

**MONTANA STATE LIBRARY COMMISSION  
INCENTIVE AWARD PROGRAM POLICY**

**SUGGESTED ACTION: REPLACE WITH ONE PARAGRAPH POLICY AT THE END OF THIS DOCUMENT**

I. PROGRAM DESCRIPTION

The statewide Incentive Award Program rewards outcomes and achievements which can be documented. An idea or suggestion becomes eligible to be nominated for an award when it is implemented or when documented achievements and outcomes can be determined. Recognition also is possible for improving the effectiveness of state government or improving services to the public by permitting more work to be accomplished within an agency without increasing the cost of operations. Nominations for awards may come from current agency employees, employees of other state agencies and from non employees. Individual employees, groups or teams of employees and non employees all may be eligible to be nominated for awards.

Each agency administers its own program. The State Librarian will grant any incentive awards and determines their monetary value. He/she may approve up to \$500 or up to 40 hours of paid leave for an award for which a documented value cannot be calculated. He/she may approve an award of up to \$17,000 for an achievement or outcome with a documented value.

If the suggestion results in a permanent reduction in full-time equivalent positions, the State Librarian may increase the salary for one or more remaining positions in the agency by the amount of the salary for an eliminated position. The increase may not exceed the market salary for the remaining position(s).

II. PROGRAM COODINATOR RESPONSIBILITIES

- A. Karen Strege, phone 444-3384, TDD 444-5432, FAX 444-5612, is the State Library's Incentive Award Program (IAP) coordinator.
- B. The program coordinator is responsible for the following:
  - 1. Receiving nominations for awards.
  - 2. Notifying submitters of the status of proposals.
  - 3. Maintaining a tracking system for nominations for awards.
  - 4. Chairing a standing committee to evaluate and prioritize nominations for awards.
  - 5. Promoting the program within the agency.
  - 6. Arranging presentation ceremonies, including obtaining monetary awards.
  - 7. Publicizing awards to the agency and the media.
  - 8. Preparing the annual report of activity for the Department of Administration.
  - 9. Making or arranging a reasonable accommodation to participate in the program, if one is requested.
  - 10. Any other duty assigned by the State Librarian.

### III. PROCEDURE TO NOMINATE INDIVIDUALS, GROUPS OR TEAMS FOR AWARDS

- A. A nomination for an incentive award may be submitted on a form provided by the State Library's program coordinator or in a similar format.
- B. Agency employees, employees of other state agencies and non employees may submit ideas or suggestions which could contribute to the efficiency, economy or other improvement of state government. Implementation of these ideas or suggestions is at management's discretion. An implemented idea or suggestion could be nominated for an incentive award based on documentation of any outcome or achievement which occurs.

**THE NOMINATION MUST INCLUDE THE FOLLOWING INFORMATION TO BE CONSIDERED. INCOMPLETE SUBMISSIONS WILL BE RETURNED. QUESTIONS ABOUT THIS PROCESS SHOULD BE DIRECTED TO KAREN STREGE.**

- 1. Name, address, and telephone number of person(s) submitting the nomination for an incentive award.
- 2. Name(s) of individual or group or team of employees nominated, if applicable.
- 3. A description of how the outcome, achievement or savings
  - a) exceeds normal expectations for the employee, or group or team of employees, or
  - b) has an impact on the delivery of service to the public or other customer, or
  - c) directly and to what degree contributes to the agency's objectives, goals and mission.
- 4. The dollar value of the documented savings, including the method used to determine the value.
- 5. Signature of the submitter(s) and the date submitted. The program coordinator will date each nomination which will become the official receipt date of the nomination. The agency will notify the submitter in order to evaluate the nomination.
- 6. All nominations for incentive awards are public information and available for review.

### IV. EVALUATION AND PRIORITIZATION OF NOMINATIONS FOR AWARDS

- A. The agency head makes the final decision to grant an incentive award. The agency head resolves any and all disputes related to granting an incentive award.
- B. Administrative Council members, minus the State Librarian, shall serve as a standing committee, chaired by the program coordinator. The committee will conduct the initial evaluation and prioritization of nominations for incentive awards. If the committee determines a nomination is applicable to the agency, the committee will make non-binding recommendations to the State Librarian concerning:
  - 1. approval or disapproval of a nomination for an award, and

2. an appropriate monetary or leave award.

C. The committee will use the following criteria to evaluate and prioritize nominations:

Compare the outcome, accomplishment of savings to what is normally expected from the employee, group or team of employees through the duties and responsibilities of their positions.

- Those outcomes, accomplishments or savings that exceed expectations by the greatest degree should be given priority for awards.
- When cost savings or cost avoidance result from the expected performance of regular duties, outcomes should not be given priority for awards.
- If cost savings or cost avoidance results from activities that:
  - Are highly original or creative, involving innovative or novel approaches developed by members of the group or team;
  - Significantly exceed the level of effort or diligence normally expected from the employee's positions;
  - Require cooperative work efforts possible only through initiatives of group or team members that go above and beyond what is normally expected through existing work structure or organization;

then resulting outcomes, achievements or cost savings should be given priority for award.

Evaluate the impact of the outcome accomplishment or savings on delivery of service to the public or other customer.

- Outcomes, accomplishments or savings having the greatest impact on the well being of the State Library's customer group should be given the highest priority for award.

Evaluate the outcome, accomplishment or savings in terms of how directly and to what degree they contribute to the State Library's objectives, goals and mission.

- Outcomes, accomplishments or savings make the greatest contribution towards the agency's stated objective, goals and mission should be given the highest priority for award.

When evaluating a suggestion, invention or idea, consider:

- Is the suggestion, idea or invention original? Is it highly innovative, representing a significant departure from previous approaches or ideas or is it a minor modification to an existing approach?
- Has the suggestion, idea or invention been fully implemented? To what degree did it require modification or further development before it could be successfully implemented?
- How important was the suggestion, idea or invention in contributing to the outcome, accomplishment or cost savings? Did it allow a minor improvement in an outcome that would have occurred without the suggestion, idea or invention, or did it provide the principal impetus or mechanism for an outcome that would not have occurred without the suggestion, idea or invention?

D. Two types of incentive awards are available.

1. The first is an award for an achievement or outcome that does not result in cost savings that can be specifically determined a year after the achievement or outcome is implemented and the cost savings actually incurred. In this case the agency head may award a maximum of \$500 per employee or nonemployee or not more than 40 hours of paid leave time for an employee. Larger awards may be proposed and submitted to the legislature for consideration.
2. The second is an award for an achievement or outcome producing cost savings that can be measured after the savings are actually incurred. The State Librarian may grant an award which may not exceed:
  - a) 10% of the first \$100,000 of cost savings actually incurred during the 12 months following implementation of the suggestions; plus
  - b) 5% of the next \$100,000 of cost savings actually incurred during that 12-month period; plus
  - c) 2% of the next \$100,000 of cost savings actually incurred during the 12-month period.
- E. If the award is to be divided between two or more persons, the State Librarian determines the amount each person is to receive.
- F. The Committee may request additional assistance from other department staff, other state employees, and/or any person or group able to provide information necessary to make an informed recommendation.
- G. The committee will meet as nominations are received, but no more than once a month. Minutes of the meetings will be kept. Meetings of the committee are open to the public.
- H. The committee will document in writing the evaluation and priority for award which is recommended.
- I. If the committee determines the nomination is not applicable to the agency, the committee may:
  1. return the nomination to the submitter with an explanation, or
  2. refer the nomination to another agency to which it may apply and notify the submitter of that action.

#### V. PRESENTATION OF AWARDS

- A. The State Librarian will make the final decision regarding the adoption of an incentive award and the amount of the award.
- B. The incentive award review committee will compile its evaluations and priority recommendations for awards for the State Librarian no later than March 1 and September 1.
- C. The maximum number of adopted incentive awards in a fiscal year for the State Library is seven.
- D. Incentive awards will be presented in April and October at a ceremony at the Montana State Library.

VI. CLOSING

- A. This agency policy supplements 2-18-1101 et seq., MCA and ARM 2.21.6701 et seq., the Incentive Award Policy.
- B. The State Library will make reasonable accommodation for persons with disabilities who wish to participate in the Incentive Award Program. To request an accommodation, contact Karen Strege, Montana State Library, 1515 East Sixth Ave, Helena, MT 59620-1800, phone 444-3381, TDD 444-5432, or FAX 444-5612.

Adopted by State Library Commission October 19, 1994

**MONTANA STATE LIBRARY COMMISSION  
STATE LIBRARY NOMINATION FORM  
FOR INCENTIVE AWARD PROGRAM**

Individuals, groups or teams of employees, other state employees and nonemployees may submit nominations for awards for consideration.

The nomination must be submitted on this form or in this format. You may attach additional sheets if necessary. Incomplete submissions will be returned. Questions about this process should be directed to Karen Strege, Administrative Assistant.

1. Name, address, telephone number of person(s) submitting the nomination for an incentive award.
  
2. Name(s) of individual or group or team of employees nominated, if applicable.
  
3. A description of how the outcome, achievement or savings
  - a. exceeds normal expectations for the employee, or group or team of employees, or
  - b. has an impact on the delivery of service to the public or other customer, or
  - c. directly and to what degree contributes to the agency's objectives, goals and mission.
  
4. The dollar value of the documented savings, including the method used to determine the value.
  
5. Signature of the submitter(s) and the date submitted.

All nominations for incentive awards are public information and available for review. The agency may request additional information from the submitter in order to evaluate the nomination.

These rules supersede the policy on state employee incentive awards program dated 8/15/87. Administrative rules 2.21.6707 through 2.21.6707 and 2.21.6710 through 2.21.6718 have been repealed.

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2.21.6701 SHORT TITLE (1) This sub-chapter may be cited as the incentive award program. (Eff. 3/12/82; Amd. 9/9/94)

2.21.6702 DEFINITIONS As used in this sub-chapter, the following definitions apply:

(1) "Agency head" means, as defined in 2-18-1101, MCA, "a director, commissioner, or constitutional officer in charge of an executive, legislative, or judicial branch agency or an agency of the Montana University system. The term includes the president or other person in charge of a unit of the Montana university system."

(2) "Employee" means, as defined in 2-18-1101, MCA, "any employee of the executive legislative or judicial branch or the Montana university system."

(3) "Group or team of employees" means, as defined in 2-18-1101, MCA, "a group, team or work unit of employees working cooperatively." (Eff. 1/17/86; Amd. 9/9/94)

2.21.6703 POLICY AND OBJECTIVES (1) It is the policy of the state of Montana that:

(a) there be an incentive award program that recognizes and monetarily rewards individual employee, groups or teams of employees, and nonemployees, as provided in 2-18-1105, MCA for:

(i) "efforts that significantly contribute to documented achievements or outcomes eliminating or reducing an agency's expenditures; or

(ii) improving the effectiveness of state government or improving services to the public by permitting more work to be accomplished within an agency without increasing the cost of governmental operations;"

(b) each state agency make reasonable accommodation for persons with disabilities who wish to participate in the incentive award program, and

(c) all documents related to the administration of this program are public information and any meeting called to administer this program is a public meeting.

(2) It is the objective of this policy to:

(a) establish minimum standards for the administration of the incentive award program; and

(b) delegate to agency heads the authority to adopt an internal agency policy for the implementation of the program, if the agency head chooses to adopt a policy. (Eff. 1/17/86; Amd. 9/9/94)

2.21.6704 CREATION OF THE STATE INCENTIVE AWARDS ADVISORY COUNCIL (IS HEREBY REPEALED) (EFF. 1/17/86; Rep. 9/9/94)

2.21.6705 CREATION OF AGENCY INCENTIVE AWARDS COMMITTEES (IS HEREGY PEPEALD) (Eff. 1/17/86; Rep. 8/15/87)

2.21.6706 COOPERATION REQUESTED OF AGENCIES (IS HEREBY REPEALD) (Eff. 1/17/86; Rep 8/15/97)

2.21.6707 ELIGIBILITY OF SUGGESTIONS (IS HEREBY REPEALD) (Eff. 8/15/87; Rep. 9/9/94)

2.21.6708 PROGRAM ADMINISTRATION (1) An agency head make the final decision to grant an incentive award. Any and all disputes concerning an incentive award will be resolved by the agency head.

(2) An agency head may adopt an internal agency policy consistent with this sub-chapter to implement and administer the incentive award program. The policy may include, but is not limited to:

(a) criteria and methods used to evaluate and prioritize the usefulness or monetary value of documented outcomes or achievements;

(b) a contact point for employees and nonemployees to submit nominations for awards and a means to track nominations, ideas or suggestions; and

(c) any other matters the agency head believes are necessary to administer the program.

(3) To assist agencies in making incentive awards, as provided in 2-18-1103, MCA, the department of administration may develop the following materials, including, but not limited to:

(a) a model agency policy, forms, and notification letters, which an agency head may implement or modify; and

(b) a guide to requirements of the program to assist an agency head in evaluating the impact of outcomes and achievements or nominations and in determining a monetary value. (Eff. 1/17/86; Amd. 9/9/94)

2.21.6709 REPORTING REQUIREMENTS (1) In order to comply with 2-18-1106, MCA, each agency shall submit to the department of administration a list of the number of incentive awards granted, to whom each award was granted, the estimated value of each achievement or outcome and the amount of each award. The information must be submitted on a format prescribed by the department within 30 days after the end of each fiscal year. (Eff. 9/9/94)

2.21.6710 MODIFICATIONS OF SUGGESTIONS (IS HEREBY REPEALD) (Eff. 1/17/86; Rep. 8/15/87)

2.21.6711 INTERAGENCY SUGGESTIONS (IS HEREBY REPEALD) (Eff. 1/17/86; Rep. 8/15/87)

2.21.6712 GROUP SUGGESTIONS (IS HEREBY REPEALD) (Eff. 1/17/86; Rep. 8/15/87)

2.21.6713 TIME LIMITS ON IMPLEMENTED SUGGESTIONS (IS HEREBY REPEALD) (Eff. 8/15/87; Rep. 9/9/94)

2.21.6714 INVENTIVE SUGGESTIONS (IS HEREBY REPEALD) (Eff. 1/17/86; Rep. 8/15/87)

2.21.6715 RESUBMITTAL OF SUGGESTIONS (IS HEREBY REPEALD) (Eff. 1/17/86; Rep. 8/15/87)

2.21.6716 MAXIMUM TIME LIMIT FOR CONSIDERING SUGGESTIONS FOR IMPLEMENTATIONS (IS HEREBY REPEALED) (Eff. 1/17/86; Rep. 8/15/87)

2.21.6717 AWARDS IN EXCESS OF \$500 (IS HEREBY REPEALED) (Eff. 1/17/86; Rep. 8/15/87)

2.21.6718 SUGGESTIONS REQUIRING LEGISLATIVE ACTION (IS HEREBY REPEALED) (Eff. 8/15/87; Rep. 9/9/94)

Questions regarding the implementation of this policy should be referred to your department's personnel officer. Your personnel officer will contact the State Personnel Division, Department of Administration, if additional assistance is needed in interpretation of this policy.

**MONTANA STATE LIBRARY COMMISSION  
INCENTIVE AWARD PROGRAM POLICY**

The MSL commission believes that individual employees or groups or teams of employees shall be recognized by the agency and the state for suggestions or ideas that improve the effectiveness of state government or improves services to the public by permitting more work to be accomplished within an agency without increasing the cost of operations. The Commission hereby establishes such an award program at the State Library and directs the State Librarian to follow State Policy in its implementation.