

Oklahoma State University Policy and Procedures

EMPLOYEE INCENTIVE AWARDS

**3-0256
BUSINESS & EXTERNAL RELATIONS
October 1996**

INTRODUCTION

1.01 The giving of employee incentive awards shall be accomplished in strict accordance with the following procedures and consistent with related existing University policies and procedures. This shall include certificates, plaques, trophies, lapel pins, monetary one-time awards or other individual awards as authorized by the unit head.

1.02 This policy is not applicable to gift receipts. Gift receipts shall be processed in accordance with applicable OSU Foundation procedures.

RELATED POLICY

2.01 The purchase of non-monetary employee incentive awards shall be governed by Oklahoma State University Policy and Procedures Letter 3-0145, Purchasing, and monetary awards shall be governed by 3-0362, Taxability of Assistantships, Fellowships, Scholarships and Fee Waivers.

2.02 The purchase of non-monetary incentive awards shall be accomplished through the requisitioning process and the giving of monetary incentive awards shall be accomplished through the payroll process.

PROCEDURES

3.01 Units shall be responsible for monitoring and determining the employee incentive awards to be given in their respective areas.

3.02 Funding of incentive awards can be from any legal source of funds as approved by the unit heads with the exception of tax generated funds and federal funds. Whenever possible, sources other than Educational and General, Part I (E & G, I) funds should be used for the payment of incentive awards. If E & G, I funds are used, each request must contain a statement verifying that funding is from a source other than state or federal appropriated funds. The following certification should appear on the face of each requisition, "I certify that funding for this payment is from _____ and not from appropriated funds."

3.03 The unit heads shall have authority to appoint a committee within their unit to determine the recipients of the awards.

3.04 The dollar limits of non-monetary and monetary incentive awards shall be left to the discretion of the units in accordance with existing Purchasing policies and procedures.

3.05 The purchase of all non-monetary incentive awards shall be processed on a requisition regardless of dollar amount. All Purchasing policies and procedures shall apply to the processing of requisitions for non-monetary incentive awards.

a. The Purchasing Department shall forward all approved requisitions to University Accounting for processing.

b. University Accounting will record the value of the award in the financial statement reporting process. A specific state object of expenditure code will be used to monitor the consistent payment of awards.

c. Non-monetary awards given to employees for length of service or safety achievement will not be considered income to the employee if the value of the award does not exceed the limit per employee per year as specified in the Internal Revenue Code.

d. Non-monetary awards that exceed the limits specified in the Internal Revenue Code will be reported to University Personnel Services/Payroll with appropriate documentation for proper income tax and withholding considerations.

e. The value of the non-monetary award exceeding the limits specified in the Internal Revenue code will be included in the employee's wages. These awards will be subject to income tax and other appropriate withholdings and will be included in the total wages on the W-2 form issued at the end of the year.

3.06 All monetary awards shall be processed through the university payroll system.

a. Documentation of all monetary awards shall be forwarded to University Personnel Services/Payroll for proper income tax and withholding considerations. Monetary awards can be adjusted upward (gross up) to include income tax withholdings if approved by the unit head.

b. University Personnel Services/Payroll will record the value of the

award in the employee's wages. Monetary awards will be subject to income tax and other appropriate withholdings and will be included in the total wages on the W-2 form issued at the end of the year.

3.07 Any penalty, assessed under Internal Revenue Code for under withholding, will be borne by the recipient.

Approved: October 1996