

Policy Number: PER 011	Title: Financial Incentive Compensation
Performance Standard: 45 CFR 75.430(f) 1302.90 USD 418 BOE Policy:	Original Date: 05/2024
	Policy Council Approval/Revision: 05/2024 BOE Approval: 05/2024

Policy:

A program must establish written personnel policies and procedures that are approved by the governing body and policy council or policy committee and that are available to staff.

Incentive compensation to employees based on cost reduction, or efficient performance, suggestion awards, safety awards, etc., is allowable to the extent that overall compensation is determined to be reasonable and such costs are paid or accrued pursuant to an agreement entered into good faith between the non-Federal entity and the employees before the services were rendered, or pursuant to an established plan followed by the non-Federal entity so consistently as to imply, in effect, an agreement to make such payment.

Procedure:

On a yearly basis starting in March forecasting will begin to look at potential unobligated funds that might be created due to overestimating of costs, budgetary items not being expended, staff shortages, etc.

When there are unobligated funds a variety of options for those funds will be explored. At the recommendation of [ACF-IM-HS-22-04](#) and [ACF-IM-HS-22-06](#) use of unobligated funds may include bonuses, short-term pay increases, or other financial incentives using existing grant funds.

If it is proposed that existing unobligated grant funds be used to include a financial incentive for staff a proposal will be presented to the CFO, Executive Director and Regional office. If the proposal is approved the proposal will be shared with the Policy Council and Governing Body for action.