfer or reassignment to a different DHS division or office, or upon termination.

**DEPARTMENT OF HUMAN SERVICES
ADMINISTRATIVE LEAVE INCENTIVE AWARD**

Employee: _____ Division or Office: _____

Nominator: _____ Employee's EIN: _____

Nomination date: _____ Division or Office: _____

Reason(s) for Award or Bonus (check all that apply):

_____ Performance Based

_____ Cost Savings Based

_____ Market Based (requires Executive Director and DHRM approval)

I. Division/Office Issued Administrative Leave Incentive Award (from one hour to one full day)

Amount: _____

Approved by: _____
(Division/office director or agency administrator)

Approval date: _____

(Attach a written justification for the administrative leave incentive award)

II. Department Issued Administrative Leave Incentive Award (more than one full day)

Amount: _____

Approved by: _____
(Executive Director)

Approved by: _____
(DHRM) required for market based bonus

Approval date: _____

(Attach a written justification for the administrative leave incentive award)

Note: Administrative leave incentive awards shall be used within one year from the date issued. Unused administrative incentive awards shall be forfeited if not used within that time frame, or upon transfer or reassignment to a different DHS division or office, or upon termination.