

PDF policy manual template provided by Glass Magazine from “The dust-free gift box” glassblog by Nicole Harris; December 13, 2011

The program works as follows:

- 1) Any employee that is not a member of management can submit a suggestion.
- 2) The Suggestion is reviewed by a Suggestion committee made up of peers from each department.
- 3) If the committee thinks the Suggestion is a good idea, the employee is responsible for collecting the data to prove the savings.
- 4) Once the data is collected, and approved by the manager of the affected department, half of the first year’s savings is paid to the employee in cash.

SUBJECT: Suggestion Program / Payments (No. xxx)

SCOPE: Non-Exempt Employees

ISSUED BY: Human Resources APPROVED BY: *President*

EFFECTIVE: *Date* SUPERSEDES: *Date* REVIEWED: *Date*

The Suggestion Program has proven to be an invaluable tool for tapping the knowledge and ideas of our employees for ways to improve our processes. At the same time, the Suggestion Program has provided employees with very meaningful rewards for ideas that have reduced costs or increased revenue. Since *Date*, this effort has resulted in annual savings in excess of *\$xx* and payments to employees of over *\$xx*! The basic system works as follows:

Employees or groups of employees can submit suggestions to a review committee for evaluation. If an idea is accepted, the employee/group will be paid 50% of the first year’s savings resulting from the idea, with no limit on the total dollars paid. In other words, if a suggestion saves \$500 in the first year, the employee/group would be paid \$250. \$5000 in savings would equal a payment of \$2500. A \$50,000 savings means \$25,000. **As with all types of compensation, taxes must be withheld from any monetary awards.**

REWARD: All rewards are calculated on the annual savings of the first year only.

If the projected savings is at least \$50, but less than \$100, the employee(s) receive a gift certificate to a restaurant of their choice.

If the projected savings is a least \$101, but less than \$1,000, the employee(s) will receive a reward of 50% of the total annual savings in a predetermined payment schedule. This could be monthly, quarterly or in one lump sum depending on the suggestion.

If the projected savings is over \$1,000 payments will begin once actual savings is verified. Payments will be issued on a quarterly basis with the total reward being 50% of the actual savings. It is the responsibility of the Evaluation Committee to oversee these cases and make sure payment is either made or denied.

Suggestor(s) will receive payment as soon as the suggestion is implemented and projected savings is verified. However, if for any reason the expected savings fail to materialize, any payments due the suggestor will be canceled.

The suggesting employee must remain employed at **Your Company Name Here** at the time the reward is to be issued to be eligible to receive payment.

ELIGIBILITY: Any employee, except a department supervisor, manager or executive committee member who has a suggestion for a process improvement which results in a process change saving the company money is eligible. This may be either an idea for future implementation or one that was implemented on the spot with the department manager's permission. Ideas may be submitted by individuals or by groups. Process Improvement Teams (PITS') are also eligible when the recommendation made by group members results in a process change which saves money.

An exception to this refers to new equipment. No suggestions will be accepted for six months after the new equipment is up and running. This period is an adjustment period where suggestions for improvement should be made openly and implemented as needed. No piece of equipment comes in running perfectly, therefore in all fairness to both the company and the employee; this time frame has been designated for working out the bugs to make the equipment run more efficiently.

IDEA SUBMISSION: The employee/group completes a standard form which explains:

Current situation

Idea for improvement - detailed including drawings

Benefits - including the cost of making improvement vs. savings

Measurement device to track results

Research and preparation completed by Process Improvement Teams (PITS') may be completed during work hours. Those suggestions which are made by individuals or non-company sanctioned groups must be researched and prepared outside of the individual's normal working hours; no overtime pay is applicable.

EVALUATION COMMITTEE: One member of the executive committee, one department manager, and five or more employees. Coverage should include a representative from each department.

At the end of each year we will be asking for interested employees as volunteers for the remaining positions. Those employees are eligible to submit suggestions, but will not participate in the evaluation of their own suggestions.

If you would like to be considered for the Evaluation Committee, please contact your supervisor, your manager, or one of the committee members.

The Committee will meet twice a month to review the ideas submitted. They will involve the department manager in any implementation issues. Those suggestions which are not submitted complete (with enough information for the committee to make a decision) are returned to the employee and a specific "resource person" is assigned to the follow up and offer assistance.