



Department of Transformation and Shared Services Office of Personnel Management

Policy Title: Employee Suggestion System

Policy Number: 16

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

Effective Date: July 1, 2023

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 (OPM);
7. Employees whose normal job duties are to resolve efficiency problems, unless the suggestion is outside their area of responsibility;
8. Employees on Leave Without Pay, unless the suggestion was submitted prior to going on Leave Without Pay status;
9. Employees terminated for cause may be eligible for award if the suggestion was submitted prior to their termination;
10. Retired and voluntarily terminated employees unless the suggestion was submitted during employment; and
11. 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.

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.



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

Evaluation Period: A thirty (30) calendar daytime frame beginning when the suggestion is sent to the Agency Director or Evaluator by the 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.

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



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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 Office of Personnel Management, Employee Suggestion System, 501 Woodlane, Suite 205, Little Rock, AR 72201. The OPM Administrator, or designee, will determine if the suggestion meets all the eligibility criteria established above. If the suggestion is determined to meet the eligibility criteria, the OPM Administrator, or designee, will forward the suggestion to the department or agency for evaluation of proper merit. The name of the person suggesting will be kept confidential from the department or agency. If the suggestion does not meet the eligibility criteria, the OPM Administrator, or designee, will notify the Suggestor the reason why the suggestion was not reviewed for proper merit. Employees submitting suggestions are encouraged to attach any documentation supporting the feasibility of their suggestion.

In the event two or more identical suggestions are received on the same date by OPM, the one with the earliest postmark date will be accepted. If the identical suggestions have the same postmarked date, any award that is granted will be evenly divided between the suggestors.

Evaluating the Suggestion

Eligible suggestions will be forwarded to the appropriate agency for evaluation. The agency should choose a subject matter expert to perform the evaluation. The Department Secretary or Agency Director is responsible to see that a fair and impartial evaluation is conducted.



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The evaluation period shall be no longer than 30 days. The evaluation period begins when OPM sends the suggestion to the department or agency for evaluation. A written response must be submitted to OPM after 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).

If a suggestion is placed into effect and tested to determine its cost effectiveness, 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 provided if a suggestion is rejected. The Department Secretary, Agency Director or designee must sign all evaluations. Completed evaluations will be returned to OPM, and OPM will provide the Suggestor the written response from the department or agency, including the specific reasons why the suggestion was rejected. OPM will maintain the original suggestion form, the evaluation and all supporting documentations for the length of time required by record retention.

Prior consideration is when an agency has examined the possibility of placing a program or change into effect but has determined that it is not feasible at that time. If a suggestion is rejected as not being feasible at the current time, but it may 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 that have 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 a department or agency may declare that suggestions on a specific program or process shall be ineligible for submission. A department or agency must notify the employees and OPM thirty (30) days prior to the date any moratorium can be in full force and effect. Notice by means of bulletin boards, memo, agency newsletter, or letter shall be considered proper notification for employees. The Department Secretary or Agency Director shall notify OPM by letter of any moratorium.

A department or agency that claims prior consideration must provide OPM 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.

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.



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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. 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. 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.

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.

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 with-holdings 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 employee's personnel file for future reference. The employee'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 that has submitted for review, the employee's acceptance of a monetary award will cause all rights there under to be transferred to the State. If the employee 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. Departments and agencies should seek legal guidance prior to any negotiations dealing with such matters.