I. Policy

A. The University of South Carolina may spend state, federal, and other sources of revenue to provide lump sum bonuses to 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 permanent and probationary staff, faculty, and unclassified administrators in slotted, full-time equivalent 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 Commission.

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.

2. 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.

3. 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.
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://hr.sc.edu/forms.html.

B. The Bonus Payment form should 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.

III. Reason for Revision

This policy revision updates the following:

1. Reference to Research Grant employees who are now referenced as Research Grant/Time Limited employees.

2. Brings the policy in compliance with federal regulations by eliminating language preventing the use of direct project funds for bonus payments.

3. Specifies that a designee for the Vice President for Human Resources may approve the award of a bonus and clarifies approval procedure.