



## 1. Scope and Purpose

These guidelines set forth the operating procedures for administering the Employee Suggestion Award Program (ESAP). The program provides cash or honorary awards for Village Management Services (VMS) employees who submit ideas that reduce costs or improve the quality of service in Golden Rain Foundation (GRF), Third Laguna Hills Mutual (Third), and United Laguna Woods Mutual (United) operations.

## 2. Policy

- A. The Employee Suggestion Award Board (ESAB) shall recognize employees who propose procedures or ideas which, when put into practice, result in realized savings or improvements in GRF, Third and/or United operations.
- B. The Department of Human Resources shall encourage eligible employees to participate in the Employee Suggestion Award Program, including, but not limited to, an annual electronic email notification to employees.
- C. The ESAB, composed of the Director of Human Resources, Chief Executive Officer (CEO), Financial Services Director, General Services Director, and Assistant Financial Services Director. The board, which will meet at least quarterly, shall evaluate and recommend approval of each cash or honorary award made to VMS employees.
- D. Suggestions submitted for approval by the ESAB shall be authenticated by the Assistant Financial Services Director. This authentication will confirm: the suggestion has been implemented, the savings/benefits apply to GRF, Third and/or United operations, the savings/benefits have been realized, and the suggestion creates no conflicts with enterprise wide/vendor initiatives. All suggestions are subject to written justification from the Financial Services Department for approval by applicable board of directors.

## 3. Eligibility

- A. **Employee Eligibility:** All current employees of VMS, except the CEO, department directors, and assistant department directors, are eligible to submit suggestions for cash awards under this program.

The employees listed above, although ineligible for a monetary award by the provisions of this section, may be eligible for an honorary award at the discretion of the applicable board of directors.

- B. **Suggestion Eligibility Criteria:** Any suggestion submitted by an eligible employee will be reviewed by the applicable department director and a recommendation made to the ESAB unless the suggestion:
  1. Duplicates a suggestion previously submitted to VMS;

2. Involves a personal grievance or complaint;
3. Recommends increased assessments or fees, or involves proposed, pending or current legislation;
4. Concerns VMS employee wages, benefits or overall compensation;
5. Recommends a "study," "survey," or "review" with the course of action to be taken in accordance with the findings;
6. Proposes following existing policies or procedures;
7. Would correct a temporary problem, or one that management can document is in the process of being corrected;
8. Is the result of assigned or contracted audits, studies, surveys, reviews, or research;
9. Saves money for one corporation at the expense of one or more of the other corporations;
10. Involves routine maintenance, repair or housekeeping;
11. Is clearly defined in the employee's individual performance appraisal, job duties, or job specifications; and
12. Reflects savings from a grant funded program.

C. **ESAB Considerations:** In determining if a suggestion should be implemented, the Agency Review Team will consider the following factors:

1. Severity of the present problem;
2. Effectiveness of the suggestion offered;
3. Cost effectiveness of the suggestion;
4. The need to encourage improvement in GRF, Third and/or United operations;  
and
5. Ingenuity of the suggestion.

#### **4. Group Suggestions**

The amount of an award for a suggestion made by a group of employees shall be determined on the same basis as if the suggestion had been submitted by one employee, and the amount awarded shall be divided equally among those employees suggesting. Members of the group shall be identified by name at the time the suggestion is submitted.

#### **5. Suggestion Submission**

A suggestion shall not be submitted, reviewed, evaluated, tracked, or considered for cash or honorary award unless submitted on the ESAP official Suggestion Form.

#### **6. Payment of Awards**

The cash award shall be awarded on a sliding scale based on the annual savings realized in a fiscal year as follows:

Annual Savings	Cash Award
Less than \$10,000	Honorary award
\$10,000 to \$25,000	\$500
\$25,000 to \$100,000	\$1,000
Greater than \$100,000	\$1,500

Cash awards are limited to the first fiscal year following the fiscal year in which the suggestion was made. Within ninety (90) days of the end of each fiscal year in which the savings have been realized, the award shall be paid to the employee.

If the employee entitled to the award leaves VMS service, the employee forfeits the award. Any cash awards approved by the applicable board of directors shall be charged against the appropriation item or items to which realized savings apply.

Attachments:

ATT 1: Suggestion Form

ATT 2: Employee Guidelines



**Laguna Woods Village | Employee Suggestion Award Program: "Bright Ideas Program"**

**Suggestion Form**

Eligible employees should submit ideas on this form to Director of Human Resources to be considered for an award or recognition.

**Employee Information**

	Suggestion Tracking No.
Name of Suggestor (s)	Employee ID No.
Job Classification	Department
Work Center	Work Location
Email Address	Telephone Number

**Suggestion Information**

State the issue – describe in detail. If more space is needed, attach a separate sheet.	
Describe your proposed solution. Attach examples, charts, etc. as needed to explain.	
Benefits of your suggestion. Check all that apply:	
<input type="checkbox"/> Monetary savings	<input type="checkbox"/> Safety/health
<input type="checkbox"/> Customer service	<input type="checkbox"/> Working conditions
<input type="checkbox"/> Process improvements	<input type="checkbox"/> Product improvement
If monetary savings can be obtained, what are the projected savings over the next fiscal year(s)?	
Has suggestion already been implemented?	
<input type="checkbox"/> Yes	<input type="checkbox"/> No
Employee signature:	Date:

## Employee Guidelines

The Employee Suggestion Award Program (ESAP) provides a way for VMS employees to submit ideas that improve GRF, Third and/or United operations or services and reduce costs. Cash and/or honorary awards are available to employees whose implemented suggestions have realized savings.

### Points to consider before submitting suggestions:

- Are you a full-time, part-time, or hourly VMS employee?
- Will your idea improve operations, services, procedures, or save money for GRF, Third and/or United?
- Is the suggestion clearly identified in your performance appraisal or job duties? Suggestions that are included in your performance appraisal or part of your job duties will not be eligible.
- Is the suggestion a positive, constructive concept for improvement?
- Will your idea promote safety, health, security, or productivity?
- What are the necessary steps for your idea?
- What is the best way to implement your suggestion?
- Your supervisor may assist you in preparing your suggestion.
- You may only submit one suggestion per form; however, you may submit multiple suggestions.
- Suggestions must be on a suggestion form to be reviewed and evaluated.
- Suggestions with more than one suggestor must have a group suggestion form submitted with their suggestion.

### Eligibility

- Must be a full-time, part-time, or hourly VMS employee.
- Suggestor cannot have the authority or responsibility to make a change regarding the suggestion.
- Employees falling into the following categories are not eligible for a cash award:
  - CEO
  - Department Directors
  - Assistant Department Directors
- For suggestions to be deemed eligible, they will be evaluated by the criteria from Section 3, Article B of the ESAP Operating Procedure.

### Process

1. Suggestion is received by Director of Human Resources.
2. If eligible, suggestion is routed to applicable department director for determination of whether the idea has or can be implemented.

## ATT 2

3. If implemented by the agency, the Assistant Director of Financial Services will track the suggestion's realized savings for the fiscal year.
4. Once the fiscal year ends, the Assistant Director of Financial Services will submit the suggestion to the Employee Suggestion Award Board for a final recommendation on the suggestion.
5. All suggestions recommended for approval by the ESAB are subject to written justification from the Financial Services Department for approval by the applicable board of directors.

### **Cash Awards**

- Suggestion must have realized savings in the fiscal year following the suggestion's submitted date to be considered for a cash award.
- The cash award shall be awarded on a sliding scale based on the annual savings realized in a fiscal year as follows:

Annual Savings	Cash Award
Less than \$10,000	Honorary award
\$10,000 to \$25,000	\$500
\$25,000 to \$100,000	\$1,000
Greater than \$100,000	\$1,500

- Cash award is limited to the first fiscal year following the fiscal year that the suggestion was made.
- Realized savings will be authenticated by the Assistant Director of Financial Services.
- If the employee entitled to the award leaves VMS service, the employee forfeits the award.