



DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

POLICY 1.15 EMPLOYEE RECOGNITION AND ENGAGEMENT

APPLICATION:

Service Recognition: Classified Employees

Organizational Recognition: Classified, "At Will," and Wage employees

PURPOSE:

It is the policy of the Commonwealth to recognize employees for their state service, and to acknowledge their important contributions to the overall objectives of their agencies and state government. State agencies are directed to develop and deliver Service and Organizational Recognition programs that are meaningful to employees, inspire teamwork, and that promote agency and Commonwealth values.

POLICY SUMMARY:

A. SERVICE RECOGNITION FOR CLASSIFIED EMPLOYEES:

Agencies must develop programs that will appropriately recognize and reward employees for their cumulative state service. (See procedures for definition of state service.)

Agencies are encouraged to recognize the successful completion of an employee's first and third year of service with certificates, recognition leave, and/or commemorative items.

In recognition of the completion of each five-year increment of state service, awards may include a certificate, gift item, and/or recognition leave that are presented to an employee by his or her current agency.

1. AGENCY RESPONSIBILITIES:

- a. Ensure availability of funding for support of their agency's service award program.
- b. Designate an Agency Service Awards Coordinator.
- c. Develop and deliver programs to recognize employee service.
- d. Determine the manner in which service awards are presented, provided the presentation of the service awards are held during work hours and any planned events are reasonable in both duration and cost. (Service award presentations may be combined with other recognition ceremonies.)
- e. Maintain records as necessary to plan for and manage a service awards program, and comply with records retention requirements promulgated by the Library of Virginia and expenditure guidelines issued by the Department of Accounts.

2. INTER-AGENCY REGIONAL SERVICE AWARD EVENTS:

- a. Agencies are encouraged to collaborate on the development and delivery of regional, inter-agency service recognition, and other special events to commemorate employees achieving major service milestones.

B. ORGANIZATIONAL RECOGNITION FOR ALL AGENCY EMPLOYEES:

Employee and Organizational Recognition is characterized by a variety of formal, planned, and immediate or “spot” recognition or engagement activities that are designed to acknowledge employee or team accomplishments and contributions that support the mission and objectives of an agency. Examples include, but are not limited to, noteworthy achievements, successful completion of a project or special assignment, stellar customer service, attendance, safety, teamwork, innovation, the nomination for a Governor’s Award, Virginia Public Service Week, and agency-wide success stories.

1. ORGANIZATIONAL RECOGNITION AWARDS:

- a. Monetary and non-monetary awards up to five thousand dollars (\$5,000) per employee per fiscal year.
- b. Up to 40 hours of Organizational Recognition leave may be awarded to a salaried employee per leave year (January 10th – January 9th). Wage employees may not receive recognition leave.
- c. The total of monetary and non-monetary awards shall not exceed five thousand dollars (\$5,000) per employee per fiscal year.

2. AGENCY RESPONSIBILITIES:

- a. Ensure availability of funding for support of the agency’s organizational award program.
- b. Designate an Agency Recognition and Engagement Coordinator.
- c. Develop and deliver programs to recognize employee and agency accomplishments.
- d. Design formal, casual, and creative strategies for the staging and presentation of awards, engagement, and celebration activities. Activities should be held during work hours and should be reasonable in both duration and cost.
- e. May combine service award presentations with other recognition ceremonies.
- f. Maintain records as necessary to plan for and manage awards program, and comply with records retention requirements promulgated by the Library of Virginia and expenditure guidelines issued by the Department of Accounts.

AUTHORITY & INTERPRETATION:

Title 2.2 of the Code of Virginia

The Director of the Department of Human Resource Management is responsible for official interpretation of this policy, in accordance with §2.2-1201 of the Code of Virginia. The Department of Human Resource Management reserves the right to revise or eliminate this policy.

RELATED POLICIES:

- Policy 3.05, Compensation
- Policy 2.20, Types of Employment

POLICY HISTORY:

Original Publication Date	2-1-2019	Replaces Policy 1.10, Service Recognition and Policy 1.20 Employee Recognition Programs
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DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

EMPLOYEE RECOGNITION AND ENGAGEMENT ADMINISTRATIVE PROCEDURES

EMPLOYEE SERVICE AWARDS PROCEDURES

A. AGENCY SERVICE AWARD COORDINATOR (ASAC):

1. Agencies must designate an employee to serve as the coordinator of the agency's service award program for classified employees. This individual must have access to the Agency's related employee personnel data and reports.

B. CALCULATING STATE SERVICE:

1. State service includes all salaried employment at any agencies of the Executive, Legislative, Judicial, and Independent branches of Virginia government. State service includes all periods of approved leave with and without pay.
2. NOT INCLUDED for service recognition:
 - a. Non-working Long-Term Disability;
 - b. Wage employment as defined in [Policy 2.20, Types of Employment](#).
3. Employees must pass the service milestone before receiving the recognition award for that level of service; service time is not rounded up.
4. Agencies may establish workable cutoff dates as needed in order to administer the program efficiently. For example, an agency may require employees to reach the service milestones by October 31 to qualify to receive an award at a December ceremony.

C. SERVICE AWARDS:

1. Service Awards may include:
 - a. Service Award Certificate
 - b. Gift Item
 - c. Recognition Leave of up to 40 hours. *Service Award recognition leave may be granted in addition to Organizational Recognition Leave Awards.*
2. Service recognition award gift items are available through contracts administered by the Department of General Services' [Division of Purchases and Supply \(DGS/DPS\)](#).
3. The purchase of service recognition gift items other than those offered by the DGS Division of Purchases and Supply must be coordinated through the Agency's Procurement Officer. Such purchases must comply with DGS's procurement policies. Award items must be consistent in cost/value with the contract items for a given service level.
4. Agencies are encouraged to order Service Award Certificates through the DGS's Division of Purchases and Supply's contracted vendors.

D. PRESENTATION OF SERVICE AWARDS:

1. Agencies may determine the manner in which service awards are presented.
 - a. Five-Year Incremental Service Awards must be presented at least annually.
 - b. One and Three-Year Service Awards should be presented upon completion of the employee's service period. Agencies opting to provide gift items may limit the types of items available.

E. COLLABORATIVE INTER-AGENCY SERVICE RECOGNITION EVENTS:

1. The Agency's ASAC may partner with DHRM and other Agency Service Award representatives to plan and facilitate regional and other special award events to honor employees who have reached significant service milestones.
2. Employees may attend their Agency-sponsored Service Award program events in addition to regional and other special celebrations of state service.

ORGANIZATIONAL RECOGNITION AWARDS PROCEDURES

A. AGENCY RECOGNITION AND ENGAGEMENT COORDINATOR (AREC):

1. Agencies must designate an employee or team to develop and implement organizational recognition and engagement programs and to coordinate employee and team recognition activities.
2. Agency guidelines detailing individual employee and team recognition awards should be communicated to employees. These guidelines should address the criteria upon which recognition decisions will be based, a description of the process for selection of employees for recognition awards, and the identification of the person(s) responsible for selecting recognition award recipients.

B. Monetary Awards:

1. Monetary awards are:
 - a. Those paid by any negotiable instrument (cash, check, money order, and direct deposit) or;
 - b. Any item that can be readily converted to cash, such as savings bonds or refundable gift certificates.
2. Agencies may not add monetary awards to an employee's base pay.

C. Non-monetary Awards:

1. Non-monetary recognition awards include, but are not limited to, non-refundable gift certificates; meals; trips; plaques; trophies; certificates; pencils, pens and desk items; cups and mugs; personal items of clothing such as caps, shirts, and sweatshirts; and other items such as tools, electronics, radios, sports equipment and timepieces.

D. Requirement to Tax:

1. All monetary awards (regardless of amount) are considered income for the employee and taxed accordingly.
2. Agencies may not increase award totals by the amount of payroll taxes normally deducted from employees' pay.
3. Non-monetary awards also may be subject to tax. Agencies shall be responsible for determining whether or not non-monetary awards are taxable, in accordance with IRS tax regulations.

E. Recognition Leave:

1. Recognition leave lapses within 12 months from the date it is awarded. However, agencies may extend the 12-month retention period for recognition leave if the agency has been unable to allow the employee to use the leave, or
2. An employee shall be paid in a lump sum for his or her recognition leave when the employee:
 - a. leaves state service by resignation, retirement, layoff, termination, or death;
 - b. is transferred, promoted or demoted from one agency to another; or
 - c. is placed on Long Term Disability under the Virginia Sickness and Disability Program (VSDP).
3. In addition, agencies may pay employees for their recognition leave balances if:
 - a. At the end of the 12-month period, the agency has been unable to allow the employee to use the leave, or
 - b. The employee moves from one organizational unit to another within the agency.
4. Agency timekeeping systems must distinguish service recognition leave from organizational recognition leave for reporting purposes.

F. Procuring Awards:

1. Agencies may procure monetary and non-monetary awards and items to be used for employee recognition in accordance with policies and procedures of the Department of General Services' Division of Purchases and Supply and the Department of Accounts.
2. Agencies may purchase non-monetary items through the state contract that is held by the Division of Purchases and Supply. Use of this contract by agencies is not mandatory; however, the contract includes multiple vendors and suppliers who provide a wide range of items economically.

G. ORGANIZATIONAL ACTIVITIES:

1. Agencies may sponsor organizational and employee engagement activities including banquets and lunchtime on-site activities centered on social, recreational, and educational programs designed for employees and their families. Activities must be reasonable in terms of time and costs.

GLOSSARY

None