



## **Policy and Procedure on Bonus Payments**

*(Approved by the President on January 18, 2005)*

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### **I. PURPOSE & APPLICABILITY**

The following policy and procedures have been developed to implement section X (Non-Cumulative Cash Bonuses) of BOR Policy VII – 9.20 Policy on Salary Increases and Bonuses, approved by the Board of Regents on June 5, 1995 (amended on April 9, 1999) and to provide a policy on Bonus Payments for regular status Exempt employees, all contingent Category II employees, and faculty.

### **II. BACKGROUND**

Board of Regents Policy VII – 9.20 Policy on Salary Increases and Bonuses applies only to Regular Nonexempt employees. The procedure created here provides for the possibility of bonuses for Exempt and Nonexempt staff (both Regular and Contingent II status) and faculty.

### **III. DEFINITIONS**

- A. Eligible Employee shall mean an employee in either a faculty, Nonexempt, or Exempt position and either regular or Contingent Category II status.
- B. Bonus is defined as a lump sum non-cumulative cash award that may be granted to an eligible employee at the discretion of the CEO or designee:
  - 1. for an extraordinary contribution that substantially benefits the UMBI Center or Unit,
  - 2. as a productivity bonus when certain pre-determined productivity measures are met during the performance period.

### **IV. PROCEDURE**

- A. Requests for Bonus payments shall normally be considered during the annual salary review process, at the end of the UMBI Performance Review Period in the months of March and April each year. However, Bonus payments may also be made at other times during the fiscal year.
- B. A request for Bonus shall include, depending on the purpose of the bonus:
  - 1. a detailed description of a documented specific and exceptional action or performance above and beyond what would normally be expected of a person in that position;
  - 2. documentation of the criteria set for a productivity bonus and the measures showing that the criteria for a bonus have been met.
- C. A supervisor wishing to provide a bonus to an employee shall submit a UMBI Request to Award a Bonus form to the appropriate Center Director or Vice President.

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- D. Requests for bonuses of 5% of annual salary or less affecting Center faculty and Center employees below Assistant Director (or equivalent) in hierarchy and for Central Administration employees at the level of Manager or below may be approved by the Center Director or appropriate Vice President. If the Center Director or Vice President approves the request, written approval of the request shall be forwarded to the originating supervisor and the Assistant Vice President for Human Resources.
  - E. Requests for bonuses of greater than 5% of annual salary affecting Center faculty and Center employees below Assistant Director (or equivalent) in hierarchy and for Central Administration employees at the level of Manager or below shall be submitted to the Center Director or appropriate Vice President. If the request is approved, it shall then be forwarded to the Assistant Vice President for Human Resources for review and approval by the President or Designee. If the request is approved, written approval shall be forwarded to the originating Center Director or Vice President.
  - F. Requests for bonuses for Center employees at the level of Assistant Director (or equivalent) or above and Central Administration employees above the level of Manager shall be submitted to the Assistant Vice President for Human Resources for review and approval by the President. The President's decisions on bonus requests shall be transmitted to the appropriate Center Director or Vice President by the Assistant Vice President for Human Resources.
- V. **Bonus payments** shall not be counted as part of base salary.

### VI. REPORT

At the end of each fiscal year, the Assistant Vice President for Human Resources shall compile a report of bonuses awarded to UMBI employees and distribute it to the Center Directors and Unit Heads.

**APPROVED:** Jennie C. Hunter-Cevera