

# UCSC STAFF LOCAL AWARD PROGRAM GUIDELINES

## **I. Purpose**

The purpose of the Staff Local Award Program is to:

- Encourage excellence in customer and University service
- Recognize individuals or teams for exceptional performance
- Encourage innovation and creativity
- Support professional development
- Recognize individuals or teams for efforts that have resulted in reduced operating costs or improved operational efficiency

## **II. Types of Awards**

There are two types of awards available under this program:

**Cash Awards (Individual or Team Awards):** A cash award of up to \$5,000 or 10% of annual base salary, whichever is less, based on appointment percentage, may be granted to an eligible employee whose annual base salary (including stipend) is less than \$150K.

**Non-Cash Awards:** Principal Officers may establish award types that are appropriate for their organization and consistent with campus guidelines and university policies. The same limits apply as above. Examples of non-cash awards include:

- Training or educational expenses for job-related training or related to work toward an undergraduate degree.
- Non-cash gifts involving a purchase, e.g., plaques, recreation cards, parking fees, gift certificates, T-shirts, mugs or other mementos.

## **III. Management**

Principal Officers may establish local award programs that are appropriate for their organization and consistent with the award program purpose. Awards under this program can be made throughout the fiscal year or as an annual process. Components of a program may include individual, team, cash and/or non-cash awards.

Principal Officers may consult with their Employee and Labor Relations (ELR) Analyst to assist in developing or revising the award program in their areas. The award program should be widely disseminated to all staff in the organization well in advance of the award decision-making process, whenever possible.

## **IV. Award Limits**

An employee may receive a combination of cash awards (Local and SRDP) providing that the total does not exceed the maximum of \$5,000 or 10% of annual base salary, whichever is less, and the cumulative amount of cash and non-cash awards does not exceed the maximum allowable limit of 10% of annual base salary, based on appointment percentage within the current fiscal year.

## **V. Eligibility**

Career and limited PSS, MSP and represented staff employees (subject to union agreement) and all registered student employees are eligible to be nominated for an award if:

- They have received a performance appraisal rating of “Satisfactory” or better for the fiscal year; student employees must be in good academic standing;
- Have been on pay status for at least six months prior to the nomination;
- Are on active pay status or approved unpaid leave at the time of payout; and
- Have an annual base salary (including stipend) of less than \$150,000.

Note: Staff employees hired on an employment contract are eligible for an award if it is specified in their contract.

The eligibility period for the award program begins July 1 of each fiscal year and ends June 30 of each fiscal year.

#### **VI. Criteria**

Awards will be made based on the following criteria:

- Advancing the mission - creative or innovative actions which have had a significant positive, documented impact on the department or campus community.
- Customer satisfaction – performance that elicits exceptionally positive responses from customers and clients, and improves the level of service provided by the unit.
- Improved efficiency – improvements to organizational effectiveness and performance, operational efficiency, and/or reduction in operating costs contributing to the departmental mission or strategic plan.

#### **VII. Nomination and Decision Process**

Principal Officers should establish and communicate a nomination and decision process for their organization. Endorsement by the immediate supervisor must be an essential step in the nomination process. Programs may incorporate an external nomination process from units for which services have been provided.

It is recommended that the awardees receive a written acknowledgement of the award, which includes the reason for the award, the award amount (if appropriate) and a signature by the designated decision-making authority.

The Local Cash Award Nomination form can be found at:

<http://shr.ucsc.edu/forms/forms/shr-1350.pdf>

The Professional Development Award Nomination form can be found at:

<http://shr.ucsc.edu/forms/forms/shr-1991.doc>

#### **VIII. Funding**

The Local Award Program is funded by divisional, department or unit resources.

#### **IX. Documentation and Processing of Award Payments**

Requesting departments/divisions are responsible for insuring eligibility of the nominated employee. Note: Remember that if you are planning to offer an award to someone from outside of your department/division, you must contact the employee's manager prior to making award recommendation to insure that there are no conflicts.

**Cash Award:** The cash award payment process is the same for all staff. Appropriate documentation to support award payments (the Local Cash Award Nomination Form and award letter to employee, if produced) shall be forwarded to your SHR Operations Supervisor. Payment of awards will be processed by Staff Human Resources using the DOS code "LEA". The cash awards under this program are non-base building and will be paid in the form of a lump sum through the employees' regular payroll cycle.

**Non-Cash Award:** The approved Professional Development Award Nomination Form is to be submitted to the FAST Office for processing. Please refer to:  
[https://financial.ucsc.edu/pages/payments\\_noncashemployeeawards.aspx](https://financial.ucsc.edu/pages/payments_noncashemployeeawards.aspx)

#### **X. Tax Reporting**

Cash award payments are paid through the employees' regular payroll cycle and will be considered taxable income.

It is recommended that units consult with the Payroll Office on potential tax reporting and liability before including non-cash awards in an award program. Non-cash awards that are included in the award program require Payroll Office notification. The Payroll Office must include the value of such payments in an employee's W-2 statement. For more information on taxes for these awards, please go to the Accounting Manual, section T-182-77, VI and Appendix A at: <http://www.ucop.edu/ucophome/policies/acctman/t-182-37.pdf>

Questions regarding the payment of awards and payments that are considered tax reportable income should be directed to the Payroll office.