

# Policy on Employee Awards

## **I. POLICY STATEMENT**

Auburn University (“the University”) promotes programs that recognize and encourage the dedication, support, and participation of employees and non-employees in carrying out the University’s mission. Award programs may be utilized provided they adhere to an approved competitive process and all applicable federal and state laws.

## **II. POLICY PRINCIPLES**

Departments are permitted to develop programs that recognize extraordinary work performance and enhance employee morale by motivating employee initiative and excellence. Employee award programs must be preapproved by the University Employee Awards Committee and follow the guidelines listed in the [Employee Awards Guideline Procedures](#).

Award Programs will be reviewed by the Employee Awards Committee utilizing a three-year review cycle. However, substantial revisions to an originally pre-approved program will require immediate resubmission for review.

Awards are prohibited from being used as adjustment to base salary, supplemental compensation, increased value of a position, or internal pay equity.

### A. General Requirements:

Awards must have a valid, documented business purpose, and comply with all University purchasing and expense procedures. The presentation of an award must demonstrate that the award benefits the University, is in furtherance of the University’s business purpose, or is clearly necessary to the University’s fulfillment of its role in the community. Awards must be administered through an approved and defined program that includes:

- 1) Identified program objectives
- 2) Defined award themes and selection criteria
- 3) Defined recognized program selection committee
- 4) Defined award eligibility, award frequency, and award types
- 5) Defined award nomination and selection process

### B. Awards

1. Cash Awards: University-funded cash awards to employees constitute gross wages and are subject to payroll tax withholding, regardless of amount. Cash equivalent awards (gift cards, gift certificates, gift vouchers) are not permitted.
2. Non-Cash Awards: Awards that are tangible personal property.
  - a. Non-De-Minimis: Tangible property given infrequently with an annual value of more than \$100; these awards are subject to taxation and the full value amount must be sent to payroll for tax withholding.
  - b. De-Minimis: Tangible property given infrequently with an annual value of \$100 or less.
3. Time-Off Awards: Awards are limited to no more than eight (8) hours per award, not to exceed sixteen (16) hours per calendar year to the same recipient. This award is required to be used within 90 days of receipt and is forfeited at time of departure from the University. Employees who do not earn vacation leave will not be eligible to receive a Time-Off Award.

C. Awarding Departments are responsible for tracking such awards, maintaining the appropriate documentation and communicating with University Payroll concerning distribution. Departments must track the value of all non-cash awards presented to employees and provide a list annually to University Payroll.

D. Awards to non-Auburn employees will be awarded in accordance with University Spending Policies and Procedures.

<https://sites.auburn.edu/admin/universitypolicies/Policies/SpendingPoliciesandProcedures.pdf>

E. Awards to Students: All students awards shall adhere to guidance found on Student Financial Services webpage. <http://www.auburn.edu/administration/business-finance/finaid/dept-student-payments.html>

F. Exceptions for Length-of-Service: Non-cash length-of-service awards may qualify as a non-taxable benefit provided federal guidelines are met. University Human Resources is responsible for Employee Service Awards presented annually and the Spirit of Excellence Awards awarded monthly.

### **III. EFFECTIVE DATE**

February 1, 2018

### **IV. APPLICABILITY**

These policies and procedures are applicable to all University employees.

### **V. POLICY MANAGEMENT**

**Responsible Office:** Human Resources

**Responsible Executive:** Associate Vice President, Human Resources

**Responsible Officer:** Associate Vice President, Human Resources

### **VI. DEFINITIONS**

A. **Employee:** For purposes of this policy, an employee is anyone who receives a Form W-2 from the University.

B. **Awards:** Under IRS income category, “other income” generally, an amount received in recognition of charitable, scientific, educational, artistic, literary, or civic achievement. Awards are generally taxable income to the recipient. The University will process only awards given through a pre-approved competitive program.

C. **Tangible Personal Property:** Items that can be moved, touched or felt. (Such as plaques, pens, t-shirts, trophies, etc.)

D. **Infrequently:** For purposes of this policy, an employee may not be awarded a tangible departmental award more than twice in a calendar year.

### **VII. POLICY PROCEDURES**

Details of how to make the policy work

### **VIII. SANCTIONS**

Violations of this policy will be addressed through appropriate disciplinary action. .

### **IX. EXCLUSIONS**

There are no exclusions to this policy.

**X. INTERPRETATION**

Associate Vice President, Human Resources