

DHHS POLICIES AND PROCEDURES

Section V:	Human Resources
Title:	Safety and Benefits
Chapter:	State Employee Incentive Bonus Program
Current Effective Date:	4/1/04
Revision History:	7/1/03
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Purpose

The purpose of this policy is to recognize and reward cost-saving and revenue-increasing innovations of state employees.

Policy

It is the policy of the department to offer employees the opportunity to make suggestions through the State Employee Incentive Bonus Program administered by the Office of State Personnel in compliance with [N.C.G.S. 143-345.20-25](#).

Implementation

The Office of State Personnel administers the SEIBP and State Review Committee. The Department of Health and Human Services (DHHS) suggestions shall be submitted to the employee's division/facility/school Human Resources (HR) offices and, following appropriate review by the division/institution director, will be forwarded to the DHHS SEIBP Coordinator who will forward the suggestion to the DHHS SEIBP Review Committee (hereinafter DHHS Review Committee). The DHHS Review Committee will evaluate each suggestion for efficacy, cost-effectiveness, quality of service, and may include the solicitation of expert/technical evaluation. The DHHS Review Committee may recommend suggestions for implementation, pilot-implementation, or non-acceptance and forward those suggestions recommended for implementation or pilot implementation to the State Review Committee.

The nine-member State Review Committee shall review suggestions forwarded by the department to ensure that savings or increased revenues result, that quality of services improve and that positive effects are generated.

1. DHHS and State Review Committee Membership

- A. Membership of the department and state review committees shall be balanced by age, sex, race and handicapping condition. The DHHS Review Committee will include one (1) member from each of the following divisions:

1. Division of HR

2. Division of Budget, Planning and Analysis
3. Office of Internal Audit
4. Office of the Controller
5. Office of Public Affairs
6. Division/Facility/School Subject Matter Expert, as needed

B. The State Review Committee will include one (1) member from each of the following:

1. Office of State Budget and Management
2. Department of Labor
3. Office of State Personnel
4. Department of Justice
5. SEIBP Program Coordinator
6. University of North Carolina system
7. One (1) state employee appointed by the Speaker of the House
8. One (1) state employee appointed by the President Pro Tempore of the Senate
9. One (1) state employee appointed by the Governor upon the recommendation of the State Employees Association

2. **Eligibility**

A. An employee is eligible to participate in the SEIBP if the employee is:

1. A contributing member to the State Employees Retirement System; or
2. Receiving wages from the state as a part-time or temporary worker, but is not a contributing member of the State Employees Retirement System.

B. A suggestion will not be considered if it:

1. Duplicates another suggestion or is a suggestion for which an award has already been granted;
2. Concerns matters currently being administratively considered;
3. Concerns a personal grievance or complaint;
4. Concerns compensation or classification;
5. Proposes following established procedures that are not being followed;
or
6. Results from contracted audits, studies, surveys, research, etc.

3. **DHHS Procedure**

The DHHS and State Review Committees have the following time frames and procedures to review suggestions:

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- A. Suggestion forms are available from division/facility/school HR offices. Ideas or innovations shall be thoroughly explained on an official suggestion form, using additional paper if necessary. Suggestions shall be well researched and specifically detail any cost-savings, revenue enhancements, and/or service improvements. Incomplete or sketchy ideas will be returned to the originator. Suggestions will be time and date stamped as received by the HR office to determine which comparable suggestions are eligible for review.
- B. Employee suggestions shall be submitted by the originating employee or team to their division/facility/school HR office. The suggestion shall then be sent to the director of the division/facility/school where a review will be conducted by the director, or designee, to ensure the suggestion has not been previously entertained within the agency and to offer evaluative information to the Review Committee. The division/facility/school recommendation, regardless of the evaluation outcome of the suggestion, shall be forwarded to the DHHS Coordinator within 20 days.
- C. The DHHS Review Committee has a maximum of 160 days to review the suggestion after it receives a recommendation from a division/facility/school director. The DHHS Review Committee shall review the suggestion and recommend implementation or pilot implementation to the State Review Committee or return the suggestion without further action. If the DHHS Review Committee does not accept the suggestion, the employee or team submitting the suggestion has 15 calendar days from the date of notification to appeal the decision to the State Review Committee.
- D. Upon receipt from the DHHS Review Committee, the State Review Committee has 60 days to make a final decision.
- E. Upon acceptance and after one (1) year of successful implementation of a suggestion, payment is made to the employee or team from monies saved as outlined in the following methodology.

4. **Methodology**

- A. The Office of State Personnel shall establish the SEIBP Reserve Fund into which DHHS shall deposit all savings. The funds may be encumbered to ensure payment to the General Fund, the suggestor and for distribution per statute (see next). When all reversion requirements are met, the Office of State Personnel shall transfer to DHHS the funds required to award the suggesting employee or team.
- B. Funds saved or increased shall be distributed as follows: 20% to suggestor (up to \$20,000); 10% to the implementing agency for nonrecurring budget items to

be utilized by DHHS to provide equipment, supplies, training and limited recognition for the division/facility/school responsible for implementation; 10% to Office of State Personnel for administration of SEIBP; 10% to the State Employee Education and Training Fund administered by OSP; and the remaining 50% to the General Fund.

- C. Some suggestions are capital intensive, have large start-up costs or involve unconventional processes that require longer than 12 months to implement. In these cases, implementation costs may be prorated and averaged over a maximum 3-year period. The amount of the average annual savings minus the average annual implementation cost shall be used as the basis for an award.

5. **Monetary and Non-Monetary Awards**

Types of awards may be monetary or non-monetary. Monetary awards will be based on 20% of the annualized savings or increased revenues up to a maximum of \$20,000 for a state employee. If a team of employees makes the suggestion, the bonus shall be divided equally among all team members, but no employee may receive more than \$20,000. A team may not receive more than \$100,000.

- A. **Monetary Award** - If the State Review Committee approves a monetary award, a lump sum payment will be made to the employee no sooner than 12 months from the date the suggestion is implemented in order to permit an accurate financial assessment. The Secretary of DHHS shall designate the “team” to be awarded before the suggestion is forwarded to the State Review Committee for ratification. When suggestions cross departmental lines, the State SEIBP Coordinator will designate the team to be awarded in consultation with the departments involved.
- B. **Non-Monetary Awards** - Non-monetary awards will be granted for suggestions resulting in intangible (quality of service) benefits to the state. They will be based on a point system relative to impact, ingenuity and degree of improvement and related costs. Awards will range from certificates to paid leave. Any leave awarded must be taken within 12 months. If the employee separates from state employment prior to using his/her unpaid leave, the leave award will not be paid.

6. **SEIBP Conditions**

- A. All suggestions, once submitted, become the property of the state. Decisions by the State Review Committee are final and are not subject to further review.
- B. If a suggestion is not adopted, it will remain active for one (1) year from the date of final disposition.

- C. Employee or team suggestions shall not be the basis of further claims of any kind by the suggestors, their heirs, or assigns.
- D. The state retains the right to terminate the State Employee Incentive Bonus Program at any time without notice.

For questions or clarification on any of the information contained in this policy, please contact [Human Resources](#). For general questions about department-wide policies and procedures, contact the [DHHS Policy Coordinator](#).