

**Procedure 5-403D: Discretionary Bonus.**

Revision 0. Effective date: February 14, 2023

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**I. Purpose and Scope**

A. Purpose.

To document the process and procedure for a discretionary bonus.

B. Scope.

This procedure applies to all Employees of the University of Utah.

**II. Definitions**

The definitions provided in Policy 5-403 and Rules R5-403A and R5-403B apply for this procedure.

**III. Procedure**

A. The bonus is given at the discretion of management. There is no guarantee or promise to pay an Employee a discretionary bonus.

B. Examples of when a discretionary bonus may be given to an Employee include the Employee’s significant contribution or substantial accomplishment associated with:

1. major projects or initiatives (e.g., system implementation, new program implementation);
  2. significant cost saving or cost avoidance beyond normally expected or established standards;
  3. extraordinary effort during times of critical department needs (e.g., meeting critical deadline that could have an adverse impact on business operations);  
or
  4. contribution that clearly and significantly impacts the accomplishment of important and critical business operational goals.
- C. A discretionary bonus is not appropriate for:
1. outstanding or excellent performance of ongoing, normal or regular job duties and responsibilities as these should be recognized as part of the annual performance and salary review;
  2. Employee effort or work time that has no significant impact on a major project or initiative;
  3. recognizing an Employee's long-term service, loyalty or commitment; or
  4. accomplishment of personal and career goals, skills and competencies, professional degree, certification or registration.
- D. Eligibility
1. An Employee must be in an active status (non-terminated) at the time the bonus is awarded.
  2. An employee may not receive more than one discretionary bonus for a single achievement.
  3. An employee may be eligible for a discretionary bonus if the following performance standards are met:
    - a. the Employee's contribution is major, key or vital; and
    - b. The Employee makes extraordinary efforts to meet quality and quantity requirements while meeting essential requirements and performance standards of the regular job.
- E. Additional Requirements

1. A discretionary bonus payment must be made as a one-time payment and must not be added to an Employee's Base Salary.
  2. Departments shall consistently and fairly apply the criteria and standards for awarding discretionary bonuses.
  3. Approval of the cognizant vice president or cabinet member with line responsibility is required for amounts above \$2500 for the University of Utah academic campus.
  4. Approval of UUHC Chief Human Resource Officer or Executive Director of the Hospital is required for amounts \$5000 or above for the University of Utah Hospitals and Clinics (UUHC)
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*Sections IV- VII are for user information and are not subject to the approval of the Academic Senate or the Board of Trustees. The Institutional Policy Committee, the Policy Owner, or the Policy Officer may update these sections at any time.*

#### **IV. Policies/ Rules, Procedures, Guidelines, Forms and other Related Resources**

##### A. Policies/ Rules.

1. Policy 5-403: Additional Compensation Policy
2. Rule 5-403A: Additional Compensation for Staff (Hourly/Exempt)
3. Rule 5-403B: Additional Compensation for Faculty

##### B. Procedures, Guidelines, and Forms.

1. [Bonus Pay Form](#)

##### C. Other Related Resources. [ reserved ]

#### **V. References**

##### A. [ reserved ]

#### **VI. Contacts**

The designated contact officials for this Regulation are

A. Policy Owner(s) (primary contact person for questions and advice): Human Resources Associate Director, Payroll

B. Policy Officer(s): Chief Human Resource Officer

See Rule 1-001 for information about the roles and authority of policy owners and policy officers.

## **VII. History**

Revision History.

A. Current version. Revision 0. Effective February 14, 2023