

# Department of Finance and Administration

## Office of Personnel Management

Policy Title: **Employee Suggestion System**

Policy Number: **16**

Authority: **Ark. Code Ann. §§ 21-11-101 et seq.**

Revised: **July 1, 2017**

The Employee Suggestion System Program is to encourage state employees to develop ideas for improving the efficiency of state government. The program provides financial incentives to state employees for ideas which, when implemented, show proper merit in reducing the cost and increasing the efficiency of state government.

### Definitions

**Adoption:** The date on which a suggestion is found to be cost effective and desirable for implementation as determined by the Evaluator.

**Employee:** All full-time state employees of all departments, agencies, boards, commissions, or other agencies of the state supported by appropriation of state or federal funds.

**Eligible Employees:** All employees defined above except the following:

1. The elected constitutional officers of this state, including employees of the office of Governor;
2. The General Assembly and its employees, including employees of the Bureau of Legislative Research and the Division of Legislative Audit;
3. Members of the Supreme Court, circuit courts, and prosecuting attorneys;
4. Members of the Governor's cabinet, agency directors, or other persons appointed by the Governor as head of a board or commission;
5. Employees occupying a teaching or athletic coaching position at a state-supported institution of higher learning;
6. Employees of the Administrative Section of the Office of Personnel Management;
7. Employees whose normal job duties are to resolve efficiency problems, unless the suggestion is outside their area of responsibility;
8. Members of the Suggestion Award Board;
9. Employees on Leave Without Pay, unless the suggestion was submitted prior to going on Leave Without Pay status;
10. Employees terminated for cause may be eligible for award if the suggestion was submitted prior to their termination;
11. Retired and voluntarily terminated employees unless the suggestion was submitted during employment; and
12. The parents, children, spouse or siblings of persons listed in 1 through 11 above who may also be a state employee.

**Employee Rejection:** The determination that a specific employee is not eligible to submit suggestions.

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**Evaluation:** A formal written determination of the feasibility and cost effectiveness of an employee's suggestion. This evaluation is composed by a person knowledgeable in the subject matter area.

**Evaluator:** A person or persons whose knowledge of the subject area of a specific suggestion is considered expert.

**Evaluation Period:** A thirty (30) calendar day time frame beginning when the suggestion is sent to the Agency Director or Evaluator by the Office of Personnel Management (OPM).

**First Year:** A period of time containing 365 calendar days beginning with the implementation date of the suggestion.

**First Year Savings:** The net savings during the first year of implementation.

**Implementation Costs:** The costs involved in putting a suggestion into effect. Evaluation, award or administrative expenses are not included.

**Implementation Date:** The date on which a suggestion is placed into effect.  
**Modification:** The process of altering a suggestion to meet more closely the needs of a specific agency or agencies.

**Monetary Award:** Compensation for a suggestion which has been adopted and implemented by an agency or agencies.

**Net Savings:** The dollar difference between the current cost and the cost under the proposed suggestion, including the cost of implementing the proposed method or process.

**Non-Acceptance:** The result of an evaluation that determines that a specific suggestion is neither cost effective nor feasible.

**Suggestion:** A formal written proposal completed on an official suggestion form and submitted by an employee to the Employee Suggestion System located in OPM.

**Suggestion Number:** A unique number assigned by OPM to each suggestion.

**Suggestion Rejection:** The determination that a specific suggestion is not eligible for evaluation.

**Suggestor:** The person or persons (group) who author and sign the suggestion form.

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**Work Area:** Those job duties and responsibilities assigned to an employee according to the authorized classification held or assigned by the employee's supervisor.

## Submitting a Suggestion

All suggestions must be submitted on the Employee Suggestion form found on the OPM forms page. Applicants for this award will be asked to provide a detailed account of the current method of operations, the proposed changes to the current operations, and identify the benefits that would be seen if this proposed change was implemented. The applicant will also need to provide personal information. The names of individuals who make suggestions will be kept confidential. Names will only be released when an award is made or the employee chooses to divulge the information.

Any suggestion which states a specific problem, proposes a specific method or process of resolving that problem, and is submitted by an eligible employee on the Employee Suggestion Form shall be considered eligible for evaluation.

The following categories of suggestions are deemed as not eligible for evaluation and will be rejected:

1. Suggestions based on an expressed personal gripe or grievance.
2. Suggestions affecting classification, compensation or staffing.
3. Suggestions that fall outside the scope of State government.
4. Suggestions affecting a program, process or method covered by a moratorium or having prior consideration.
5. Suggestion which duplicate another suggestion which has been submitted within the last two years.

All suggestions shall be submitted to the Department of Finance and Administration, Office of Personnel Management Administrator. The OPM Administrator, or their designee, will determine if the suggestions meets all the eligibility criteria established above. If the suggestion is determined to meet the eligibility criteria, the OPM Administrator, or their designee, will forward the suggestion to the department director for evaluation of proper merit. The name of the person making the suggestion will be kept confidential from the department. If the suggestion does not meet the eligibility criteria, the OPM Administrator, or their designee will notify the person making the suggestion the reason why the suggestion was not reviewed for proper merit. Employees submitting suggestions are encouraged to attach any documentation that supports the feasibility of their recommendations.

In the event two or more identical suggestions are received on the same date by the Employee Suggestion System, the one bearing the earliest postmark date will be

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accepted. If the identical suggestions have the same postmarked date, any award which may be granted will be evenly divided between the suggestors.

All suggestion forms must be submitted by US Postal mail service to the Office of Personnel Management, Employee Suggestion System, P. O. Box 3278, Little Rock, AR 72203.

### Evaluating the Suggestion

Eligible suggestions will be forwarded to the appropriate agency director for evaluation. The agency director should choose a subject matter expert to perform the actual evaluation.

The agency director is responsible to see that a fair and impartial evaluation is conducted.

The evaluation period shall be no longer than 30 days. The evaluation period begins when the Employee Suggestion System sends the suggestion to the agency director for evaluation. A written response must be placed on the reverse side of the form when the evaluation is complete. All documentation used in making the evaluation must be attached to the form.

The documentation must always include a comparison of one calendar year's cost using the current method and the proposed method (including implementation costs).

Occasionally, a suggestion will have to be placed into effect and tested to determine its cost effectiveness. In all such cases the suggestor will maintain all rights for award consideration. Payment of an award, if any is due, will be at the end of the test period or after the suggestion has been in effect for one calendar year, whichever is less. Specific reasons must be listed on the evaluation when a suggestion is rejected. The evaluator or agency director must sign all evaluations. Completed evaluations will be returned to the Employee Suggestion System. The Employee Suggestion System will notify the suggestor, in writing, when a suggestion is rejected by an evaluator. Any such notification will contain specific reasons why the suggestion was rejected. All information used to determine the non-acceptability of a suggestion will remain in the Employee Suggestion System Office. This includes the original suggestion form, the evaluation and all supportive papers and documentations. The suggestors may obtain copies of the evaluation upon written request submitted to the Employee Suggestion System.

Prior consideration is when an agency has examined the possibility of placing a program or change into effect but, for whatever reason, has felt that it is not feasible at that time. If a suggestion is rejected as not being feasible at the current time, but it may

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become feasible within the following two years, the evaluator shall state when the suggestion will be implemented (if known).

The suggestor will retain full rights to any suggestion which has not been adopted or implemented. Such rights shall exist for two calendar years after the date of rejection.

If any agency implements the suggestion, or a modified form of the suggestion, during the two year period, the suggestor will receive all appropriate awards.

A moratorium is a specific period of time during which an agency may declare that suggestions on a specific program or process shall be ineligible for submission. An agency must notify the employees and the Employee Suggestion System thirty (30) days prior to the date any moratorium can be in full force and effect.

Public notice by means of bulletin boards, memo, agency newsletter, or letter shall be considered proper notification for employees. The agency director shall notify the Employee Suggestion System by letter of any moratorium.

Any agency which claims prior consideration must provide the Employee Suggestion System with written verification that such consideration has been given within the last two years. Such verification may be in the form of letters, memos or other written communication between former or present employees of the agency and/or present or former employees of another agency of private concern. All such communication must clearly indicate the date of the communication.

**Suggestions Award Board**

The membership of the Suggestion Award Board shall consist of the Director of the Department of Finance and Administration, the Administrator of the Office of Personnel Management, who will serve as chairman, and the Chairman of the Legislative Council.

A suggestor may request a second evaluation or review (appeal) be made when he/she feels the suggestion has not been properly evaluated or reviewed. A suggestor must submit, in writing, the reason(s) he/she feels the review or evaluation was invalid. The appeal must be submitted to the Suggestion System within thirty (30) calendar days of the date of determination of rejection or non-acceptance.

The Suggestion Award Board shall meet monthly to review those suggestions which have been rejected. The Board may request the agency to reevaluate the suggestions if the Board feels further evaluation is needed. The Suggestion Award Board may di-rect

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the proper authority to reexamine the suggestion if all the facts relative to the appeal warrant such action.

Awards

The Employee Suggestion System will calculate the award when an evaluation recommending the adoption of a suggestion has been received.

The monetary award will be calculated at 10% of the first year net savings. If the 10% amount is less than \$100, the award will be \$100. The maximum award will be limited to \$5,000, unless a larger award is recommended to the General Assembly.

If a suggestion appears to improve the economy and efficiency of state government but would require legislative enactment, the suggestor shall receive a monetary award based on the actual net savings after the end of the first year following implementation of the suggestion.

When implementation of a suggestion would not result in cost reduction or avoidance but would visibly improve the operation of a process or program, or improve public relations, safety or effectiveness or operations as indicated in Arkansas Code § 21-11-103, recognition of the suggestor will be made by the issuance of a suitable certificate and monetary award of \$100.00. The decision of the Suggestion Award Board is final and binding to all parties concerned.

The suggestor will not be required to refund any portion of an award if the suggestion does not yield the predicted savings unless collusion and/or intent to defraud is proven. No monetary award will be given to an employee until the suggestion has been implemented or the appropriate agency indicates intent to implement the suggestion within a reasonable time frame.

All monetary awards shall be paid from the amount of appropriated money saved by implementing the suggestion.

Actual payment of the award will be made from appropriations assigned to OPM for this purpose. However, the funds will be transferred from the appropriate agency account to provide funding for the expenditures.

Minimum monetary awards which may be paid shall be paid from the appropriate agency(s) maintenance and general operation appropriation and funds.

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Suggestion System award payments are taxable income for Federal, State, and FICA withholding. The amount to be withheld may be computed, at the agency's option, in one of the following ways:

1. Withholding 20% of the award and divide it evenly among the three withholding categories.
2. Add the amount of the award to the pay period salary and calculate the withholdings based on this new total. The amount(s) to deduct from the award will be the difference of subtracting the normal pay period withholdings from the calculated amount. Do not withhold Federal or State taxes on awards of less than \$50. FICA may be withheld.

### Record Retention

Copies of Suggestion System awards should be placed in the suggestors' personnel file for future reference. Also, make the employee aware that the information has been placed in his/her records.

The suggestor's acceptance of an award shall transfer all rights of the suggestion to the State of Arkansas. Once a suggestion becomes the property of the State, the State may utilize the suggestion in any form, modified or otherwise, without additional compensation to the suggestor.

If an employee owns a copyright, trademark or patent on a suggestion he/she has submitted for review, the acceptance of a monetary award will cause all rights there under to be transferred to the State. If the suggestor refuses to accept such an award, the State cannot utilize the suggestion.

The author of a suggestion which is covered by a copyright, trademark or patent may issue the State a "shopright." This would allow the State to implement the suggestion and the employee to market the method, process or invention. Agencies are advised to seek legal guidance prior to any negotiations dealing with such matters.

### Reports

The Personnel Director shall prepare and annual transmit a report detailing the operations of the Employee Suggestion System, including all awards granted and other appropriate information by the director and Governor.

The director shall submit to the Suggestion Award Board a monthly list of all suggestions which have been at agencies for evaluation for a period exceeding thirty

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(30) days. The list shall show the suggestion number, agency doing the evaluation, and the date the suggestion was sent to the agency for evaluation.