

Salary Rules and Procedures for Bonus Payments

Definitions

The following term is used in this document:

Term	Definition
Institutional Base Salary (IBS)	Annual salary paid to an individual for performance of all professional obligations required by the individual's primary appointment. These professional obligations may include research, teaching, administrative functions, and/or other service activities and are generally identified in the individual's appointment or reappointment letter. Unless otherwise specified, the annual salary stated in the appointment or reappointment letter fully compensates the individual for all professional obligations required by his/her primary appointment. IBS excludes any income that an individual is permitted to earn outside of duties performed as part his/her primary appointment.

Rules

Bonus payments must be approved in accordance with RF Salary Administration policies and procedures, and comply with federal and state laws. Bonus payments made to nonexempt employees must comply with the rules outlined in [Requirements for Overtime Pay](#) document. Generally bonuses, other than lump sum discretionary, are includable in the regular rate of pay when calculating the overtime rate.

If the funding source is sponsored programs, the award must be reviewed to ensure the payment complies with sponsor requirements and there are no restrictions on bonus payments.

Bonus payments must be awarded and processed according to the documentation, approvals, and requirements outlined in this document.

Types of Awards

A bonus is defined as a lump sum, non-cumulative cash award that may be granted to an employee in the following situations:

Performance: for a significant contribution that substantially benefits the Research Foundation, project, or unit, or as a productivity bonus when certain pre-determined productivity measures are met during the performance period

Sign-On: used as an incentive in recruiting employees with high demand skills or key talent requirements. These awards can help avoid higher, ongoing fixed compensation costs when recruiting key, hard to fill positions

Retention: used to retain employees

Restrictions

Bonus payments cannot be awarded to:

- Non-RF employees
- SUNY faculty on summer only appointments
- SUNY employees on RF extra service appointments

A bonus payment to an RF employee should not be given for activity that is considered part of the institutional base salary and cannot be used:

- To provide annual discretionary pay as defined in the campus and corporate salary plans. Lump sum discretionary awards given as part of the salary plan are not considered bonuses and therefore not covered by the requirements in this document. See the RF Salary Plan for more information
 - In lieu of paying overtime wages to nonexempt employees that are required by wage and hour law
- Incentive awards for garnering external funding cannot be paid from sponsored awards.

Documentation

Documentation for bonus payments must include the following:

Written documentation showing that funds are available.

Documentation should include the individual's relationship to the project if the person is not actively being paid on that project. The methodology for distribution must be included when more than one employee receives a bonus. Copies of written backup and appropriate review are generally retained in the employee's personnel file.

The payment is appropriate and consistent with RF rules. This includes the following:

- *Sign-on*: Documentation of the demonstrated need for the recruitment incentive. This should generally include market data or related recruitment history, as appropriate.
- *Retention*: Used to retain employees.
- *Performance*: A description of a documented, specific and significant action or performance above or beyond what would normally be expected of a person in the position; in recognition of temporary increases in responsibilities.
- *Productivity*: Documentation of the criteria previously established for a productivity bonus and the measures showing that the criteria for a bonus have been met.

Responsibilities

The *project director/principal investigator or designee* is responsible for:

- Providing appropriate written documentation and ensuring payments are made in accordance with the rules and requirements outlined in this document.

The *Research Foundation operations manager or designee* is responsible for:

- Ensuring that all bonus payments are made in accordance with the rules and requirements outlined in this document; and appropriate campus approvals are obtained
- Note:** As the bonus amounts can be significant, the operations manager should use discretion when designating the authority for approval.

The *vice president of human resources or designee* is responsible for

- Updating and maintaining the rules and procedures
- Entering information into the computerized business system for locations that are not responsible for their own personnel/payroll input

Approvals

A signed "Oracle Information Change Form" or another document containing similar data

elements.

Change History

Date	Change History
April 27, 2011	New Document

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Responsible Party: Human Resources

Contact Information: 518-434-7080

Feedback

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