



STATE OF IDAHO

August 7, 2017

MEMORANDUM

TO: Executive Branch Agency/Department Heads
(with the exception of Constitutional Officers)

CC: Agency/Department Fiscal Officers
Agency/Department HR Officers

FROM: Jani Revier, DFM Administrator
Susan E. Buxton, DHR Administrator

SUBJECT: Employee Longevity Certificates and Employee Recognition Awards

It is important to acknowledge our most valuable resource – our state employees. Keeping this goal in mind, as well as remaining good stewards of taxpayer dollars, this memorandum provides guidance to Executive Branch agencies. It replaces and updates the Employee Longevity Certificates and Employee Recognition Awards memorandum of November 21, 2016.

Board members and commissioners who receive compensation beyond actual expenses are to be treated as employees under this policy.

Nothing in this memo precludes gifts purchased with employee donations.

Longevity

The Division of Human Resources will continue to assist agencies in recognizing the dedication of state employees by providing longevity certificates signed by the Governor for those employees reaching a service milestone. In addition, employees with 20 or more years of service will receive a letter from the Governor.

- DHR distributes longevity certificates monthly to agency contacts. A sample certificate is attached. Agencies may purchase certificate frames at minimal cost to the state. If state funds are used to purchase certificate frames, the agency must treat employees the same

(e.g., all employees receive a frame, all employees hitting a milestone receive a frame, etc.)

- Any other longevity awards or gifts, including retirement gifts, may not be purchased using state funds. This guidance was initially issued in May of 2009 and will not change.

Employee Recognition Awards

The state's [Fiscal Policies Manual](#), available on the State Controller's website, advises, "authority for employee recognition awards programs rests with agency management. As with other financial management matters, agency management should carefully consider internal management control systems when implementing such programs. Management should develop a written policy outlining the scope of the awards program. Management shall limit employee recognition awards only to factors related to work performance."

Agency policies should be developed in compliance with the following guidance:

Use of State Funds

- Per [State Travel Policies and Procedures](#), available on the State Controller's website, state funds cannot be spent on refreshments for holiday, retirement (including board members/commissioners), employee recognition, or other department-sponsored social gatherings.
- State funds cannot be used for social activities such as bowling, etc.
- State funds cannot be used to purchase items for sale in auctions, sales, or other fundraising activities.

Items for employee recognition

- Must have no cash value. Gift certificates are NOT allowed.
- Must be of minimal cost.
- Must be related to performance. Longevity awards beyond the DHR-provided certificate are not allowed.
- Raffles are not appropriate, as awards must be based on performance.
- Must qualify as a *de minimis* benefit under the [Internal Revenue Code](#).

Raising funds for department-sponsored holiday and other social gatherings

- Asking for donations is acceptable, but they must be truly donations. There can be no coercion or requirement to donate.
- Everyone must be allowed to participate regardless of whether they donated.
- Agencies cannot hold raffles to raise funds. Under the Idaho Constitution, only nonprofit organizations raising money for a charitable purpose qualify to hold raffles.
- Agencies must obtain all permits and collect all tax required by Idaho Code when holding fundraising events.
- Agencies may apply for a temporary seller's permit from the Idaho State Tax Commission for a specific fundraising event or for an auction. Only three temporary permits per agency per year are allowed and permits must be in the director's name. The

director is responsible for ensuring appropriate taxes are remitted and audit documentation is maintained. Guidance on sales tax and directions for how an agency should apply for a temporary seller's permit can be found [here](#).

- Agencies cannot apply for a regular seller's permit to sell items, nor have employees sell items, to raise funds for employee recognition, longevity awards, gifts, or other agency holiday or social gathering.
- When selling items to raise funds, agencies must coordinate with the Commission for the Blind and Visually Impaired to ensure compliance with Idaho Code 67-5411 which designates the Commission as the sole licensing agency under the Randolph-Sheppard Vending Stand Act.

Nonprofits

- No agency or employee can create a nonprofit entity for the purpose of raising money for employee recognition, longevity awards, gifts, or other agency holiday or social gathering.

Attendance Awards

- Under no circumstances shall agencies grant awards to employees for not utilizing earned leave, or otherwise penalize those who do use earned leave.

Any employee recognition policies involving the use of state funds must be approved by DFM and DHR.

Other Expenditures

- Using state funds for flowers or other gifts for birth, illness, death in the family, or similar reasons is not allowed.
- Logo clothing is an appropriate expense only if employees need to be easily identifiable while completing job duties or promotion is part of an agency's mission.
- Per [State Travel Policies and Procedures](#), available on the State Controller's website, state funds cannot be spent on refreshments for holiday, retirement (including board members/commissioners), employee recognition, or other department-sponsored social gatherings.
- State funds cannot be used for social activities such as bowling, etc.