

EMPLOYEE SUGGESTION AWARDS

POLICY STATEMENT

The University of St. Thomas recognizes the power of ideas and encourages their creative exploration. This policy establishes a formal mechanism to enable the University to recognize and reward staff and faculty whose documented ideas and/or suggestions, when implemented, result in tangible financial benefits to the University in the form of increased efficiencies, net savings, new net revenue, and/or significant but measurable improvements in the operations of the University.

GENERAL PROVISION

The Employee Suggestion Awards Program recognizes eligible employees for their contributions that may be outside or beyond their normal job responsibilities.

SECTION I SUGGESTION AWARDS PROGRAM

The purpose of the employee suggestion awards program is to encourage and reward eligible staff and faculty whose creative ideas or suggestions that, when implemented, result in increased efficiencies, net savings, new revenue, and/or significant improvements in the operations of the University. The terms "net savings or new revenue" shall mean the estimated permanent savings or permanent new revenue generated in the first fiscal year of full implementation of an employee suggestion for reducing expenditures or generating new revenue.

In order for an idea or suggestion to be considered, the contribution must be a constructive proposal, submitted in writing by one or more employees, and result in one or more of the following outcomes. A (n)

- (1) Net cost savings through the elimination or reduction of University expenditures not later than the end of the ensuing fiscal year without adverse, material effect on quality or scope of service,
- (2) Generation of new net revenue (excluding student revenue, fees, or employee fines),
- (3) Elimination of unnecessary processes, operations, or services that result in actual cost savings,
- (4) Development of new tools, equipment, processes, or work methods that result in a significant savings to the University either in time or money, reduces waste, or stretches financial resources, and/or
- (5) Elimination of waste, misuse of resources, or even fraud that results in actual cost savings.

Generally excluded from consideration are suggestions that propose a change in the University's employee benefits or compensation programs, routine care of buildings and grounds, routine safety practices, minor revisions to University forms, changes as a result of employee complaints and/or grievances, suggestions to outsource or restructure a unit or to

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enforce existing University policies and procedures or suggestions that relate to objectives or initiatives that are already in progress.

SECTION II APPLICABILITY

All regular full-time and part-time staff and faculty, including employees covered by a collective bargaining agreement, are eligible to participate in the program. Ineligible employees include temporary employees, adjunct faculty, and Academic and Administrative Advisory Committee members. Awards are given throughout the year, with an annual awards ceremony held to publicly recognize employees whose creative ideas and suggestions help improve the operation and/or fiscal performance of the University.

All monetary awards are processed through the University's payroll system for proper income tax withholdings and reported on employees' W-2 forms at the end of the tax year.

SECTION III TYPE AND SIZE OF AWARDS

The Suggestion Awards Program provides two forms of recognition—a monetary award or time-off award. Both types are appropriate for recognizing and rewarding an employee whose ideas and suggestions meet one or more of the awards criteria listed in Section 1 above. A recipient, however, may prefer one type of award above the other. Whenever feasible, the employee's choice of award shall be honored.

- (1) **Monetary Awards.** The amount of the monetary award ranges in size from a lump-sum payment of \$500 to \$1,000 depending on the tangible benefits of the employee's idea or suggestion to the University. Monetary awards are in addition to an employee's regular pay and are subject to all applicable income taxes. The University shall pay the employee's personal income taxes associated with a monetary award. Therefore, the award amount will be adjusted upward to cover awardees' personal income taxes.
- (2) **Time-Off Awards.** Time-off awards provide employees paid time off from work without a loss of pay or accrued Paid Leave Time (PLT), vacation, or floating holidays. In determining the amount of time-off to be granted, consideration shall be given to the tangible benefit realized by the University as a result of the employee's suggestion or idea.

Full-time employees may be granted up to 40 hours of time off as recognition or reward for their contribution. An employee may not receive more than 80 hours of time off in any one fiscal year.

The number of time-off hours a part-time employee may be awarded depends on the employee's percentage of work effort, that is his/her full-time equivalency (FTE). Part-time employees may not receive for a single suggestion or idea a time-off award greater than the total number of hours they typically work in a given pay period. Likewise, part-time employees

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may not receive during any one fiscal year more than double that total number of hours as a time-off award. For example, an employee who works 20 hours per week may receive up to 20 hours of paid time off for a single contribution and up to 40 hours in a given fiscal.

SECTION IV LIMITATIONS

The minimum estimated value of an employee's proposal shall be \$50,000 or more. Any proposed suggestion or idea that does not meet this minimum threshold will not be considered. An employee shall not receive more than one monetary award during a given fiscal. The total monetary value of an employee's award for any single suggestion or idea in a given fiscal year may not exceed one thousand dollars (\$1,000). A time-off award may not be converted to a monetary award. However, a monetary award may be granted in combination with a time-off award. When determining the total monetary value of earned awards, time-off awards for hourly employees are calculated at their hourly rate of base pay.

SECTION V SUBMITTING A SUGGESTION

Employees shall use the Employee Suggestion Awards Form, which provides general instructions for developing and submitting innovative ideas and suggestions. The expectation is that employees will research and test their proposals and provide data that support and/or verify the proposed net savings, net revenue, or operations and service improvements. Also included in the proposal is an analysis of the estimated costs of implementation. Proposals are submitted to the Human Resources Department, who shall maintain a log of submitted proposals and forward them to the chairperson of the Employee Suggestion Awards Committee with proper notification to the appropriate Academic and Administrative Advisory Committee member.

SECTION VI EVALUATION PROCESS

The evaluation process is multi-faceted. It may include any or all of the following steps and/or actions.

- A. **Documentation Evaluation** by the Human Resources Department to review the submitted Employee Suggestion Awards form for qualification, completeness, and potentially requesting additional information from the submitter.
- B. **Individual Evaluator** is an individual assigned to review suggestions and determine the feasibility of implementation. This person is usually a supervisor or manager in the area(s) impacted by the suggestion or who is responsible for its implementation. The evaluator includes as part of his or her evaluation a feasibility analysis and the relative advantages of the proposal over current practices, a cost-benefit analysis (including cost to implement and estimated first year benefits), and a recommendation to adopt or not adopt, with reasons for the recommendation.

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- C. **Subject Matter Experts** are individuals with a specific expertise related to the employee proposal being evaluated. These individuals may be called upon by either the Individual Evaluator or the Employee Suggestion Awards Committee to provide technical input and otherwise to assist with the evaluation of a particular proposal.
- D. **Savings Verification** by the Vice President for Business Affairs and CFO verifies the projected net savings or the proposed new revenue source with the assistance of the individual evaluators and subject matter experts.
- E. **Employee Suggestion Awards Committee** is a group of eight (8) Academic and Administrative Advisory Committee members appointed jointly by the Executive Vice Presidents to review employee proposals, determine the feasibility of implementation, make recommendations regarding approval or disapproval, as well as recommend the amount or value of the Employee Suggestion award. The Committee reviews proposal(s) within thirty (30) days following receipt of the complete proposal, including all analyses.
 - (i) If duplicate suggestions are received, the one bearing the earliest date of receipt by the Human Resources Department shall be eligible for consideration. All others shall be ineligible. Similar suggestions may be eligible for consideration provided the subsequent proposal(s) adds to the cost savings or value of improved operations and services realized by the first suggestion.
 - (ii) If a dean, program director, vice president, or another administrator modifies an employee's proposal, which is later approved, the employee is eligible for an award based only on the savings or value of improved operations or services that directly resulted from the original portion of his or her proposal. The part of a proposal not used or modifications made during the review and evaluation process shall not be used as a basis for calculating the amount of an employee's award.

SECTION VII COMMUNICATING FINAL DECISION

Based on the recommendations of the Employee Suggestion Awards Committee, the Executive Vice Presidents jointly make the final decision to approve or disapprove an employee's proposal. They shall provide the employee written notification of the decision within 30 days following receipt of the Committee's recommendation. If approved, the written notification shall include the amount of the award. The employee's award is granted only after the Executive Vice Presidents have made the final decision and communicated it in writing to the employee and the appropriate Academic and Administrative Advisory Committee member.

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SECTION VIII APPEALS PROCESS

An employee may request reconsideration of an unfavorable determination made during the review and evaluation process. That request must be in writing and received by the Human Resources Department within 30 days from the date of the notification letter.

The request for reconsideration must outline the reasons the employee believes the decision to disapprove the proposal was in error. The Employee Suggestion Awards Committee shall meet with the employee to discuss the issues raised and recommend to both Executive Vice Presidents final action.

This appeals process is the exclusive, final, and binding remedy for resolving any dispute arising under the Employee Suggestion Awards Program. Disputes shall not be subject to any other University grievance or review process.

SECTION IX ACCOUNTABILITY

- A. The Executive Vice Presidents jointly appoint the Employee Suggestion Awards Committee, provide final approval for employee proposals, and assure objective and timely consideration of them. The Executive Vice Presidents also promote the Program by encouraging broad employee participation and assure timely and public recognition of award recipients and their contributions to the University.
- B. The Employee Suggestion Awards Committee is responsible for applying the implementation procedures of this policy consistently and uniformly and doing so within the timeframe prescribed by policy.
- C. The Vice President for Business Affairs and CFO works closely with individual evaluators, subject matter experts to verify projected new net savings or new revenue sources identified by an employee suggestion.
- D. The Human Resources Department oversees the recognition awards process, works closely with the Executive Vice Presidents to monitor program effectiveness, reviews the submitted Employee Suggestion Awards form for qualification, completeness and potentially requesting additional information from the submitter, is the focal point for employee communication on suggestions in process and assures consistent and uniform application of the Policy. The Human Resources Department also ensures the timely processing of employee recognition awards, as well as employee appeals filed according to this policy.
- E. Academic and Administrative Advisory Committee members are responsible for promoting the recognition awards program by encouraging broad employee participation and assuring timely and public recognition of award recipients and their contributions.

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- F. Employees who serve as subject matter experts or individual evaluators are responsible for conducting an objective analysis and evaluation of employee proposals and timely reporting their findings and recommendations to the Employee Suggestion Awards Committee Chairperson.
- G. Employees are responsible for fully developing their proposals including cost savings calculations and submitting them for evaluation to the Human Resources Department.