



## Non-Executive Awards and Recognition Overview of Major Policy Changes Beginning in FY 2021

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<b>Background</b>	<p>USDA’s awards policy had not been updated since 2011. The new directive:</p> <ol style="list-style-type: none"><li>1) Addresses the questions employees and managers raise most frequently</li><li>2) Notes that under a two-tier performance system, traditional rating-based awards are shifted almost entirely to accomplishment-based awards</li><li>3) Does provide for quality step increases (QSIs), with very specific criteria in the absence of the “Outstanding” rating</li><li>4) Provides additional flexibility for using time off awards (TOAs)</li></ol>
<b>Rating-Based Awards</b>	<p>Because the two-tier performance appraisal system does not make meaningful distinctions based on levels of acceptable performance, USDA will no longer utilize end-of-year rating-based awards. Instead, employees may be eligible for monetary and/or time off Achievement Awards (i.e., non-rating-based) recognizing specific accomplishments that exceed normal job requirements.</p> <p><b>NOTE:</b> Rating-based awards will still be permitted for the FY2020 ratings because they will be based on the current 5-tier summary rating pattern.</p>
<b>Achievement Awards</b>	<p>Non-rating-based awards are now called “Achievement Awards” under the new awards program, rather than extra effort or spot awards. This emphasizes that effort must have contributed to an outcome, consistent with 5 CFR § 451.104:</p> <ol style="list-style-type: none"><li>(a) An agency may grant a cash, honorary, or informal recognition award, or grant time-off without charge to leave or loss of pay consistent with chapter 45 of title 5, United States Code, and this part to an employee, as an individual or member of a group, on the basis of—<ol style="list-style-type: none"><li>(1) A suggestion, invention, superior accomplishment, productivity gain, or other personal effort <i>that contributes to the efficiency, economy, or other improvement of Government operations</i> or achieves a significant reduction in paperwork;</li><li>(2) A special act or service in the public interest in connection with or related to official employment...</li></ol></li></ol>
<b>Retaining the Benefits of Spot Awards</b>	<p>Spot awards in USDA have typically been grossed up, meaning the total amount of funds to be authorized as a cash award was increased so that the net amount after tax withholding would be an exact amount the employee was intended to receive.</p> <p>This capability is available with Achievement Awards. If a supervisor still wishes an employee to receive a net amount, e.g., \$750, they can submit an Achievement Award for \$1,150 (the \$400 difference represents the typical additional amount an agency pays to cover the taxes for a \$750 net award), provided the higher number is still within the allowable award based on Appendix E of DR 4040-430.</p>
<b>Eligibility for Monetary and Time Off Awards</b>	<p>Because of issues that have arisen when non-rating-based awards have been given to employees with performance and/or leave-related conduct problems, there are two new restrictions:</p> <ol style="list-style-type: none"><li>1) Employees must have a current rating of Fully Successful to be eligible for Achievement Awards.</li><li>2) Employees who were placed on leave restriction within the 52 weeks prior to the award effective date are not eligible for a TOA (but are still eligible for a monetary award).</li></ol>

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**Authorizing and Approving Monetary and Time Off Awards**

This section is probably mostly of interest to supervisors, but it's included in this overview because employees may nominate their peers for awards.

There are three significant changes:

- 1) We've modified and defined the various roles on the current AD-287-2, *Recommendation and Authorization of Monetary and Time Off Awards* form:
  - a) There will be space for an optional Nominating Individual, such as would be needed for a peer award.
  - b) The Recommending Official must be the employee's 1<sup>st</sup> or 2<sup>nd</sup> line supervisor, ensuring someone in the immediate chain of command will have concurred with the award.
  - c) There will be space for a Certifying Official, which will be optional and agency-defined (such as an Administrative Officer or Budget Officer).
  - d) The relevant Authorizing Official is determined by the award amount (1<sup>st</sup> level supervisor up to the Secretary).
- 2) We've now specified that an award is officially "approved" when the Human Resources Office signs off that it complies with statutory and regulatory requirements (because of Comptroller General decisions that rely on the approval date).
- 3) Appendix D of the DR specifies the organizational level at which monetary and time off award amounts may be authorized, and we've defined the "cumulative amounts" as 52 weeks, rather than fiscal year.

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**Retaining Time Off Awards**

Instead of TOAs expiring after 26 pay periods, they will be handled similarly to annual leave – employees will be able to carry over 80 hours of TOA at the end of the leave year, and anything in excess of that will be forfeited.

We are also providing for TOAs to transfer within USDA, and are permitting agencies to honor up to 40 hours of existing TOAs for employees transferring from other Federal departments. Agencies will need to determine whether this will help them recruit Federal employees, and will need to be consistent in the implementation of their policy.

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**Quality Step Increases**

There are significant policy changes for QSIs because the two-tier performance appraisal system does not include a rating of Outstanding to identify a limited population of employees who are eligible for a QSI. The policy for QSIs under a two-tier performance system:

- 1) Includes the FY2020 limit on QSIs of no more than 2% of an agency's permanent, non-executive employees each fiscal year, as identified by the date of the action
- 2) Increases the waiting period between QSIs from 52 weeks to 104 weeks
- 3) Requires 18 months of sustained performance excellence in the same grade and type of position (which therefore requires that the employee be at the full performance level of their position)
- 4) Establishes the requirement for agency review panels to evaluate nominations for QSIs
- 5) Places the authorization of QSIs with an SES level in the employee's chain of command

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**Non-monetary Awards**

The new policy:

- Reinforces the existing policy that the \$250 spending limit is reserved for the highest level non-monetary awards by defining spending limits on awards below the Secretary's Honor Award level
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- Informal awards (for example, a t-shirt, paperweight, or mug) must be of nominal value, or *de minimis*, which is defined as \$35 or less
  - Includes the authority for flag recognition when we lose an employee in the line of duty
  - Specifies that the only non-monetary recognition authorized for length of service is a lapel pin, charm or commemorative coin
  - Includes policies and criteria for the President’s Volunteer Service Award program
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**Appendix D  
Monetary  
Award and TOA  
Authorization  
Requirements**

This new appendix:

- 1) Expands the levels of awards that can be approved below the Secretary’s level, including TOAs
  - 2) Covers both discrete and cumulative awards
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**Non-Measurable  
Benefits Scales**

The new scales provide significantly more detailed guidance in determining award amounts for non-measurable benefits based on the scope and type of contribution, which should result in greater consistency across USDA in how award amounts are determined.

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