**Employee Suggestion Program Policy**

**POLICY**

[Company Name]’s employee suggestion program (ESP) encourages all employees to offer suggestions that improve the performance and quality of their work while achieving [Company Name] objectives. Suggestions that identify specific problems and propose suitable solutions to enhance the efficiency and effectiveness through increased productivity, reduced costs, improved and safer working conditions, conservation of resources, and enhanced public services are considered.

**PROCEDURES**

The human resources (HR) department administers the ESP by receiving suggestions, overseeing the evaluation process to ensure fair and appropriate consideration, and approving the issuance of awards. Suggestions that are cost saving, practical, constructive and beneficial to [Company Name] will be eligible for review and must identify a problem area, recommend a solution or action, be consistent with program criteria and submitted following proper procedures.  **Awards**

Cash awards are authorized only for employees whose ideas:

* Are adopted and implemented; and
* Result in measurable dollar savings or increased revenue.

Cash awards are based on the savings and/or revenue actually generated in the first year of implementation of the suggestions. If all anticipated savings/revenues are generated within the first year, the calculation and award may occur at that time and before the full year has elapsed. Individuals must be employed at the time of the award distribution to be eligible for the cash award.

The active life of a valid suggestion shall be one year from receipt by HR or until final disposition of the suggestion, if longer than one year. Based on the evaluator's estimate of quantifiable (tangible) net cash savings or revenue generated during the first year of implementation, awards are calculated as follows:

|  |  |
| --- | --- |
| **Net 1st-Year Savings/Revenue** | **Award** |
| **$20,000 or more** | **$5,000 + 1% of amount over $20,000**  |
| **$10,001-$19,999** | **25% of the savings + $500**  |
| **$501-$10,000** | **25% of the savings/revenue**  |
| **$100-$500** | **25% or 1 day of paid leave (employee option)** |

Cash awards are subject to state and federal taxes. The decisions of HR are final and binding. This includes all questions of policy, procedure, entitlement to an award and the nature and amount, if any, of such award.

Eligible classified employees may receive noncash awards of one to three days of paid leave for suggestions that result in significantly improved processes, programs, services or safety, for which benefits are not readily measurable.

Human Resources will use the following factors in estimating the value of a suggestion:

* Degree of improvement in operations, forms, facilities or equipment.
* Degree of improvement in employee relations, working conditions, safety and service to customers.
* Completeness of the proposal.
* Effort involved in developing the idea.
* Cost of adoption.

ESP paid leave awards not taken within 12 months will be forfeited. Active ESP leave balances will be paid when the employee leaves the company.

**Process**

Employees with suggestions must complete the [Company Name] employee suggestion form and submit it to the HR department.

The suggestion will be reviewed for eligibility by HR, entered into the ESP tracking log and forwarded to the appropriate department for evaluation.

The department evaluator will complete part one of the ESP evaluation form and return it with relevant documentation to HR within the required time frame.

HR will review the evaluation and make an award decision in accordance with this policy. The employee will be notified of the award upon approval and signature of [Company Name]’s president.

 **EXCLUSIONS**
Suggestions that cannot be considered include the following:

* Suggestions that would normally be expected in the performance of the employee's job or those that the employee can implement without higher-level approval.
* Suggestions that do not include a solution or plan for improvement.
* Suggestions that result from assigned audits, surveys, reviews or research.
* Suggestions that are already under active consideration by management.
* Suggestions that duplicate another suggestion under consideration or for which an award previously has been granted.
* Suggestions that propose changes to salaries, benefits or employment classifications.
* Suggestions that are already enforced by existing laws or regulations.
* Suggestions that pertain to complaints or grievances, open or closed.