



Applies to: Faculty and staff

**Responsible Office**

**Office of Human Resources**

**POLICY**

Issued: 09/01/1999  
Revised: 04/01/2025 (minor revision)

The university encourages the recognition of excellent performance and achievement through the use of rewards that are creative, flexible, and meaningful. When administered and communicated effectively, reward and recognition are an important part of a total compensation program. Units may choose whether or not to develop Defined Reward Programs. In the absence of a Defined Reward Program, units may give rewards in immediate response to specific accomplishments.

**Purpose of the Policy**

To provide guidance on how to administer rewards and recognition.

**Definitions**

Term	Definition
Defined Reward Program	Documented reward program developed, communicated, and implemented in consultation with the Office of Human Resources and/or Office of Academic Affairs for a particular unit. Defined Reward Programs consist of rewards that range from spontaneous to those that are more formal in nature.
Reward	One-time cash or non-cash items for significant outstanding performance.
Discretionary bonus	Cash payment to reward and recognize performance, such as to reward an individual's, team's, or unit's extraordinary effort in completing a project, milestone, or other significant contribution. Commonly referred to as a 'spot bonus.' Payment is at the sole discretion of the unit.
Non-discretionary bonus	Cash payment to reward performance that is based on metrics/achievement measures, as defined in a written contract, agreement, letter of offer, or formal plan document.
Unit	College or administrative unit.

**Policy Details**

- I. Guiding Principles
  - A. Rewards should be given for significant outstanding performance that advances unit goals and should be tied to a specific accomplishment.
  - B. Rewards are most effective when they are meaningful to the individual.
  - C. Care should be taken in communication and distribution of rewards so that they are not viewed as entitlements.
  - D. Rewards may be designed to reflect the unique nature of the unit's work culture and organizational structure.
  - E. Rewards should not be substituted for a competitive salary plan. For example, rewards should not be used as a long-term alternative to permanent salary adjustments when these adjustments are appropriate for consistently high performance, significant changes in responsibility, increased value of a position, or internal pay equity.
  - F. Rewards are not adjustments to base salary, supplemental compensation, or variable pay programs (such as commission).
  - G. Rewards should not be used as a substitute for supplies, support services, or training.
  - H. The Office of Human Resources (OHR), Compensation provides guidelines regarding the university's reward program structure and processes.



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### II. Reward Guidelines

- A. The following chart summarizes reward value parameters. These values apply to cash rewards, as well as to non-cash items with monetary value (such as event tickets). Requests for exceptions to these guidelines by department chairs or managers should be submitted to the individual's dean or vice president. Exception requests by vice presidents or deans should be submitted to the Office of Human Resources (OHR), Compensation.
- B. Reward Guidelines Table

Reward Value	Approval Needed	Frequency Per Person/Team
No monetary value (such as letters of commendation)	none	as often as appropriate
Less than \$100 (cash and non-cash)	chair or manager	one time per calendar year
\$100 to \$1000 (cash and non-cash)	dean or vice president	one time per calendar year
\$1001-\$5000 (cash and non-cash)	dean or vice president and OHR See also <a href="#">Guidelines to Discretionary and Non-Discretionary Bonus</a>	one time per calendar year
Over \$5000 (cash)	dean or vice president and OHR See also <a href="#">Guidelines to Discretionary and Non-Discretionary Bonuses</a>	one time per calendar year

- C. The above guidelines do not apply to customary work-related expenses such as travel, conference attendance, and memberships in professional organizations.
- D. Through the process of consultation and approval of Defined Reward Programs, value parameters may be modified to meet individual college or unit needs.
- E. Units must consult with OHR, Compensation and/or the Office of Academic Affairs when cash distributions to an entire unit are being considered. OHR and/or OAA must approve such distributions prior to implementation.
- F. The [Expenditures policy](#) sets forth the reporting requirements for and tax implications of cash rewards and non-cash items with monetary value.

### III. Defined Reward Program Consultation Process

- A. Departments interested in creating a Defined Reward Program should notify the human resource contact in their unit, who will initiate the Defined Reward Program consultation and approval process with OHR, Compensation.

## PROCEDURE

Issued: 10/1/1973

Revised: 04/01/2025 (minor revision)

### I. Implementation Guidelines

- A. All Defined Reward Programs must be designed in consultation with OHR, Compensation. For reward programs applicable to faculty, the Office of Academic Affairs will be consulted as well.
- B. The purpose, process, parameters, and expected outcomes of the reward program should be communicated in writing to unit faculty and staff.
- C. The funding for unit reward programs must reflect university and unit budget realities. Units must monitor the use of funds for reward and recognition purposes to ensure fiscal responsibility.
- D. All expenditures must be consistent with university and State of Ohio guidelines. Refer to the [Expenditures policy](#), issued by the Office of Business and Finance.



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### II. Employee Achievement Awards

- A. Plans to provide non-taxable employee achievement awards may be developed. The awards can be provided for length of service or safety. They must be awards of tangible personal property given as part of a meaningful presentation, such as an awards dinner or ceremony. Employees must have at least five years of service to receive a service award. Managers, administrators, clerical employees, and other professionals are not eligible for safety awards.
- B. Refer to the Employee Recognition section of the [Expenditures policy](#) for additional requirements.

### Responsibilities

Position or Office	Responsibilities
Office of Human Resources, Compensation	<ol style="list-style-type: none"> <li>1. Provide guidelines regarding reward program structure and processes.</li> <li>2. Serve as consultants to units in developing reward strategies as set forth in the policy.</li> <li>3. Consult on and approve, as appropriate, Defined Reward Programs.</li> <li>4. Approve, as appropriate, all rewards valued over \$1000 and any cash distributions to an entire unit.</li> </ol>
Unit	<ol style="list-style-type: none"> <li>1. Serve as a clearinghouse for best practices.</li> <li>1. Design reward programs that reflect university guidelines and unit strategic plans.</li> <li>2. Seek consultation on the development and approval of Defined Reward Programs and any cash distributions to the entire unit.</li> <li>3. Provide written communication about the purpose, process and expected outcomes of the reward program to unit faculty and staff.</li> <li>4. Implement reward programs in a manner that is consistent with the unit's written guidelines.</li> <li>5. Fund reward programs, reflecting the realities of university and unit budgets.</li> <li>6. Use funds consistent with this policy and monitor the use of funds to ensure fiscal responsibility.</li> </ol>

### Resources

#### Forms and Additional Guidance

Guidelines to Discretionary and Non-Discretionary Bonuses, [hr.osu.edu/wp-content/uploads/policy315-bonus-guidelines.pdf](http://hr.osu.edu/wp-content/uploads/policy315-bonus-guidelines.pdf)  
 Incentive plan form, [hr.osu.edu/wp-content/uploads/form-nd-bonus-incentive-intake.pdf](http://hr.osu.edu/wp-content/uploads/form-nd-bonus-incentive-intake.pdf)

#### Governance Documents

Expenditures policy, [go.osu.edu/expenditures-policy](http://go.osu.edu/expenditures-policy)

### Contacts

Subject	Office	Telephone	E-mail/URL
Faculty Reward Programs	Office of Academic Affairs	614-292-5881	<a href="http://oaa.osu.edu">oaa.osu.edu</a>
Policy questions	HR Connection	614-247-myHR (6947)	<a href="mailto:HRConnection@osu.edu">HRConnection@osu.edu</a>

### History

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