

Employee Recognition

Awards including other Authorized Court Functions

Resources:

- State Finance [Policies and Procedures](#), 05-03.06, 05-03.07 and 05-03.08 DAS
- Section 08 Accounts Payable and FI48 [Employee Reimbursement/Earnings Request](#)
- Courts Human Resources [Incentive Awards 320 Policy](#)
- See [Section 01-01.00 Records Retention](#)
- See 07-03.04 Forms and Instructions for [Non-cash](#) and [Cash Equivalent](#) Logs; as well as instructions for [SAP Reconciliation](#).

Purpose:

This policy explains the purchasing of awards for an employee incentive award or other authorized court functions other than retirement.

Policy:

1. Incentive awards may be monetary or non-monetary. Monetary awards may be given to employees based upon the annual availability of funds. Refer to Human Resources Incentive Awards 320 policy.
2. AOC management and court executives must ensure incentive award program details are kept on file. For information on how to handle cash equivalent taxable awards (gift certificates, gift cards, movie passes, etc.) and non-cash incentive awards (candy, hams, turkeys, etc.) see State Finance Policies and Procedures Manual Section 05-03.06 as well as the following policies and procedures based on a memo dated 8/17/10 from [AOC Budget Manager](#).
3. When a cash equivalent award is given to an employee, management must ensure an FI48 Employee Reimbursement/Earnings Request form is completed (employees EIN number and wage type 1128) and submitted to the payroll clerk to be entered immediately into the payroll system.

Procedure:

Cash Equivalent Awards

1. Object code 5150 must be used for all payments for purchases of cash equivalent incentive awards.
2. AOC management and court executives will designate an employee to maintain a log of cash equivalent incentive awards purchased. The log must include each cash equivalent award, the amount, and to whom the awards have been given.
3. A second employee (custodian) will be provided a copy of the log and secure the inventory of cash equivalent awards in a locked device.
4. The custodian will keep the key to the locked device in his/her possession at all times. A duplicate key to the locked device will be secured in a dual control key box to provide access in the custodian's absence.
5. When a cash equivalent award is given to an employee, management must ensure an FI48 Employee Reimbursement/Earnings Request form is completed (employees EIN number and wage type 1128) and submitted to the payroll clerk to be entered immediately into the payroll system.

Non-cash Awards

1. Object code 6276 must be used for all payments for purchases of non-cash incentive awards.
2. AOC management and court executives will designate an employee to maintain a log of non-cash equivalent incentive awards purchased (candy, ham turkey, etc.). The log must include each item and a field to record the name of the employee who requested the item to distribute.
3. A second employee (custodian) will be provided a copy of the log and non-cash items to distribute per the AOC/District incentive award plan.
4. When a non-cash item is requested from the custodian, the requesting employee's name will be written on the log next to the non-cash award.
5. There are no payroll tax consequences for non-cash items up to \$50.
6. Retain records according to the current record retention schedule.

Quarterly Reconciliation of Cash and Non-cash Equivalent Incentive Awards

7. The employee who created the logs reconciles the cash equivalent and non-cash incentive awards quarterly. The reconciler must compare the items purchased to the custodian's log, verify the items in inventory and distributed for the past quarter.
8. For cash equivalent awards, reconcile the log to the payroll [SAP Report](#) to ensure an FI 48 form was processed taxing the award.
9. Supporting accounting documentation for the purchase, inventory, and distribution of cash and non-cash equivalent incentive awards must be retained in addition to logs used to complete the quarterly reconciliation based on the courts retention schedule. Any discrepancies must be reported to management for resolution.