

HR/LR Policy #1420

Employee Recognition and Achievement Awards

Date Issued: 02/10/2012
Date Revised: 12/01/2014, 12/19/2022, 4/30/2025, 3/19/2026
Authority: Enterprise Employee Resources

OVERVIEW

Objective

To create a consistent practice for recognizing outstanding employee performance so that incentives and awards are demonstrably linked with employee achievement. To create systems that support high employee performance and recognize the outstanding work of state employees.

Policy Statement

Agencies that grant Achievement Awards must do so within the limits imposed by statute, collective bargaining agreements, compensation plans, the [Code of Ethical Conduct](#), and this policy. Agencies granting Achievement Awards must establish a policy setting forth selection criteria and procedures. The policy must be approved by MMB prior to implementation. Funding for Achievement Awards must be included in the agency’s annual operating budget.

Scope

This policy applies to:

- All employees of executive branch agencies (M.S. 43A.02, subds. 2 & 22) and
- Classified employees of the Office of the Legislative Auditor, Minnesota State Retirement System, Public Employees Retirement Association, and Teachers Retirement Association (M.S. 43A.04, subd. 1(a)).

Definitions and Key Terms

Terms	Definitions
<i>Achievement Awards</i>	Monetary awards granted to eligible employees who demonstrate outstanding job performance.

Exclusions

N/A

Statutory References

[M.S. 43A.18](#); [M.S. 15A.0815](#)

GENERAL STANDARDS AND EXPECTATIONS

I. Granting Monetary Awards (Achievement Awards)

Agencies granting Achievement Awards must establish an Achievement Awards policy. An agency's Achievement Awards policy will serve dual purposes: to provide central information on agency practices and to establish parameters for discussions with agency employees.

The policy must be approved by MMB prior to implementation.

Agency heads are not eligible to receive Achievement Awards of any type.

Managers may use all available tools to encourage and reward outstanding employee performance. Achievement Awards are one tool to recognize employee efforts. All agencies must follow these principles for granting Achievement Awards:

- Awards should be granted close to the time of high performance. Recognition of achievements need not wait until the end of the year; it is most meaningful if tied to employee activity.
- Awards should be granted quarterly or as frequently as is practical for the agency.
- Employees must have a current performance evaluation certifying satisfactory or better performance on file in the agency's Human Resources office to be eligible for an Achievement Award.
- All Achievement Awards will be in the form prescribed or permitted by an applicable labor agreement or compensation plan.
- Agency management will determine the amounts for Achievement Awards as part of the agency's annual operating budget. End-of-year allocations for Achievement Awards are not permitted. Any Achievement Awards that are awarded as a "step" rather than a lump sum shall be calculated at twice the value of a "lump sum" awarded due to future costs associated with the employee's upcoming step increase.
- Achievement Awards must be integrated into the agency's overall performance evaluation process. These awards must be part of a larger set of management processes that monitor performance at the individual and group levels, with the aim of supporting regular and constructive feedback on performance.

In all instances, awards must conform to limits contained in statute, collective bargaining agreements, compensation plans, and this policy.

Agency management and human resources offices may consider the following when establishing an Achievement Award policy:

- Allowing for independent review and participation in selection beyond the agency commissioner's office. This includes creating an independent review team within the agency.
- Establishing criteria that will be used to determine who will receive an Achievement Award.

- Developing strategies to invite all employees to participate in the nomination process.

Achievement Awards should be approved by the recipient's manager/supervisor. Team awards should be approved by each team member's manager/supervisor.

Agencies must give written notice to the Commissioner of MMB of their decision to offer Achievement Awards. The documentation submitted for approval should include the following:

- A copy of the proposed agency policy, and an explanation of the procedures used to ensure all employees, managers, and supervisors are informed of the policy and its purpose.
- If any parts of the Achievement Award process are delegated by the appointing authority to other employees, a list of the delegates.
- A statement of the agency's commitment to the principles listed above.
- The types of outstanding performance that will be considered in the nomination process. This may include any of the following:
 - Team Recognition: A group of employees has delivered outstanding work on a group project. The employees worked well together and overcame challenges and difficulties.
 - Project Recognition: An employee has performed outstanding work in the completion or administration of a particular project.
 - Individual Performance: An employee has demonstrated sustained outstanding individual job performance.
- Agency Achievement Award policies must include language specifying that employee efforts to prevent fraud, waste and abuse, and to strengthen agency internal controls, are eligible to receive an achievement award.

Any changes to an agency Achievement Award policy must be approved by MMB prior to implementation.

II. Granting Non-Monetary Awards

Agencies may also develop a policy for granting non-monetary awards for demonstrated outstanding performance. Non-monetary awards must also conform to statute, collective bargaining agreements, compensation plans, and the principles outlined in this policy. The process may incorporate the elements noted in this policy, including direct employee nominations, peer review and selection, or other elements Agencies establishing a policy for non-monetary awards should provide a copy of the policy to MMB.

RESPONSIBILITIES

Agencies are responsible for the request:

- Developing a plan for employee Achievement Awards, if the agency chooses to grant awards, and obtaining MMB approval.
- Obtain MMB approval to any amendments to Achievement Award policies.

MMB is responsible for:

- Updating this policy as necessary.
- Reviewing agency Achievement Award plans and amendments for compliance with statute, collective bargaining agreements, compensation plans, the Code of Ethical Conduct, and this policy.

REFERENCES

N/A

CONTACTS

MMB's Human Resources Management Division