Policy on Rewards and Recognition (R&R)
(formerly "Policy on Classified Staff Rewards and Recognition")

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Applies to:
All full-time and part-time staff, Administrative and Professional (A&P) faculty, and wage employees. Wage employees and Administrative and Professional Faculty are not eligible for recognition leave. (Teaching and Research faculty may be eligible for an incentive under a separate policy.)

Policy Background:
This policy falls under the umbrella of the University's Employee Rewards and Recognition Policy (online at: http://www.hrs.virginia.edu/Policies/comp/emplrewards.html) and is subject to the state and federal guidelines detailed in that document.

Authority for faculty to receive reward payments under this plan is under the umbrella of the University Faculty Salaries and Bonuses policy: https://policy.itc.virginia.edu/policy/policydisplay?id=HRM-035

Reason for Policy:
The School of Medicine's Rewards and Recognition (R&R) Policy is designed to encourage employees to make a performance difference either individually or through team effort. The policy recognizes achievements, accomplishments, and performance above and beyond expectations that contribute to the objectives of the individual departments or centers, or to the overall objectives of the School of Medicine.

Policy Statement:
The R&R policy provides both monetary and non-monetary awards. The majority of rewards are managed at the department level with SOM HR approval. The School-wide Employee of the Month and Administrator of the Year programs are managed by SOM HR. Individual departments may design rewards programs specific to their area with approval of SOM HR as long as they comply with University policy as outlined in the "Procedures" section, below.

The University of Virginia has three levels of recognition:

Performance Awards:

Level 1 – This is the first level to recognize a **superb** job on a project, task, or activity including outstanding support of day-to-day business operations/processes, or for suggestions leading to the improvement of a work process, workflow or customer service. Student caller bonuses and Peer Recognition rewards are within this level.

- Up to $500 cash/gift-card
- And/or one (1) day of recognition leave (only for staff)

Level 2 – This is the second level intended to recognize **sustained** outstanding achievement and/or contribution **above and beyond** standard job requirements or to recognize suggestions leading to the improvements in the work process, workflow or customer service.

- Up to $1,000 cash/gift-card
- And/or up to three (3) days of recognition leave (only for staff)

Level 3 – This is the third and highest level that may be given to an individual or team to recognize a **major extraordinary achievement** and/or extraordinary contribution **requiring maximum effort that significantly impacted** customer service and productivity that is not likely to repeat itself.

- Up to $2,000 cash/gift-card for Classified Staff; up to $3,000 cash/gift card
- And/or up to five (5) days of recognition leave (only for staff)

Note:

- *The cash limit of $2,000 for Classified Staff is determined by state policy.*
- *The total of monetary and non-monetary rewards shall not exceed $2,000 per Classified Staff employee or $3,000 per A&P faculty member or University Staff employee per fiscal year. The total recognition leave that can be awarded to a classified or*

staff member is up to 5 days of recognition leave per employee, per calendar year.

- *A wage employee may receive a maximum of $3,000 in monetary and non-monetary rewards per fiscal year and is not eligible for recognition leave*

Employee of the Month Award:

The Dean's Office SOM HR manages the Employee of the Month Program. Any individual in the School of Medicine may nominate an employee for Employee of the Month. Nominations are accepted via the SOM HR intranet. All nominations are presented to a committee who verify eligibility and vote on the nominations. Recipients receive a choice of $500 or $200 plus one day of leave as well as a choice of one month free parking in the South Garage or a $50 gift card to the West Cafeteria (subject to eligibility within reward limits). Recipients are recognized in a quarterly and annual reception and on the SOM website.

Administrator of the Year Award:

The Dean's Office SOM HR manages the Administrator of the Year Program. Nominations are solicited each year in December and submitted to SOM HR. All nominations are presented to a committee who verify eligibility and vote on the nominations. Recipients receive a small gift as well as $1,000 (subject to eligibility within reward limits). Recipients are recognized in a quarterly and annual reception and on the SOM website.

COMPENSATION FOR REWARDS

There are four different ways of compensating rewarded employees. The level of reward and type of compensation is at the recommendation of management and is subject to verification and approval by SOM HR.

- Monetary – cash rewards added to the employee's paycheck and taxed as income.
- Gift Card or Gift Certificate – reward used at a place of business, amount is taxed as income.
- Non-Monetary Reward – a gift. Examples include books, umbrella, pens, mugs, chairs, etc.
- Recognition Leave – leave time added to the employee's leave balances. This leave must be used within 12 months of receipt but the time off must also be pre-approved by the supervisor when it is used. For classified and University Staff, this leave is paid out upon separation.

BUDGETING FOR REWARDS AND RECOGNITION

Rewards and recognition awards must be funded with departmental discretionary funds. The use of grant funds is permitted under this policy but should be vetted against what the grant allows. Days off will not be assigned a monetary value.

Departments are required to fund all reward requests submitted and are responsible for scheduling the labor distribution in the Integrated System to ensure appropriate charging of rewards.

TAX REGULATIONS

Regardless of the amount, monetary awards including gift cards are subject to taxes in accordance with IRS tax regulations and are considered income for the employee. Any recognition leave awarded to the employee is considered income and must also be taxed. Non-monetary awards that are less than $100 will not be taxed. Non-monetary awards that are $100 or greater will be subject to IRS taxes and included in the employee's W-2. A single gift of up to $400 is non-taxable to recognize long-term service or safety. Awards will appear on an employee's W-2 as part of all taxable wages, salary, and various other payments.

Definition of Terms:

Department –a clinical or basic science department, an independent center, a Dean's Office area or, for the purpose of budgeting for and presenting awards at the School level, the Dean's Office.

Employee – refers to any classified, staff, or faculty of Agency 207 who is salaried full-time and part-time classified, restricted, "at will," and wage employees. Wage employees are not eligible for recognition leave.

R&R- a monetary or non-monetary reward given to award extraordinary performance under the University's Reward and Recognition plan.

Procedures:

R&R AWARD APPROVALS

All R&R Award Request forms must be submitted to the Dean's Office for approval. This approval must take place before the department makes a commitment to the employee. SOM HR is responsible for verifying the justification is appropriate for reward level chosen and for ensuring employee is not over limit for the fiscal year. SOM HR will submit to University Human Resources, which will confirm approval.

Related Policies:

Employee Recognition for Classified Staff:
https://policy.itc.virginia.edu/policy/policydisplay?id=HRM-006

University Faculty Salaries and Bonuses
https://policy.itc.virginia.edu/policy/policydisplay?id=HRM-035

Next Scheduled Review: October 2015

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Approved:

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Vice President and Dean

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Date