I. Policy

A. The University of South Carolina may spend state, federal, and other sources of revenue to provide lump sum bonuses to eligible employees whose base salary is less than $100,000 per year. This policy is promulgated pursuant to a proviso in the General Appropriations Act and guidelines established by the South Carolina Budget and Control Board.

B. Eligibility

1. All staff, faculty, and unclassified administrators in full-time equivalent (FTE) positions are eligible to receive bonus payments provided their base salary is less than $100,000 per year. Research Grant/Time Limited employees making less than $100,000 also are eligible.

2. Temporary and student employees are not eligible to receive bonus payments.

C. Bonuses

1. An employee may receive more than one bonus in a fiscal year; however, the total amount received during a fiscal year may not exceed $3,000.
2. In lieu of a cash bonus, the employee may elect to receive the bonus as a discretionary, non-elective contribution to the employee’s 401(k) account with the South Carolina Deferred Compensation Program.

3. A bonus is not part of an employee’s base salary and is not earnable compensation for purposes of employee and employer contributions to the respective retirement systems.

4. Education and general funds (E&G), grant generated funds, or other sources of revenue may be used to award bonuses. Funds for bonus and associated benefits payments must come from departmental budgets regardless of the source.

D. Approval Authority and Criteria

1. The president of the university, or the president’s designee, is the final authority responsible for approving employee bonuses. For purposes of this policy, the president’s designee is the Vice President for Human Resources who has delegated written approval to Salary Administration.

2. The award of a bonus is at the discretion of the department chair or director, with ultimate approval from the Vice President for Human Resources or the vice president’s designee. The failure to receive a bonus may not be grieved through the university or state grievance processes for staff and administrators, or through the faculty grievance process.

3. Bonuses may be awarded to recognize significant accomplishments and unique contributions of individual employees for:
   a. Increased organizational productivity
   b. Development and/or implementation of improved work processes
   c. Exceptional customer service
   d. Realized cost savings
   e. Other specific contributions to the success of the university

II. Procedures

A. The department chair or the chair’s representative must initiate the bonus through completion of the Bonus Payment form, available on the Human Resources website at http://sc.edu/about/offices_and_divisions/human_resources/toolbox/.

B. The Bonus Payment form must be sent through administrative channels to the Office of Salary Administration in the Division of Human Resources for verification of eligibility prior to final approval.

Procedures, forms, and general guidance related to this policy can be found on the Division of Human Resources website at http://hr.sc.edu/.
III. Reason for Revision

Added mandatory language in II.B. per Audit and Advisory Services.