



EMPLOYEE SUGGESTION AWARD PROGRAM

OPERATING PROCEDURES

Section 1. Scope and Purpose

These guidelines set forth the operating procedures for administering the Employee Suggestion Award Program (ESAP), as outlined in Tennessee Code Annotated, § 4-27-101 *et seq.* The program provides cash or honorary awards for State employees who submit ideas that reduce costs or improve the quality of service of State government.

Section 2. Policy

- A. The Employee Suggestion Award Board shall recognize employees who propose procedures or ideas which, when put into practice, result in realized savings or improvements in State operations.
- B. The Department of Human Resources shall encourage eligible employees to participate in the Employee Suggestion Award Program, including, but not limited to, an annual electronic email notification to employees.
- C. The Employee Suggestion Award Board, composed of the Commissioner of Human Resources, the Commissioner of Finance and Administration, the Commissioner of General Services, the Executive Director of the Fiscal Review Committee, and one member appointed by the Tennessee State Employees Association, shall administer the program on a statewide basis. The Board, which will meet at least quarterly, shall evaluate and approve each cash or honorary award made to State employees pursuant to the provisions of Tennessee Code Annotated § 4-27-101 *et seq.*
- D. Suggestions submitted for approval by the Employee Suggestion Award Board shall be authenticated by the respective agency's Appointing Authority and Fiscal Officer. This authentication will confirm: the suggestion has been implemented, the savings/benefits apply to State government, the savings/benefits have been realized, and the suggestion creates no conflicts with enterprise-wide/vendor initiatives.

Section 3. Eligibility

- A. Employee Eligibility: All current and retired employees of State government, except elected and appointed officials, are eligible to submit suggestions for cash awards under this program, provided they do not fall in any of the following categories.
 1. The four levels of management which are prevented from receiving cash awards, as defined by Tennessee Code Annotated § 4-27-104, are as follows:



- a. Level I: Governor's staff, department commissioner or equivalent;
- b. Level II: Assistant or deputy commissioner, assistant to the commissioner, major fiscal and administrative policy departmental staff or equivalent;
- c. Level III: Director or division chief including the full line division chief to a statewide program; includes chief of division supervising several line service units or equivalent or
- d. Level IV: Assistant to director or division chief, section chief, or head of major departmental function or equivalent.

The employees listed above, although ineligible for a monetary award by the provisions of this section, may be eligible for an honorary award at the discretion of the Board.

B. Suggestion Eligibility Criteria: Any suggestion submitted by an eligible employee will be reviewed by the Agency Evaluator and a recommendation made to the Agency Review Team unless the suggestion:

1. Duplicates a suggestion previously submitted to the agency;
2. Involves a personal grievance or complaint;
3. Recommends increased taxes or license fees, or involves proposed, pending or current legislation;
4. Concerns state employee wages, benefits or overall compensation;
5. Recommends a "study," "survey," or "review" with the course of action to be taken in accordance with the findings;
6. Proposes following existing policies or procedures;
7. Would correct a temporary problem, or one that management can document is in the process of being corrected;
8. Is the result of assigned or contracted audits, studies, surveys, reviews, or research;
9. Saves money for one governmental agency at the expense of another agency of the State of Tennessee or of its political subdivisions;
10. Involves routine maintenance, repair or housekeeping; or
11. Is clearly defined in the employee's Individual Performance Plan or job duties.
12. Reflects savings from a federally funded program.

C. Agency Review Team Considerations: In determining if a suggestion should be implemented, the Agency Review Team will consider the following factors:

1. Severity of the present problem;



2. Effectiveness of the suggestion offered;
3. The need to encourage improvement in state operations;
4. Ingenuity of the suggestion.

Section 4. Group Suggestions

The amount of an award for a suggestion made by a group of employees shall be determined on the same basis as if the suggestion had been submitted by one employee, and the amount awarded shall be divided equally among those employees making the suggestion. Members of the group shall be identified by name at the time the suggestion is submitted.

Section 5. Suggestion Submission

A suggestion shall not be submitted, reviewed, evaluated, tracked, or considered for cash or honorary award unless submitted on the ESAP official Suggestion Form.

Section 6. Payment of Awards

The cash award shall be equal to fifteen percent (15%) of the annual savings realized in a fiscal year, with a maximum award of one hundred thousand dollars (\$100,000). Cash awards are limited to the first fiscal year following the fiscal year in which the suggestion was made. Within ninety (90) days of the end of each fiscal year in which the savings have been realized, the award shall be paid to the employee.

Cash awards over fifty thousand dollars (\$50,000) must be spread over three (3) years following the fiscal year in which the suggestion was made. The award will be paid yearly in equal amounts. If the employee entitled to the award leaves state service, the employee forfeits the remaining award. Any cash awards approved by the board shall be charged against the appropriation item or items to which realized savings apply.