

POLICIES

Issued: July 1, 2022

Responsible Official: Executive Vice President and Chief Operating and
Financial Officer

Responsible Office: Human Resources

Purpose

To provide bonuses/incentives to encourage and reward employees for exceptional performance and services to the University as well as to be used as a recruitment and retention tool. Bonuses and incentives are to be funded by the department, paid as a lump-sum, and not added to the employee's base salary.

Definitions

Bonus	A one-time, lump-sum monetary award given to an employee in addition to the employee's regular compensation. Bonus payments are financial rewards and may be outside of the merit increase program.
Performance-Based Bonus	Recognizes sustained outstanding and exemplary performance over the course of the rating period. A Performance-Based Bonus may be in addition to merit.
Project-Based Bonus	To recognize an employee or group of employees upon the successful completion of a special project or assignment of significance that is in addition to the employees regularly assigned duties.
Hiring Bonus	Provides an incentive for a prospective candidate to accept an offer of employment at the University. A hiring bonus may be awarded to a new, highly qualified employee hired into a position considered critical to the University's operations and strategic mission and/or deemed difficult to fill.
Variable Compensation Plan Bonus	To reward employees based on a pre-approved plan centered on employee's contribution, departmental objectives, revenue generated, targets achieved, and payout schedules.

Policy

Performance-Based Bonus

The Performance-Based Bonus is recommended for employees who exceed the expectations set forth on their position and established goals, have demonstrated continuous outstanding performance, have made significant contributions to the University's and department's mission or strategic plan and/or have provided consistent support to the department's objectives.

The Performance-Based Bonus may be up to \$15,000 or 10% of the employee's salary, whichever is greater. Requests for bonuses larger than \$15,000 or 10% of the employee's salary requires recommendation from Human Resources and approval from the President or designee.

Project-Based Bonus

Project-Based Bonus is a lump sum amount payable upon the successful completion of a special project or assignment of significance that is in addition to the employee's regularly assigned duties and may be awarded to an individual or group of employees to recognize and reward exceptional effort upon successful completion of a major project that is:

- completed on time, at or under budget, and
- strategically important to the goals and performance of the division, school, department, or University.

The following criteria applies to Project-Based Bonus payments:

- The amount of the bonus may not exceed \$5,000 or 10% of the employee's salary, whichever is higher.
- The project must have a beginning and ending date along with a list of deliverables.
- Decision regarding the amount of the bonus payment should be dependent upon the nature and complexity of the project and the overall participation and contributions made by the employee(s).

Hiring Bonus

To facilitate recruitment of employees whose skills are considered critical to the University's operations and strategic mission and/or for positions deemed difficult to fill. The

following criteria should be followed when offering a Hiring Bonus:

- The employee must agree to work for the university for a minimum of one year from the effective date of hire. A longer term of service may be determined based on significance of the position and size of the hiring bonus offered.
- The employee must meet all pre-employment requirements and begin working before receiving the hiring bonus.
- A written agreement outlining the key objectives for the employee, the performance requirements, and the pay-back terms if the employee leaves the University prior to the pre-determined term of service must be signed by the employee.

**Variable Compensation
Plan Bonus**

Rewards employees based on a pre-approved Plan created by the unit/department in collaboration with Human Resources. The amount of the bonus is established within each Plan and is based on employee's contribution, departmental objectives, pre-determined revenue generated amounts, targets achieved, etc. or a combination of any of the above.

Approvals

The above bonuses and incentives require recommendation from the department head, with review and approval by the AVP/Chief Human Resources Officer and final approval by the President, Provost or Divisional Leader, as appropriate.

Funding

In certain cases, funding may be requested from the University when departmental funds are not available. Such requests must be endorsed by the area Division Leader, recommended by the Executive Vice President/Chief Financial Officer and subject to approval by the President.

FAQs

Who do I contact with further questions?

For assistance or questions, please contact Human Resources at hr@memphis.edu or 901-678-3573.

Are bonuses/incentives added to the base salary?

Bonuses/incentives are not added to an employee's base salary.

Can bonuses/incentives be paid with a special check?

Special checks are reserved for instances where an employee did not receive their regular paycheck. Since bonuses/incentives are not part of an employee's regular paycheck, special checks are not to be processed for this purpose.

If while employed by the University an employee receives a professional certification/license in their field of work, will they be eligible for a bonus?

No. A professional certification/license increase is not considered a bonus. Compensation for attainment of a professional certification/license is added to the employee's base salary. For additional information, refer to policy [HR5010 - Staff Compensation and Classification](#).

Links

Hiring Bonus Request Form

https://www.memphis.edu/hr/pdf/hiring_bonus_request.pdf

Employee Bonus and Incentives Request Form

https://memphis.edu/hr/pdf/employee_bonus_incentives_request.pdf

HR5010 - Staff Compensation and Classification Policy

<https://memphis.policytech.com/dotNet/documents/?docid=413>

Revision Dates

Issued July 1, 2022

Subject Areas:

Academic	Finance	General	Human Resources	Information Technology	Research	Student Affairs
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>