Incentive Compensation and Awards

Overview of USG Policy, GSU Process and FY22 Reporting

Susan Hart Ridley, Finance & Administration
Kim Foney, Human Resources
Discussion Topics

I. USG Incentive Compensation Policy and Reporting Requirements
II. GSU Guidelines
III. GSU Incentives and Awards Reporting and Approval Process
IV. FY22 Program Submission and Review
V. Budget and Payroll Considerations
VI. Questions
USG Policy: Incentive Compensation and Awards

The University System of Georgia (USG) revised the incentive compensation policy (part of the Human Resources Administrative Practice manual) in July 2020.

Incentive Payments are one-time lump sum payments tied to an incentive plan that do not become part of base salary.

GSU utilizes the following USG authorized awards

1. Extraordinary Service Award
2. Employee Suggestions Award
3. Exceptional Performance Award
4. Goal-Based Incentive Award

Programs must be reported to the USG on an annual basis.
## USG Policy and GSU Guidelines

<table>
<thead>
<tr>
<th>BOR Award Type</th>
<th>Award Description and BOR Requirements</th>
<th>GSU Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Extraordinary Service Award</strong></td>
<td>Institutions may use this type of non-monetary award program to recognize an employee or group of employees who go beyond the ordinary demands of the job in performing an extraordinary service, act, or achievement in the public interest and related to the institution’s mission, vision and goals.</td>
<td>This award must be administered in accordance with BOR requirements and reported annually to Human Resources (HR) but does not require prior approval.</td>
</tr>
<tr>
<td><strong>Non-Monetary</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Employee Suggestion Award</strong></td>
<td>Institutions may use this incentive program to recognize employees who provide a suggestion or idea to improve the institutions operations and/or efficiency. The suggestion or idea must be beyond and above the normal responsibilities of the job and implemented by an Institution with a recorded outcome of improved effectiveness.</td>
<td>Monetary awards should be funded by a foundation source when possible and require prior approval of HR &amp; FA. Non-monetary awards must be reported annually to HR but do not require prior approval. <strong>OneUSG Earn Code: AWD</strong></td>
</tr>
</tbody>
</table>
### USG Policy and GSU Guidelines

<table>
<thead>
<tr>
<th>BOR Award Type</th>
<th>Award Description and BOR Requirements</th>
<th>GSU Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exceptional Performance</td>
<td>Institutions may use this incentive program to recognize individual employees or teams who achieve exceptional levels of performance in one or more areas of strategic focus. Rewards are tied to the accomplishment of expected results which must be identified and communicated at the beginning of the plan cycle. Exceptional Performance incentives are merit-based, reflecting the employee or team’s performance as evaluated by the reviewing authority against established criteria.</td>
<td>Used by several colleges and departments, usually supported by foundation funds. Requests to establish new award programs must receive approval from HR &amp; FA.</td>
</tr>
<tr>
<td>Incentive Award</td>
<td></td>
<td>OneUSG Earn Code: AWD</td>
</tr>
<tr>
<td>Monetary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(One Time Lump Sum Incentive Pay)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goal-Based Incentive Award</td>
<td>The Goal-based Incentive Program may be used to provide coaches and key administrators within the athletic department the opportunity to receive a one-time lump sum payment based on annual team and academic performance.</td>
<td>Currently, only GSU Athletics utilizes this type of award. Requests to establish new award programs must receive approval from HR &amp; FA.</td>
</tr>
<tr>
<td>for Athletic Coaches and Admin</td>
<td></td>
<td>OneUSG Earn Code: GBI</td>
</tr>
<tr>
<td>Monetary</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(One Time Lump Sum Incentive Pay)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
USG Policy and GSU Guidelines

USG Policy for Incentive Compensation

Funding: State funds may not be used for the purchase of awards unless the total dollar value of the award is of a de minimis nature; which is $75 or less (as defined in BPM 5.3.17.1.2). If the total dollar value of the award is greater than $75, then each institution must obtain its own outside source of funds for such a program.

GSU Guidelines

For monetary awards, GSU recommends using foundation funds or other institutional sources, where possible, to fund all incentive compensation, regardless of amount.

Additional dollar limitations are contained in USG policy:

https://www.usg.edu/hr/assets/hr/hrap_manual/HRAP_Incentive_Compensation_and_Rewards_Policy_Classification%2C_Compensation%2C_and_Payroll.pdf
GSU Incentive Compensation FY22 Reporting and Approval Process

1. Department HROs will consult with their departmental leadership to identify all of the incentive compensation and award programs, including existing and new programs with both non-monetary and monetary awards, that the Department plans to administer in FY22.

2. HROs will submit their department or college’s existing and proposed FY22 awards via Smartsheet and include the certification from the department’s business officer regarding the amount and availability of funds for the proposed FY22 awards.

3. The deadline for HRO submission of FY22 awards to the CHRO is **September 22, 2021**.
   
   https://app.smartsheet.com/b/form/c5a4c1445f054010a734b0f0300dc422

4. A team from HR, Finance and Administration, and Faculty Affairs will review the program submissions with input from Payroll and Budget & Planning (as needed).

5. The team may have follow-up questions for the HROs regarding their submission.

6. The University CHRO and VP of Finance and Administration will submit the programs to USG for approval.

7. Department HROs will be notified regarding any GSU or USG feedback and determination.
Budget and Payroll Considerations

**Budget**
- Confirm your departmental budget is adequate for the total number and type of awards you plan to provide in FY22
- Chief Administrative Officer (CAO) for College, or VP or Dean, will need to certify funding is available, including funding provided by Foundations.

**Payroll**
- When making an award, create a Supplemental Payment Request
- Select your Supplemental Pay Type. An Incentive or Award will be a one-time payment.
- Select the appropriate award pay code within OneUSG Connect (e.g. GBI for Goal-Based Incentives or AWD for other awards)
- Attach the signed Award Payment Request Form and submit for processing.
- Note: AWD should only be used for approved Incentive Compensation and Award programs, not other forms of supplemental pay.
FY22 Award Policy Overview and Timeline

Aug 31
• Overview of program and submission guidelines with HRAC
• Departments should begin to collect data

Sept 22
• Deadline for Departments to submit proposed awards

Oct
• Governance team reviews proposed awards list for compliance with USG policy, adequacy of documentation

Dec-Jan
• GSU receives feedback from USG and communicates with Departments

Dec - June 30
• Department timeframe to submit award payment issue request forms in OneUSG
GSU Incentive Compensation and Rewards Submission Form - FY22

Please complete this form for EACH award that will be issued from your College/Division/Unit for FY22.

- Awarding School/College/Division/Unit *
  - If your division is not listed, please type it in.
  - Select or enter value

- Type of Award *
  - Select

- Award Description *
  - Please provide a brief description of this Award

- Primary Contact of Award *
  - First and Last Name

- Primary Contact Email Address *

- Award Amount *

- Funding Source *
  - Select more than one, if needed.
  - If your source is not listed, please write it in.
FY22 Award Submission Workflow

- Depts complete the Annual Incentive Submission Form
  - Meets criteria and all information collected
    - Submit award information to USG
  - Doesn’t meet criteria or missing information
    - Doesn’t meet criteria
    - Missing Information
      - Obtain information from department
      - Work with dept to review and restructure award to meet criteria
Questions?