

# **The Guidelines for The School of Medicine Staff Achievement and Recognition Program (The STAR Program) 2007-2008**

## **Overview**

### **Governing Principles**

The STAR Program is the School of Medicine's strategic plan to provide managers with robust tools for rewarding their staff.

The Star Program is designed to provide managers the flexibility to support the specific goals of their units while ensuring consistent application of program guidelines. Unit policies and procedures must be clearly defined and communicated so that all employees understand how outstanding performance is recognized and rewarded.

Awards are to be linked with the performance of individuals or groups of employees. Awards may be monetary or non-monetary and vary in value depending on the scope and the significance of the accomplishments being recognized.

### **Types of Awards**

There are five types of awards in the STAR Program:

Superstar Awards	(non-monetary)
Training & Development Awards	(monetary and non-monetary)
Tier One Awards	(monetary)
Tier Two Awards	(monetary)
Incentive Plans	(monetary)

These awards exist within a hierarchy of accomplishments. The largest volume of awards are granted at the lower levels (Superstar Awards) and fewer awards are granted at the higher levels (Tier Two). Individuals may be rewarded in multiple STAR award categories.

## **Administrative Guidelines**

The Superstar and Training & Development Awards may be granted throughout the year. Tier One Awards may be granted throughout the year, but are generally granted in June and must be paid prior to the close of the fiscal year.

The total value of all awards to any one employee, both monetary and non-monetary, may not exceed 10 percent of that employee's annual base salary in a fiscal year. The annual base salary for these purposes is the annual pay rate multiplied by the appointment percent.

Working closely with the Chair, the manager or director is responsible for and may approve Superstar, Training & Development, and Tier One awards within the unit, with the exception of any awards to the manager or director. The Vice Dean of Administration, Finance, and Clinical Programs is the approving authority for awards to the manager or director.

For both monetary and non-monetary awards, IRS regulations influence the administration of those awards. The employee's annual income reports (W-2 Forms) will include the value of all awards which are reported as income. Table 1 clarifies the different types of non-monetary awards, income reporting requirements, and the proper payment forms.

## **Eligibility**

All non-academic School of Medicine employees in career and limited appointments are eligible. Employees with Per Diem appointments are not eligible.

In the case of shared employees (employees working in two different units) or employees who have recently transferred, departments are encouraged to communicate with each other in order to coordinate any awards.

## **Award Administration**

For the Superstar, Training & Development, and Tier One awards, the responsibility for the administration of the award programs rests with the departments. Departments must document their procedures for administering the program and, upon request, submit that documentation to the Dean's Office.

The documentation should identify the:

- Range, frequency, and types of awards administered

- Nomination and selection process for each type of award
- Persons responsible for administration of the programs
- Nominees and recipients of each award
- Costs and types of awards granted
- Approving authority for each award

All Tier Two nominations will be reviewed and approved by the Dean's office. Specific criteria and procedures are outlined in the Award Plan Details for Tier Two Awards.

## **Award Plan Details**

### **Superstar Awards**

Superstar Awards are small, non-monetary awards given to recognize performance or acknowledge exceptional service (e.g., completion of a team project or individual excellence in customer service). Typically, these awards take the form of gift certificates or gift cards. These awards are part of a department's formal program for employee recognition and are not to be used for celebrating or providing gifts for birthdays, weddings, anniversaries, holidays or other occasions of a personal nature.

#### **Superstar Award Administration**

An employee may not receive more than three Superstar Awards in a calendar year.

Superstar Awards (except for training and development) must be in the form of tangible personal property (not cash) and the value of the Award must not exceed the expenditure limits provided in Table 1, below. Superstar Awards that are equivalent to cash or Awards that exceed the expenditure limits provided in Table 1 must be reported as taxable income to the recipient.

Superstar Awards in the form of gift certificates or gift cards are allowable. However, to avoid qualifying as taxable income, the gift certificate or gift card must be the equivalent of tangible personal property (as opposed to a cash equivalent), in accordance with Internal Revenue Service and tax law requirements. To satisfy these requirements:

- The gift certificate or card must not be redeemable for cash or used to reduce the balance due on the recipient's account with the merchant.
- The gift certificate or card must be non-transferable and, where practical, inscribed with the recipient's name. Where it is not practical to inscribe a gift card with the recipient's name, the department should notify the recipient in writing that the card is non-transferable.
- The gift certificate or card cannot be redeemable for services, which do not qualify as tangible personal property. For example, a Bear Hugs Fitness and Recreation gift certificate for a massage or personal training session or a gift certificate redeemable for a facial or spa treatment would qualify as taxable income for the recipient.

Departments are strongly discouraged from granting awards that will be treated as a cash equivalent or awards or that exceed the expenditure limits in Table 1. The complexity of the reporting requirements and liability for the employee may undercut the positive impact of the recognition. Any award that exceeds the expenditure limits in Table 1 must be sent to the Dean's Office (Expense Approval Request, Box 0410) for approval.

Table 1 also summarizes non-monetary award processing guidelines.

It is a department's responsibility to determine if an award is reportable as income. When an award is reportable, the department shall notify UCSF Payroll by submitting the Payroll Office Notification form. (Appendix A)

Awards of tangible personal property (or gift certificates or gift cards that are the equivalent of tangible personal property) the value of which does not exceed the Table 1 expenditure limits will not qualify as taxable income for the employee. Please note that 'Bear Hugs' given on-the-spot for immediate recognition cannot be funded through the Performance Award Program and must be funded through separate departmental funds. Information regarding the UCSF Campus Bear Hugs Employee Recognition Program are available at:  
<http://www.campusliveservices.ucsf.edu/artsevents/employees/recognition.php>

Listed below are *examples* of appropriate Superstar Awards:

- Theater tickets to recognize an individual with a positive customer service attitude.
- UCSF sweat shirts for a team celebrating the completion of a project.
- Flowers, fruit, a book or boxes of candy to recognize group or individual contributions during a particularly heavy work period
- Desk clock for an employee who worked for a full year with no sick leave and had positive performance evaluations.
- A one-month parking permit or one-month transit pass for an employee who suggests efficiencies in office procedures.
- Bear Hugs gift certificates from UCSF's Empact program for a team completing a project on time and on budget.

**TABLE 1**  
**Non-monetary Superstar Awards**

<b>Type of Award</b>	<b>Value of a One-Time Award</b>	<b>Reportable as Income (Taxable)</b>	<b>Procedure Used to Process Award</b>	<b>Notification Required to Payroll Office</b>
Item of tangible personal property awarded as small token of appreciation	\$10 or more, up to a limit of \$75	No	Entertainment Check Request (U5/G2) NCA-437790 (Employee Recognition)	Not Required
Non-negotiable, non-transferable Gift Certificates or Gift Cards redeemable for tangible personal property (not services)	\$10 or more, up to a limit of \$75	No	Recommend “Bear Hugs” purchased through recharge*. Or, when necessary, use Entertainment Check Request and NCA 437790 (Employee Recognition)	Not Required
Gift Certificates or Gift Cards readily converted to cash	Any value	Yes	Entertainment Check Request (U5/G-2) NCA 437790 (Employee Recognition)	Complete Payroll Office Notification Form
Gift Certificates or Gift Cards redeemable for services	Any value	Yes	Entertainment Check Request (U5/G-2) NCA 437790 (Employee Recognition)	Complete Payroll Office Notification Form
One-month parking permit	\$220	No	Entertainment Check Request (U5/G-2) NCA 437790 (Employee Recognition)	Not Required
One-month transit pass	\$115	No	Entertainment Check Request (U5/G-2) NCA 437790 (Employee Recognition)	Not Required

**\*Recharge Process.** Departments **must** comply with normal signature approval requirements when processing purchases through the “Recharge Process” (financial journal) and not through an Accounts Payable check request.

**Note:** The value of any parking permit or transit pass in excess of the limits described above will be treated as taxable income to the recipient, while the entire value of items of tangible personal property in excess of the above limits or cash-equivalent gift certificates will be treated as taxable income to the recipient.

**Note:** Tier One funds may not be used for Superstar Awards.

## **Training & Development Awards**

Training & Development Awards are departmental awards that fund training and developmental opportunities for staff employees. These awards can provide meaningful recognition to motivated employees committed to their own development. The employee should play an active role in identifying the areas for growth and associated action steps that this award would support.

### **Training and Development Award Administration**

Training & Development Awards may be coordinated with the WINGS program to supplement funding for training provided through WINGS. For more information about WINGS, please click the link below:

<http://medschool.ucsf.edu/wings/>

Training & Development Awards can also include paid leave for a limited time, which would enable the employee to pursue the development of professional skills outside the organization; or a traineeship or internship within the same or another department or another campus, such that skills acquired will enhance the employee's professional knowledge and increase promotional opportunity.

Training & Development awards that are directly related to an employee's job responsibilities are not taxable. For non-cash Training & Development Awards, a Check Request Form 5 (U5-2) will be used. If the payment is reimbursing the employee, proof of payment must be supplied.

## **Tier One Awards**

Departments are responsible for the nomination, selection, and payment of Tier One Awards, as well as for meeting the requirements specified in these guidelines. Departments are also responsible for developing, documenting, and communicating the procedures for nominating employees and process for selecting award recipients. The Dean's Office may request that departments provide that documentation.

### **Eligibility for Tier One Awards**

All non-academic career and limited School of Medicine employees, with the exception of Per Diem appointments are eligible. Senior managers and other participants in the Management Incentive Plan, the Clinical Services Incentive Plan, or the Unit-Wide All Staff Incentive Plan are not eligible for either a Tier One or a Tier Two Award.

### **Criteria for Tier One Awards**

A Tier One Award is based upon an employee's contributions to his/her department or unit, school, campus, or community in one or more of the following areas:

#### **Outstanding Performance:**

Demonstrated and sustained outstanding performance that consistently exceeds goals and job expectations in quantity and quality.

#### **Teamwork:**

Acting as an exceptionally effective and cooperative team member by carrying out goals of the department, demonstrating superior interactions with, and a positive influence on, managers, peers, supervisors, subordinates, the University community, and the client population served. This individual will be notably service-oriented and a key resource person. Individual contributions to the unit or departmental diversity efforts may be recognized within this category.

#### **Creativity:**

One-time innovation, or on-going creativity, that results in savings of effort or dollars. Creative solutions that benefit organizational systems or streamline procedures.

#### **Organizational Abilities:**

Extraordinary skills in leadership resulting in the accomplishment of significant departmental goals and objectives. Substantial success in project management. Organizational capability leading to a greater level of effectiveness.

#### **Work Incentives:**

For meeting productivity, customer service, or similar goals.

## **Nomination and Selection Procedures for Tier One Awards**

Departments are responsible for the nomination, selection, and payment of Tier One Awards, as well as for meeting the requirements specified in this documentation. Departments are also responsible for developing, documenting, and communicating the procedures for nominating employees and process for selecting award recipients.

Typically the nomination process is annual and initiated with the release of the Net Allocation of SRD funds to the manager or director. In some departments, supervisors and managers are permitted to nominate employees; while in others, employees are also permitted to nominate other employees. In many departments a review committee, composed of employees, supervisors, division managers, and faculty, reviews the nominations, determines award levels, and makes its recommendations to the departmental manager.

### **Tier One Award Requirements**

Tier One Awards must meet the following requirements:

- They must be paid by the close of the fiscal year.
- Awards funded from the Net Allocation of SRD funds must use the DOS code SRD.
- Awards funded from departmental discretionary funds must use the DOS code SPA.
- SRD Awards (but not awards using the SPA DOS code) must include all DPAs and funds current at the time of the award that are supporting the regular pay of the recipient. The DPA/funds of the award must be prorated across all such fund sources in percentages equivalent to the funding at the time of payment.
- The Tier One Award minimum is \$100.
- The maximum Tier One Award is 5 percent of the employee's annual earnings, calculated as follows:

$$(\text{Annual Pay Rate}) \times (\text{Appointment Percent}) = \text{Annual Earnings}$$

## **Tier One Award Administration**

Tier One Awards may be granted to employees who receive Superstar Awards. However, the cumulative value of all awards received by an employee may not exceed 10 percent of the employee's annual earnings.

Tier One Awards are not base building and are separate from merit pay.

The Tier One Awards are funded by a 0.05 percent "tax" on all regular wages (which have an REG DOS code) paid across all DPAs and funds. These funds are held by the Budget Office until they are paid to an employee via a payroll action with a DOS code of SRD. The expense for these award payments is recorded against the DPA/fund(s) specified and is automatically offset by credits from the account that stores the SRD "tax." All expenses and credits will appear on the Distribution of Payroll Expense (DPE) report and in the General Ledger.

Each year in April the Net Allocation of SRD Funds, which fund the Tier One Awards, is released to department managers. Managers typically forward that email to their HR Analyst and initiate the departmental procedures. Departments may fund awards above their Net Allocation of SRD Funds by using discretionary fund sources and the DOS code of SPA. The payments will then be charged to the specified DPA/fund with no offsetting credits.

Prior to the release of Net Allocations to departments, the Dean's Office reconciles the Net Allocations with the actual awards paid by the departments in the previous cycle. Allocations are reduced if departments over spent their previous year's Net Allocation. If the full amount of the Net Allocation was not awarded, departments may have requested a Carry Forward (not to exceed 15 percent). In that case, the carry forward would be added to the current allocation. Typically, the Carry Forward Deadline is during the second week of June.

Departments are also encouraged to arrange to pay the awards on a pay day that is not the normal pay day for the employee, which avoids additional taxes.

Departments that wish to grant a Tier One Award to a shared employee should communicate with the employee's alternate department to ensure that the alternate department concurs.

## **Tier Two Awards**

### **Tier Two Awards**

Tier Two Awards are granted to a small number of individuals whose contributions and performance stand out among all award recipients. Award recipients are those whose dedication to their jobs has few equals, who consistently exceed performance levels in their efforts to improve the School or the University, and who have distinguished themselves by their commitment to excellence.

### **Tier Two Eligibility Requirements**

To be eligible for a Tier Two Award the nominee must meet the following requirements:

- Receive a Tier One Award of at least 2.5 percent of their annual earnings
- Be a non-academic, non-probationary career SOM employee
- Must have a Satisfactory (or higher) rating on an evaluation that has been completed within the last 12 months (within the current fiscal year).
- Must be supported by the manager and the supervisor (or supervisors) of the nominee.
- May not have received a Tier Two Award in the previous year.

### **Criteria for Tier Two Awards**

The criteria used to select the Tier Two Award recipients are identical to the criteria used for the Tier One Awards. Please see section “Criteria for Tier One Awards.”

### **Nomination and Selection Procedures for Tier Two Awards**

Tier Two nominations are due to the Dean’s Office, Box 1379, on June 1. The Tier Two Committee reviews the nominations that meet these requirements:

- The nomination packet must be submitted on or before the deadline.
- The standard SOM Tier Two Nomination form, which has information on it that is critical to determining eligibility.
- Documentation provided either by the supervisor or the manager of specific examples of outstanding performance during the current fiscal year.
- A summary of the departmental Tier One nomination and selection procedures.
- Two additional letters of support.

When a department is nominating multiple employees for a Tier Two Award, managers may wish to rank the nominations so that their top nominee has the rank of one. This will ensure that the most deserving nominee within a department is considered.

The Dean's Office convenes a committee made up of administrators and department representatives for selection of the recipients of Tier Two Awards.

The Tier Two Committee will have access to only the material supplied in the nomination packet. A complete, organized, and well-presented nomination packet is worth the effort. Remember, there are over 4,600 career employees in the SOM.

### **Notification of Tier Two Awards**

Shortly after the Tier Two Committee has made its selections, managers will receive a letter from the Dean's Office (and Chairs will be copied) listing the recipients of Tier Two Awards in their department. After the managers have been mailed their letters, the Dean's Office will mail letters directly to the employees who have been selected to receive the award. Managers are notified before the employee to permit managers and supervisors to communicate the good news to the employee. All letters will be mailed before June 30

### **Incentive Plans**

There are three distinct incentive plans, and each targets a select group of employees: the Management Incentive Plan, the Clinical Services Incentive Plan, and the Unit-Wide Incentive Plan. All incentive plans must be approved by the Vice Dean of Administration, Finance, and Clinical Programs prior to implementation. All incentive plan payments, with the exception of Unit-Wide Incentive Plans, must also be approved in advance by the Vice Dean.

No employee may participate in an incentive plan *and* receive a Tier One or Two award, except in special circumstances described in the Unit-Wide Plan.

#### **Management Incentive Plan**

In general, the Management Incentive Plan (MIP) is open to department managers, division administrators, some functional managers, and a limited number of teams or work groups. For additional information on the MIP, please click the link below:  
<http://intranet.medschool.ucsf.edu/mip/>

The Vice Dean of Administration, Finance, and Clinical Programs is the approving authority for MIP awards.

Senior managers eligible for the MIP and other employees participating in the MIP are not eligible for either the Tier One or Tier Two awards.

### **Clinical Services Incentive Plan**

The Clinical Services Incentive Plan (CSIP) allows eligible members of a patient care team to receive bonus payments in recognition of their participation in the delivery of health services.

Clinical departments may create CSIPs to reward individuals who have achieved specific and quantifiable performance objectives. Such plans must specify eligible individuals, criteria by which award decisions are made, and levels of incentives possible. This program is intended primarily for licensed non-academic clinicians (e.g., psychologists, nurses, nurse practitioners, and MSP physicians), but other staff members of a health services delivery team may be included.

Both the CSIPs and the actual awards must be reviewed and approved by the Vice Dean for Administration and Finance prior to implementation or payment.

### **Unit-Wide Incentive Plan**

Departments may create a department-wide plan, known as a Unit-Wide Incentive Plan (UWIP), to reward all eligible staff members when department-wide performance objectives have been achieved. Proposed plans may be submitted to the Vice Dean of Administration and Finance and must specify eligible employees, the levels of incentives possible, and the measures by which incentive decisions are to be made. UWIPs must be reviewed and approved by the Vice Dean prior to implementation.

Unless specified in the plan, participants in the UWIPs will not be eligible for either a Tier One or Tier Two award.

**University of California, San Francisco**

**TAXABLE EMPLOYEE RECOGNITION AWARD  
NOT COVERED UNDER "SRD" PROGRAM**

**PAYROLL OFFICE NOTIFICATION**

If purchasing a single Employee Recognition Award, review the general rules governing Employee Recognition Awards not covered under the "SRD" Program. Determine whether the award is taxable or non-taxable to the employee. If the award is determined to be taxable, complete the required Payroll Office Notification below. Attach this form to your Entertainment Check Request (U5/G-2) and forward both forms to Accounts Payable, Box 0812.

If purchasing Employee Recognition Awards in quantity to be awarded at future dates, complete the Entertainment Check Request (U5/G-2) indicating that this is a quantity purchase and forward to Accounts Payable, Box 0812. At the time you make each individual employee award, review the general rules governing Employee Recognition Awards not covered under the "SRD" Program. Determine whether this award will be taxable or non-taxable to the employee. If the award is determined to be taxable, complete the required Payroll Office Notification below. Upon completion of all required information, forward the form to Accounts Payable, Box 0812.

Employee Name	Emp ID	Award Description	Award Date	Value

DEPARTMENT \_\_\_\_\_  
\_\_\_\_\_

DEPARTMENT  
CONTACT \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

