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**EMPLOYEE AWARDS FOR COST-SAVING IDEAS****1. PURPOSE:**

The purpose of this Policy is to encourage all staff to identify ways to operate more efficiently and save money for taxpayers by reducing County operating costs. It will also establish guidelines by which County employees can benefit directly, financially by bringing forward cost-saving ideas for implementation within their own departments, other departments, or County-wide.

**2. APPLICABILITY:**

This policy applies to all active county employees regardless of tenure or job classification except for Department Directors and Elected Officials.

**3. POLICY:**

- A. Any employee who notices an opportunity for County operations to be accomplished in a more efficient manner that would result in cost-savings should document that opportunity for improvement in writing. The employee will prepare not more than a one-page summary of the idea using the template provided (attached: Cost-Savings Submission Form).
- B. On the Cost-Savings Submission Form, the employee should provide as much detail as possible about his/her observation – how the task is currently being accomplished with his/her ideas for improvement and potential cost-saving opportunities.
- C. The employee will submit the Cost-Savings Submission Form to the County Administrator/Deputy County Administrator (DCA) for review. The employee may want to be included in further discussion about the cost-saving idea and this participation will be encouraged. An employee may request that s/he is not publicly recognized for their submission; however, the employee is still eligible to receive the award if their submission is implemented and results in cost-savings as outlined below. (Employees need to be aware that any anonymous submissions for cost-savings ideas will not be paid the award. Employees are encouraged to provide their names with their submissions, even if they do not wish to be publicly recognized.)
- D. Following review by the County Administrator/DCA, if the submission is thought to be viable, the Cost-Savings Submission Form will then be evaluated by the County Budget Team and discussed with applicable Department Directors who may be involved in implementation of the idea. If implementation appears viable, the Budget Team or selected Department Directors will prepare a projection of actual cost-savings to determine if the idea will be implemented. Submissions may also be reviewed, as needed, by the County Attorney's Office for statutory compliance review or by

departments with related regulations or policies that may be affected. It is conceivable that the implementation of cost-savings ideas may have to be prioritized due to the level of effort involved in implementation. The determination as to when to implement an idea rests solely with the County Administrator/DCA.

E. The impact of implementation of the cost-saving idea will be the basis for employee awards. If cumulative annual cost-savings of at least \$1,000 are anticipated due to the implementation of the idea, the employee who formally submitted the suggestion on the Cost-Savings Submission Form will be awarded as follows:

1. If anticipated cumulative annual cost-savings are between \$1,000 and \$2,500, employee will receive a \$25 gift certificate.
2. Employees whose cost-saving ideas result in cumulative annual savings over \$2,500 will receive 1 % of the savings up to a maximum award of \$5,000.
3. For award payments over \$2,500, the employee will be paid 50% of the award at the time of implementation and 50% (up to the maximum \$5,000 award payment) at the time the savings are realized.
4. The maximum award of \$5,000 per year shall apply to each idea that is formally submitted even if multiple ideas are submitted by the same employee.
5. Awards are considered "cash equivalent" according to IRS regulations and are therefore taxable. Taxes will be withheld from the award at the time of payment.
6. If multiple employees jointly or separately submit the same idea for cost savings, any award will be split equally among them.

Approved by the Board of Supervisors, April 21, 2009:

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Ann English, Chairman

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Date

ATTEST:

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Katie A. Howard, Clerk