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1. PURPOSE

- a. Performance Management. This DR sets forth the United States Department of Agriculture's (USDA) policy for the Non-Executive Performance Management Program within the Appraisal System approved by the Office of Personnel Management (OPM) on January 10, 2020, with an effective date of October 1, 2020.
- b. Awards and Recognition. This DR also sets forth USDA's policies for the Employee Awards and Recognition Program.

2. SPECIAL INSTRUCTIONS/CANCELLATIONS

- a. This DR supersedes DR 4040-430, *Performance Management*, dated February 6, 2019.
- b. This directive also cancels:
 - (1) DR 4040-451-1, *USDA Employee Awards and Recognition Program*, dated January 20, 2011; and
 - (2) DR 4040-451-04, *Referral Bonus Awards*, dated November 18, 2005.
- c. This directive is effective October 1, 2020 and remains in effect until it is superseded or it expires.

3. SCOPE

This directive applies to all USDA employees except:

- a. Members of the Senior Executive Service (SES);
- b. Senior Level (SL) and Scientific and Professional (ST) positions;
- c. Members of the Senior Science and Technology Service;
- d. Foreign Service employees; and
- e. Presidential appointees.

4. POLICY

- a. In accordance with 5 United States Code (U.S.C.) 4302, *Establishment of Performance Appraisal Systems*, 5 Code of Federal Regulations (CFR) Part 430, *Performance Management*, and OPM's approval of the Performance Appraisal System (System), USDA's Non-Executive Performance Management Program (Program) provides for:
 - (1) Establishing employee performance plans, including elements and performance standards;
 - (2) Communicating performance plans to employees at the beginning of an appraisal period;
 - (3) Evaluating each employee during the appraisal period on the employee's elements and standards;
 - (4) Recognizing and rewarding employees whose performance so warrants;
 - (5) Assisting employees in improving unacceptable performance; and
 - (6) Reassigning, reducing in grade, or removing employees who continue to have unacceptable performance, but only after an opportunity to demonstrate acceptable performance.
- b. USDA's Employee Awards and Recognition Program provides for the recognition of individual and group achievements, especially those that contribute to the core mission and goals of the Department or demonstrate exemplary performance, in accordance with 5 U.S.C. 45, *Incentive Awards*, and 5 CFR Part 451, *Awards*.
- c. The programs must be administered in accordance with the principles set forth in 5 U.S.C. 2301, *Merit System Principles*.
- d. Mission Areas, agencies, and staff offices may supplement this DR with prior review and approval of the USDA Chief Human Capital Officer (CHCO). Supplemental regulations may not conflict with the contents of this directive.

5. PERFORMANCE MANAGEMENT

- a. Additional Exceptions to Scope.
 - (1) In addition to the exceptions listed in Section 3, the following are excluded from the provisions of Section 5:
 - (a) Employees appointed to excepted service positions who are not reasonably expected to be employed longer than the 90-day minimum appraisal period in a consecutive 12-month period;

- (b) Employees serving in temporary appointments for less than 1 year, who agree to serve without a performance evaluation, and who will not be considered for reappointments or pay increases based, in whole or in part, on performance;
 - (c) Positions filled under 5 CFR § 213.3102(k), *Entire Executive Civil Service*, when occupied by employees to whom no compensation is paid;
 - (d) Positions filled under 5 CFR § 213.3102(l) when occupied by scientific, professional, or technical experts for consultation purposes;
 - (e) Positions filled under 5 CFR § 213.3102(o) when occupied by faculty members; and
 - (f) Other employees excluded from coverage by statute or by OPM regulation, including those excluded by 5 U.S.C. § 4301(2), *Definitions*.
- (2) Schedule C employees appointed under 5 CFR § 213.3301, *Positions of a Confidential or Policy-determining Nature*, are subject to the provisions of this DR except for coverage of the rights in 5 U.S.C. § 4303, *Actions Based on Unacceptable Performance*.
- b. Guiding Principles for Performance Management. The following principles are the foundation for USDA's Program and provide the policy parameters for situations not specifically described in this DR:
- (1) Performance is not a program or an initiative, but the qualitative and quantitative delivery, by organizations and individuals, of the USDA mission to the public and other stakeholders.
 - (2) The success of the USDA Program lies with the employees and Rating and Reviewing Officials who work within the Program, rather than with the policies or structure of the Program.
 - (3) Setting clear expectations is the foundation for effective performance management.
 - (4) Ongoing and meaningful feedback around progress toward goals is more important than the mechanics of the rating process.
 - (5) The hallmarks of a successful performance management program include:
 - (a) Alignment with USDA strategic performance goals and results, cascaded from the most senior levels down to individual employees;
 - (b) Clearly defined, outcome-based performance standards and measures in plans;
 - (c) Accountability at all levels;

- (d) Timely and ongoing feedback and learning;
- (e) Differentiating between acceptable and unacceptable performance; and
- (f) A culture of engagement and recognition for work done well.

c. General Performance Management Provisions.

(1) Performance Cycle. Ensuring the efficient and effective use of the workforce is not just a quarterly event. Performance management is a continuous cycle that involves:

- (a) Planning work in advance so that expectations and goals can be set;
- (b) Monitoring progress and performance continually, and providing ongoing feedback;
- (c) Developing the employee's ability to perform through training and work assignments;
- (d) Evaluating and rating to summarize performance; and
- (e) Recognizing and rewarding employees' contributions.

(2) Plans and Ratings. USDA requires a timely and credible performance plan and rating of record for each eligible employee.

(3) System Design.

(a) The System provides for ratings of record that differentiate performance as either Fully Successful or Unacceptable.

(b) Appraisal Period. USDA's official appraisal period is October 1 through September 30 of each calendar year (also known as the performance year.) The appraisal period may be adjusted as early as 75 days before October 1 and as late as October 30 to accommodate special situations, as described in Sections 5e and h.

(c) Minimum Appraisal Period. The minimum performance appraisal period for a rating of record is 90 calendar days in active status under an approved performance plan.

1 The 90 days do not need to be consecutive.

2 Annual measures must be prorated if the appraisal period is less than 1 year.

- (4) Separation of Roles. One individual may not serve as both the Rating and Reviewing Official for a performance plan or rating. The Reviewing Official must be in the Rating Official's chain of command.
- (5) Performance Management and Virtual/Telework.
 - (a) Defining Production and Quality Expectations. Employees who are approved for telework or who work virtually will not be held to a higher or lower production or quality standard than those who are not utilizing the flexibility.
 - (b) Defining Responsiveness Expectations. Rating Officials may include performance measures specific to responding to email, phone calls, and/or instant messaging, commensurate with the responsiveness expectations for employees who are physically in the office.
 - (c) General Telework Provisions. See DR 4080-811-002, *Telework Program*.
- d. Performance Plan Components.
 - (1) Performance Elements.
 - (a) Performance elements must reflect the responsibilities and duties actually assigned to and expected to be performed by the employee, consistent with an accurate and current position description.
 - (b) All elements are designated as critical.
 - (c) A performance element contains:
 - 1 The element title which identifies a significant program, duty, and/or responsibility for which the employee is accountable; and
 - 2 The associated standards and measures which will permit the accurate evaluation of job performance based on specific, clearly-defined criteria.
 - (d) Elements may only reflect performance expectations for work that is within the control of the individual employee.
 - (e) Elements may not reflect team expectations for non-supervisory employees.
 - (2) Performance Standards and Measures.
 - (a) Standards describe results, outcomes, goals, and expected accomplishments, rather than lists of duties and responsibilities. They are the performance thresholds, requirements, and expectations an employee must meet for an element to be appraised at the Fully Successful level of performance.

- (b) Performance measures are the defined indicators within the standards used to determine how well the employee produced or provided products or services. They are criteria that are observable and/or demonstrable, and may gauge quality, quantity, timeliness, cost effectiveness, and/or manner of performance.
- (c) Measures must be balanced and credible.
- (d) Each element's standards must be defined at the Fully Successful level. Standards and measures must specify all of the following for each element, commensurate with the series and grade of the position:
 - 1 A tangible and substantive outcome that reflects the essential purpose of the position;
 - 2 A level of performance throughout the appraisal period that demonstrates quality work in support of the Department and Mission Area, agency, or staff office mission that meets deadlines or schedules for completion of work; and
 - 3 A level of performance that necessitates the effective application of judgment, technical skills, and organizational knowledge to successfully complete work products.
- (e) Elements must not include standards at the Does Not Meet Fully Successful level. The expectations defined at the Fully Successful level are the demarcation for the element, and performance that falls below that level will be automatically designated Does Not Meet Fully Successful.
- (f) Absolute standards are prohibited unless a single failure could result in loss of life, injury, breach of national security, or great monetary loss.
- (g) Backwards standards are prohibited.
- (h) Standards and measures may be defined using milestones throughout the performance year to ensure continual progress is being made.
- (i) Performance measures must be prorated when the appraisal period is less than 1 year.
- (j) Assigning generic standards to all employees is prohibited if the generic standards do not truly represent their work.
 - 1 Generic standards covering similar positions with similar responsibilities must ensure expectations reflect the respective employee's actual duties and responsibilities, and are clearly and specifically communicated.

- 2 Generic standards may be clarified via such things as supplemental standards, measures within the standards, memoranda, standard operating procedures, and checklists for office processes.
- 3 Generic standards must be commensurate with the grade of the positions to which they are assigned.

(3) Content Requirements.

- (a) Except as described in Section 5e(4)(f), the performance plan for each position must:
 - 1 Communicate in writing the elements for the position, and each element's performance standards and measures;
 - 2 Contain all elements that will be used in deriving and assigning a summary rating;
 - 3 Include:
 - a A minimum of three and not more than seven performance elements;
 - b At least one mission results-oriented element that is aligned with the organization's strategic goals and objectives, and reflects the primary purpose of the position;
 - i. The element should not be so broad as to include every programmatic outcome expected of the position; expectations for multiple or secondary functions should be defined under separate elements.
 - ii. This element must also reflect the civil rights-related expectations related to the employee's program responsibilities.
 - c Specific performance standards for each element;
 - d Credible measures within each performance standard; and
 - e Standards and measures that relate to customer perspectives in at least one element.
 - 4 Be commensurate with the position's series and grade level;
 - 5 Not be made more or less rigorous based on a particular employee's perceived strengths or weaknesses, or based on past performance;
 - 6 Encompass the most significant duties and responsibilities assigned to and expected to be performed by the employee (if the current performance

expectations do not match the employee's position description, the position description should be revised); and

7 Be updated as necessary throughout the performance year.

(b) Supervisory Plans.

1 In addition to the requirements of Section 5d(3)(a), performance plans for supervisors and managers must contain an element for general supervision and leadership that includes:

a Expectations related to performance management;

b Expectations related to supervisory civil rights and Equal Employment Opportunity (EEO) responsibilities; and

c Expectations related to employee engagement.

2 Any mandatory language for this subsection will be announced via memoranda.

(c) New Roles.

1 Standards for employees new to their position and/or recently promoted should reflect, at the Fully Successful level, expectations specific to the employee learning the new responsibilities.

2 Standards for new or recently promoted employees should be defined on a case-by-case basis, depending on the employee's experience with similar responsibilities and the complexity of the new position or grade level.

3 The standards should reflect the timeframe by which the employee should complete training, gain familiarity with the role, and/or begin to perform the full range of duties of the position.

e. Planning Performance.

(1) Rating Official Responsibilities.

(a) Communicate the strategic goals of the organization, and how the employee's responsibilities align with those goals;

(b) Establish individual performance plans that clearly communicate the expectations for fully successful performance and comply with the requirements of Section 5d;

(c) Engage employees during the process of establishing and documenting performance plans and ensuring employees understand what is expected; and

- (d) Ensure duties covered by performance elements are included in the respective employee's position description.

(2) Employee Responsibilities.

- (a) Provide input to their Rating Official concerning the development of the performance plan, including performance elements, standards, and measures; and
- (b) Ensure they have a clear understanding of their performance expectations and how their performance relates to the mission of the organization.

(3) Timeframes.

- (a) An approved performance plan must be issued to eligible employees no later than:
 - 1 30 days from the beginning of the new performance year;
 - 2 15 days from when an employee starts a new position, a detail, or temporary promotion of 90 or more days; or
 - 3 15 days from a new assignment or change in assignment that impacts the expectations of the position during the appraisal period.
- (b) Performance plans do not roll over from one performance year to the next, but the elements and standards in an approved plan will remain in effect during a grace period while the new plan is being finalized for the new performance year.
- (c) A performance plan put in place fewer than 75 days before the end of a performance year may carry through the next performance year, provided the effective dates on the plan reflect the entire period.
- (d) When a Rating Official is assigned to a new supervisory position, performance plans for subordinate employees must be reviewed with the employees within 30 days, and revised as necessary, consistent with Sections 5f(5) and (6).

(4) Basic Provisions.

- (a) Rating Officials must formally communicate expectations before holding employees accountable for them.
- (b) The final authority for establishing performance plans rests with management, typically the Rating Official, and optionally with the Reviewing Official's review and concurrence.

(c) Employee Participation in the Performance Plan.

- 1 Rating Officials must involve employees in the development of their performance plans prior to the start of a new performance year, as much as practicable, which means seeking and considering employees' ideas and opinions in the development of performance plans.
- 2 Employees should indicate in the appropriate block of their performance plan whether they participated in developing their plan.

(d) Consistency. Performance plans are not required to be uniform, but they must be fair and equitable throughout a Reviewing Official's respective organizations.

(e) Finalizing the Performance Plan.

- 1 A performance plan is final when the Rating Official and, optionally, the Reviewing Official, sign the performance plan and issue it to the employee.
- 2 If a manager is signing subordinates' performance plans in their capacity as Reviewing Official, they should not approve any performance plan until they are satisfied that the plan has met the requirements of Section 5d and are otherwise consistent with the provisions of this DR.
- 3 Employees are requested to sign and date Form Agriculture Department (AD)-435E, *Performance Plan and Appraisal for Non-Supervisors*, or Form AD-435S, *Performance Plan and Appraisal for Supervisors* to certify receipt of their performance plan.
 - a An employee's signature does not mean that the employee agrees or disagrees with the contents of the plan.
 - b An employee's failure or refusal to sign does not void the contents of the plan or the performance expectations documented within it.
 - c If an employee declines to sign the Form AD-435E or Form AD-435S, the Rating Official should document the refusal and the reasons presented by the employee on the form.

(f) Performance Plans for Temporary Assignments.

- 1 Temporary assignments lasting longer than 180 days require a full performance plan.
- 2 Temporary assignments lasting between 90 and 180 days require an abbreviated performance plan containing:

- a A mission results-oriented element; and, as applicable;
 - b The general supervision and leadership element for a temporary assignment as a supervisor.
- 3 Temporary assignments of fewer than 90 days require a documented summary of expectations, but not a full or abbreviated plan.

f. Monitoring Performance.

(1) Rating Official Responsibilities.

- (a) Provide regular, recurring, and timely performance feedback to employees, including monitoring progress toward quarterly and annual goals;
- (b) Maintain documentation and records relevant to each employee's performance, including feedback from customers and other stakeholders;
- (c) Review progress toward goals with each employee no less than once each quarter, as described in Section 5f(4);
- (d) Review performance standards and measures to determine if they are still current and applicable, and revise as necessary.
- (e) Identify and document potential issues with any employee meeting their performance expectations, and address concerns with the employee before their performance falls below the Fully Successful level for any element as defined on their performance plans; and
- (f) Take appropriate action to address performance not meeting expectations, consistent with Section 5i.

(2) Reviewing Official Responsibilities.

- (a) Immediately communicate changes in organizational priorities to both Rating Officials and employees;
- (b) Ensure subordinate Rating Officials are effectively managing their respective employees' performance, including complying with the requirements of this Section; and
- (c) Carry out the Rating Official responsibilities in this Section for all direct reports.

(3) Employee Responsibilities.

- (a) Carry out the performance expectations defined in their performance plans, including meeting applicable milestones;

- (b) Seek clarification on the standards and measures, as needed;
 - (c) Identify work problems or other obstacles which may hinder the accomplishment of performance expectations, and work with Rating Officials to resolve them;
 - (d) Seek performance feedback from their Rating Official and, as appropriate, from internal and external customers; and
 - (e) Participate in the quarterly conversations with their Rating Official.
- (4) Quarterly Conversations.
- (a) Rating Officials must have a specific conversation with each employee to discuss performance no less than once each quarter.
 - (b) The purpose of the conversations is to facilitate regular and ongoing communication between the Rating Official and the employee that:
 - 1 Supports the attainment of organizational and individual goals; and
 - 2 Promptly identifies and addresses any performance concerns.
 - (c) Quarterly conversations will be scheduled within each quarter of the performance year (e.g., for the second quarter, between January 1 and March 31).
 - (d) Topics to be covered will include:
 - 1 Assessing progress toward the standards and measures in the performance plans;
 - 2 Clarifying existing expectations, as necessary;
 - 3 Discussing potential concerns about meeting expectations or any obstacles hindering the employee's capacity to meet the expectations, and how they'll be handled;
 - 4 Documenting new assignments, potentially reprioritizing or eliminating other assignments, and revising the performance plan as necessary;
 - 5 Identifying the need for training and/or development, if necessary; and
 - 6 Providing feedback on the quality of performance in that quarter.
 - (e) There is no minimum period of time for the employee to perform under standards or for the Rating Official to be in that role, before a quarterly performance conversation takes place.

- (f) The combination of conveying of an annual rating of record and the communication of a new performance plan may be considered one quarterly conversation (normally the first quarter of the performance year).
- (g) The requirement in Section 5e(3)(d) is considered a quarterly conversation.
- (h) Except as noted in Section 5f(4)(f), quarterly performance conversations do not include a rating of record, and no rating of record may be expressly promised or implied to an employee. However, discussions may indicate the need to significantly revise the performance plan, necessitating an interim rating to cover the period of performance under the original plan.
- (i) Rating Officials must initial and date, and ask their employees to initial and date, the Form AD-435E, Form AD-435S, or approved electronic alternative to document the reviews have taken place.

(5) Updating Performance Plans.

- (a) Employee plans must be updated during the performance year when minor changes need to be documented, for example:
 - 1 Clarification of standards and measures;
 - 2 New organizational goals or priorities that do not significantly impact the original standards; or
 - 3 Elimination of existing work assignments due to factors beyond an employee's control that make the original expectations unachievable.
- (b) Pen and ink changes or other form of documentation for minor modifications may be made at any time, provided the employee is informed before the changes are made effective.
 - 1 The employee should initial such changes to indicate receipt;
 - 2 Rating Officials must document and keep records of all such modifications and related conversations to demonstrate the employee was informed; and
 - 3 If these changes are made in an electronic system, they may be noted in a comments section.

(6) Revising Performance Plans.

- (a) Employee plans must be revised during the performance year when significant changes need to be documented, for example:
 - 1 Adding a substantial new expectation; or

2 Adding a significant new standard or measure.

- (b) Such changes made 90 or more days before the end of the performance year require an interim rating, provided the employee worked at least 90 days under the existing performance plan.
- (c) Such changes made fewer than 90 days before the end of the performance year require a rating of record. The new performance plan will cover the remaining time in the current performance year, as well as the following performance year.

g. Developing Performance.

(1) Rating Official Responsibilities.

- (a) Work with employees to identify opportunities for development to improve or enhance performance;
- (b) Encourage employees to seek professional and technical development opportunities to enhance their contribution to the Department and Mission Area, agency, and staff office goals; and
- (c) Prioritize the funding available for an employee's development to ensure performance-related training is given first consideration.

(2) Employee Responsibilities.

- (a) Be accountable for developing and improving their own performance;
- (b) Complete developmental assignments; and
- (c) Apply learning from training and other developmental opportunities to materially improve their performance.

(3) Developing performance pertains to increasing an employee's capacity to perform the current expectations of the position, rather than providing training opportunities to prepare the employee for a substantially different role or higher grade.

(4) Performance-related developmental opportunities include, but are not limited to:

- (a) Classroom or online training;
- (b) On-the-job-training;
- (c) Rotational assignments;
- (d) Mentoring;

- (e) Special assignments;
- (f) Details and reassignments;
- (g) Process improvement teams; and
- (h) Self-development activities.

h. Evaluating Performance.

(1) Ratings of Record.

(a) Rating Official Responsibilities.

- 1 Accurately assess the performance of employees throughout the entire appraisal period according to the elements, standards, and measures in the performance plan;
- 2 Ensure employees' performance upon which the ratings are based is well-documented;
- 3 Submit the proposed ratings to the Reviewing Official before issuing them to the employee;
- 4 Issue the final ratings of record to employees after the Reviewing Official has signed them; and
- 5 Complete ratings within prescribed deadlines.

(b) Reviewing Official Responsibilities.

- 1 Evaluate their subordinate Rating Officials to ensure accountability for effective performance management in accordance with the standards and measures in the performance management element;
- 2 Review the ratings proposed by their subordinate Rating Officials for accuracy, objectivity, completeness, and consistency with the plan's standards;
- 3 Direct revisions as necessary; and
- 4 Sign the final ratings of record before they are issued to employees.

(c) Employee Responsibilities.

- 1 If required by the Rating or Reviewing Official, or on own initiative, submit an accomplishment report to their respective Rating Official, which details:

- a Personal performance, contributions, and accomplishments that align with the standards and measures for each element in their performance plan; and
 - b Any additional performance, contributions, and accomplishments that are not specific to the expectations documented in the performance plan.
 - 2 Submit work products and other documentation to support the accomplishment report, as necessary.
- (d) Timeframes. Rating and Reviewing Officials must complete ratings of record as soon as practicable after the end of the appraisal period, and issue them to employees no later than October 30th.
- (e) General Provisions.
 - 1 A rating of record must be produced:
 - a Following the end of the performance year, provided the employee has performed under an established plan for a minimum of 90 days, which need not be consecutive;
 - b When a within-grade increase (WGI) decision is not consistent with the employee's most recent rating of record and a more current rating of record is required; and
 - c When, within 90 days prior to the end of the performance year:
 - i. An employee's performance plan is significantly revised;
 - ii. An employee resigns or transfers to a position outside USDA;
 - iii. An employee is reassigned or promoted;
 - iv. An employee's Rating Official leaves their position; or
 - v. There is any combination of the above.
 - 2 If an employee did not work under a performance plan for at least 90 days prior to the ratings deadline, a rating of record for that performance year cannot be produced.
 - 3 Ratings must be based on actual employee performance during the performance year.
 - a Presumptive ratings are prohibited.

- i. Specify the factual details regarding any expectations not met relative to each element that is evaluated at the Does Not Meet Fully Successful level; and
 - ii. Be based on documentary or other evidence that objectively and clearly describes the employee's performance during the appraisal period.
- f The Rating Official may not discuss preliminary ratings with anyone except the Reviewing Official, the Reviewing Official's manager, and human resources or civil rights staff in an official capacity. This does not preclude discussions between the Rating Official and the employee prior to the determination of the proposed rating (e.g., seeking clarification of an item the employee included in an accomplishment report).
- 2 Calculating the Summary Rating. If all elements are rated Fully Successful, the summary rating is Fully Successful. If any element is not rated Fully Successful, the summary rating is Unacceptable.
- 3 Determining the Final Ratings.
 - a The Rating Official must provide the proposed ratings and any required narrative assessment to the Reviewing Official for consideration.
 - b If the Reviewing Official reaches a different conclusion on one or more proposed ratings, the Rating and Reviewing Officials must attempt to resolve the disparity.
 - c If they are unable to resolve their differences, the Reviewing Official will determine the final rating(s). Under no circumstances may the Rating Official communicate, directly or indirectly, the differences to the employee.
 - d The Reviewing Official may be overruled by their respective manager.
- (g) Finalizing the Rating of Record.
 - 1 A summary rating is valid and becomes the rating of record when the Rating Official and Reviewing Official sign the Form AD-435E or Form AD-435S.
 - 2 If the Rating Official disagrees with the Reviewing Official's final element rating(s), they may decline to sign the rating.

- a In this case, the Reviewing Official must sign as the Rating Official, and the Reviewing Official's manager must sign as the Reviewing Official.
 - b The original Rating Official may not discuss the differences of opinion with anyone except their 1st and 2nd line supervisor.
 - c The respective narrative assessment must be written or updated to reflect the final element rating.
- 3 The rating of record must be issued to the employee.
 - a The Rating Official, whether the employee's supervisor of record or the official who signed the rating, must review the rating of record with the employee.
 - b The employee's signature on Form AD-435E or Form AD-435S will serve as certification that such a discussion took place. The employee's signature:
 - i. Does not necessarily signify that the employee agrees with the rating; and
 - ii. Does not preclude the employee from following the provisions of Section 5h(1)(i)2.
 - c If this discussion cannot take place, the Rating Official must document the reason for not having the employee's signature on the form.
 - d If the employee refuses to sign Form AD-435E or Form AD-435S:
 - i. The Rating Official must document the reason for not having the employee's signature on the form.
 - ii. The rating is the permanent rating of record unless the employee exercises the provisions of Section 5h(1)(i)2 and the rating is subsequently changed.
- 4 The Rating Official must also:
 - a Provide a copy of the completed rating and any supporting documentation to the servicing Human Resources Office (HRO) for processing and maintenance; and
 - b Retain a copy of the completed rating and any supporting documentation for the Rating Official's supervisory file.

(h) Special Situations.

- 1 Absence of a Plan Throughout the Performance Year. If an employee was not on a performance plan at any point during the performance year, a rating of record cannot be produced for that year.
- 2 Absence of a Plan at the End of the Performance Year.
 - a If an employee is not on a performance plan at the end of the performance year, but served under a plan that defined work similar to that of the position of record for at least 90 days at some point during the year:
 - i. An interim rating of Fully Successful for that time period will serve as the rating of record.
 - ii. If the interim rating is Unacceptable, but the employee demonstrates performance at the Fully Successful level before October 30, the rating of record will be Fully Successful.
 - iii. If the interim rating is Unacceptable, and the employee does not demonstrate performance at the Fully Successful level before October 30th, the rating of record will be Unacceptable.
 - b The 90 days do not need to be consecutive.
 - c If an interim rating was not done, a rating of record cannot be produced for that year.
- 3 Employee Leave.
 - a If an employee is on active duty or other leave at the end of the performance year, and the employee performed at least 90 days on a performance plan, the rating of record must be prepared and held until the employee's return. The 90 days do not need to be consecutive.
 - b If an employee who has performed at least 90 days on a performance plan is preparing to go on active duty or other leave and does not plan to return to duty before October 30, the rating of record must be prepared and issued to the employee before the leave begins.
 - c If the employee was on active duty or other leave for an extended period, and did not perform at least 90 days on a performance plan, a rating of record cannot be produced for that performance year.
- 4 Vacant Supervisory Position. If a supervisory position is vacant at the end of the performance year, the second-level supervisor will serve as the

Rating Official, and the third-level supervisor will serve as the Reviewing Official.

5 New Supervisors.

- a New supervisors may serve as Rating Officials provided the following:
 - i. The subordinate employees have been under established performance plans for the minimum appraisal period of 90 days;
 - ii. The supervisor has completed formal training in assessing and rating performance; and
 - iii. If the supervisor has been in the supervisory role for fewer than 90 days, there is at least one interim rating to consider in the rating of record.
- b If all of those provisions are not in place, the second-level supervisor will serve as the Rating Official, and the third-level supervisor will serve as the Reviewing Official.

6 Acting Supervisors.

- a Individuals in acting supervisory roles at the end of the performance year or at the end of an extended appraisal period may serve as Rating or Reviewing Officials, provided the following:
 - i. The employees have been under established performance plans for the minimum appraisal period of 90 days;
 - ii. The acting supervisor is officially designated as acting for a period of at least 60 days, either by detail or temporary promotion;
 - iii. The acting supervisor has completed formal training in assessing and rating performance; and
 - iv. If the acting supervisor has been in the acting supervisory role for fewer than 90 days, there is at least one interim rating to consider in the rating of record.
- b If those provisions are not met, the second-level supervisor will serve as the Rating Official, and the third-level supervisor will serve as the Reviewing Official.

7 Employees Detailed Outside of USDA.

- a When an employee is detailed outside of the Department, the supervisor of record must make a reasonable effort to obtain appraisal information from the outside organization.
 - b If such information is unattainable and the employee worked under a performance plan within USDA for fewer than 90 days in the performance year, a rating of record cannot be produced for that performance year.
 - c A rating of record recommended by the external organization must be approved by the respective employee's Rating and Reviewing Officials of record. The final rating of record must be documented on the Form AD-435E or Form AD-435S and filed in the employee's performance file (EPF).
- 8 Disabled Veterans. The performance appraisal and resulting rating of record for a disabled veteran may not be lowered because the veteran has been absent from work to seek medical treatment as stated in Executive Order 5396, *Special Leaves of Absence to be Given Disabled Veterans in Need of Medical Treatment*, dated July 17, 1930.
- (i) Producing or Changing a Rating of Record After the Deadline.
 - 1 The USDA CHCO may issue a blanket or targeted extension to the rating deadline for circumstances including:
 - a A lengthy furlough due to lapse in appropriations; or
 - b A weather event, other natural disaster, or pandemic which significantly impacted a region.
 - 2 Absent such extension, after December 1, a rating of record that covers the previous performance year may only be changed or produced under the following circumstances:
 - a Within 60 days of issuance based upon an informal request by the employee to the Rating and/or Reviewing Official.
 - b As a result of a complaint or other formal proceeding permitted by law or regulation that results in a final determination by the appropriate authority that the rating of record must be changed or produced or as part of a bona fide settlement of a formal proceeding; or
 - c Where the Mission Area's CHCO Council Member determines that a rating of record was incorrectly recorded or calculated.

(2) Interim Ratings.

(a) General Provisions.

- 1 If an employee has performed under an established plan for a minimum of 90 consecutive or non-consecutive days, an interim rating must be produced when:
 - a A performance plan is revised 90 or more days before the end of the performance year;
 - b The employee is reassigned or promoted 90 or more days before the end of the performance year;
 - c The employee's detail or temporary promotion of less than the full performance year is ending;
 - d The employee's detail or temporary promotion of less than the full performance year continues beyond the end of the performance year;
 - e The employee transfers outside of USDA 90 or more days before the end of the performance year;
 - f The employee resigns from Federal service 90 or more days before the end of the performance year with at least 3 weeks' notice;
 - g The Rating Official leaves that position 90 or more days before the end of the performance year; and
 - h An acting Rating Official's detail or temporary promotion is ending after 90 or more days.
- 2 Interim ratings must specify the date range of the performance.
- 3 Interim ratings must be completed within 15 days of the conclusion of the abbreviated appraisal period, including issuing the rating to the employee and providing a copy to the Rating Official who will be assessing the employee's performance at the end of the performance year.
- 4 The Rating Official preparing the rating of record at the end of the performance year, in consultation with the Reviewing Official, must consider the nature of assignments and the length of time covered by the interim rating(s) when determining the impact of the interim rating(s) on the employee's element and summary ratings that comprise the rating of record.

- (b) The interim rating process is comparatively streamlined:

- (1) The employee will not be required to submit an accomplishment report.
- (2) The Rating Official must evaluate the employee's performance against each element in the performance plan, and, because in some situations an interim rating may become the rating of record, propose a summary interim rating to the Reviewing Official.
 - a If the Reviewing Official agrees with the proposed interim rating, the Rating and Reviewing Officials will sign the interim rating.
 - b If the Reviewing Official disagrees with the proposed interim rating, they may adjust the interim rating before signing it. The Rating Official's signature may be omitted if they disagree with the final interim rating.
- (3) Advisory Assessments.
 - (a) When an employee has performed for at least 60 but fewer than 90 days either in a temporary role or on a performance plan that is being revised, an advisory assessment must be produced within 15 days of the end of the temporary assignment or of the effective date of the revised plan.
 - (b) The supervisor of the abbreviated performance period must document:
 - 1 The primary expectations during the abbreviated performance period (if not already described in a performance plan);
 - 2 Whether the employee met the expectations; and
 - 3 The date range of the performance.
 - (c) The supervisor must provide a copy of the documentation to the employee and to the employee's supervisor of record (if applicable) for consideration in determining the performance year's rating of record.
- i. Addressing Performance Problems.
 - (1) Prerequisites to Addressing Issues. The following must be in place before performance problems can be officially addressed:
 - (a) A current, accurate position description; and
 - (b) A current, accurate performance plan, including standards and measures that clearly articulate the expectations at the Fully Successful level.
 - (2) Distinction and Overlap Between Performance and Conduct.

- (a) Conduct and performance management problems may coincide, but they are distinct issues.
 - 1 Misconduct is generally a failure to follow a regulation, policy, or workplace rule, whether written or unwritten. Examples include:
 - a Tardiness;
 - b Absenteeism;
 - c Insubordination;
 - d Falsification;
 - e Misuse of Government computer systems;
 - f Prohibited personnel practices;
 - g Retaliation;
 - h Failure to follow safety regulations; and
 - i Failure to protect personally identifiable information (PII).
 - 2 Poor performance is an employee's failure to do the job at the Fully Successful level, as defined in the performance plan.
- (b) A pending conduct consideration will have no bearing on conducting performance conversations and/or issuing a timely rating of record.
- (c) Accountability for poor performance, by means of a Demonstration Opportunity (DO) and/or a rating of record, does not preclude consequences for misconduct.
- (d) Consequences for misconduct do not preclude accountability for poor performance.
- (3) Immediacy. As described in Section 5f, Rating Officials should identify and document potential issues with any employee meeting their performance expectations, and address the issues with the employee, before performance falls below the standards defined at the Fully Successful level for any element as it is defined in the employee's performance plan.
- (4) Reassignments. An employee may be reassigned at any time for performance that fails to meet the Fully Successful level as it is defined in the employee's performance plan.

- (5) Adverse Actions. A Mission Area, agency or staff office may take action for performance and/or related misconduct to promote the efficiency of the service, subject to the provisions of 5 U.S.C. 75, *Adverse Actions*, and 5 CFR Part 752, *Adverse Actions*.
- (6) Performance-Based Actions. A Mission Area, agency or staff office may remove an employee or reduce their grade for failing to perform at the Fully Successful level in any performance element, subject to the provisions of 5 U.S.C. § 4303, and 5 CFR Part 432, *Performance Based Reduction in Grade and Removal Actions*.
- (a) If the employee's performance falls below the standards for Fully Successful on any element, the Rating Official must do the following prior to taking a performance-based action:
- 1 Notify the employee in writing of the element(s) for which performance is below the Fully Successful level;
 - 2 Inform the employee that unless they demonstrate performance in the element(s) identified in the notice at the Fully Successful level, they may be reduced in grade or removed; and
 - 3 Afford the employee a reasonable opportunity to demonstrate Fully Successful performance on the element(s) by placing the employee on a DO.
- (b) An interim rating or a rating of record is not required before taking a performance-based action.
- (c) The requirement to establish a DO excludes employees listed in 5 CFR § 432.102(f), including employees in the competitive service serving a probationary or trial period under an initial appointment.
- (7) Demonstration Opportunity.
- (a) The DO is not a developmental opportunity or an opportunity to merely improve performance. It is an opportunity to demonstrate performance at the Fully Successful level in the respective element(s).
- (b) A DO requires a DO plan.
- 1 The DO plan must define expectations that:
 - a Clearly identify the performance the employee is required to demonstrate for the element(s) that are not currently being performed at the Fully Successful level.

- b Do not describe the performance in a manner that defines what would have to be done to fail to demonstrate acceptable performance.
 - c Are achievable within the duration of the DO;
 - d Are commensurate with the duties and responsibilities of the employee's position and grade level, as reflected in the employee's position description and performance plan;
 - e Allow for a margin of error during the DO. An absolute standard is not permitted unless a single failure could result in loss of life, injury, breach of national security, or great monetary loss; and
 - f Describe how the performance will be measured and assessed.
- 2 The DO plan must describe any assistance the Mission Area, agency, or staff office will provide the employee to bring the performance up to the Fully Successful level.
- 3 The DO plan must specify the length of the period to demonstrate performance at the Fully Successful level. There is no minimum opportunity period for a DO.
- a A DO of 30 calendar days is normally sufficient.
 - b A DO of more than 30 calendar days must be approved by the USDA CHCO.
 - c The length of the DO should be determined by:
 - i. The complexity of the work;
 - ii. The duration of the segment of work which would provide adequate evidence that performance at the Fully Successful level is or is not demonstrated; and
 - iii. Whether the employee has previously demonstrated acceptable performance, as defined at the Fully Successful level of the current performance plan.
- (c) The Rating Official, or alternate as identified in the DO plan, must closely monitor the employee's performance during the DO. The employee must be informed at least once a week during the DO that they are or are not meeting expectations.
- (d) If, during the DO, the Rating Official concludes that additional time is required to assess whether the employee is demonstrating performance at the Fully

Successful level, the DO may be extended for no more than 30 days with the prior approval of the USDA CHCO. If the DO is extended, the Rating Official must notify the employee in writing about the extension.

- (e) At the conclusion of the DO, the Rating Official must immediately determine whether the employee has demonstrated acceptable performance as defined in the DO plan. The employee must be notified in writing within 7 days about the determination.
 - (f) If the employee has failed to demonstrate acceptable performance, the Rating Official must initiate steps to take an adverse or performance-based action no later than 7 calendar days from the end of the DO.
 - (g) If the employee fails the DO before the DO is completed (e.g., commits more errors within the first week than are permitted within the 30 days) the DO will be concluded immediately, and a decision made on the appropriate adverse or performance-based action within 7 days.
- (8) Subsequent Performance.
- (a) If an employee has consistently demonstrated performance at the Fully Successful level for 1 year from the beginning of a DO and the employee's performance again falls below the Fully Successful level in any element, the Rating Official must afford the employee an additional DO before determining whether to propose a performance-based action.
 - (b) A performance-based action may be proposed based upon instances of performance below the Fully Successful level which occur within a 1-year period from the beginning of the DO, ending on the date of the notice of proposed action.
- (9) Rating of Record During a Demonstration Opportunity.
- (a) It should be rare for a DO to extend beyond the end of the performance year because performance that falls below the Fully Successful level must be identified and addressed immediately.
 - (b) If an employee is on a DO with a scheduled duration beyond the end of the performance year, a rating of record must be given to the employee no later than 30 days after the end of the performance year, consistent with Section 5h(1).
 - (c) The appraisal period will not be extended for the purpose of permitting an employee to demonstrate acceptable performance such that the rating of record is not completed by the deadline.
 - (d) If an employee's performance is not at the Fully Successful level for every

element before the rating of record deadline, the rating of record for that performance year is Unacceptable.

- (e) A rating of record is not permitted to be changed if the employee demonstrates acceptable performance after the rating of record deadline.

(10) Savings Provision. Administrative actions initiated against employees whose performance is Unacceptable under 5 U.S.C., Section 4303, and the USDA Performance Management Program, or another program in existence prior to the effective date of this Program, will continue to be processed consistent with that pre-established set of procedures and requirements.

j. Performance Management Training Requirements.

(1) Supervisory Positions.

- (a) Supervisors and managers are required to take formal performance management training. When assuming a supervisory role for the first time within USDA, supervisors and managers must complete training in assessing and rating performance by the earlier of the following:

- 1 Within the first 3 months of assuming the supervisory role; or
- 2 Before preparing or reviewing ratings of record for subordinate employees.

- (b) Ongoing training in other aspects of performance management must be completed not less than every 2 performance years for the remainder of their supervisory tenure.

(2) Non-supervisory Positions. Non-supervisory employees must take performance management training within the first 3 months of employment, and thereafter in ad hoc intervals as OHRM, the Mission Area, agency, or staff office determines to be necessary (e.g., if there are significant changes to the System and/or Program).

(3) All training must be recorded in the Department's training system of record.

(4) To meet the mandatory requirements, performance management training must include one or more of the following components:

- (a) The concepts and practical use of performance management;
- (b) Setting expectations;
- (c) Managing performance for results;
- (d) Assessing and rating performance;

- (e) Linking individual performance expectations to organizational goals;
- (f) Setting effective goals for individual performance;
- (g) Establishing and applying objective measures of performance;
- (h) The performance appraisal process;
- (i) Writing accomplishment reports, if requested;
- (j) Communicating organizational performance to employees;
- (k) Giving and receiving feedback;
- (l) Using reward and recognition to achieve and sustain higher levels of performance;
- (m) Developing competencies;
- (n) Addressing performance deficiencies; and
- (o) Distinguishing between performance and conduct.

k. Linking Performance to Other Personnel Systems.

(1) Probationary Employees.

- (a) The Rating Official must continually evaluate a probationary employee to determine whether the employee has demonstrated the ability to perform the functions of the position at the Fully Successful level, including an informal assessment no later than at each of the 3, 6, and 9 month marks.
- (b) A probationary employee must be terminated during the probationary period if performance fails to demonstrate the capacity or qualifications necessary for continued employment.
 - 1 An employee's probationary period ends upon completion of the scheduled tour of duty on the day before the anniversary date of employee's appointment.
 - 2 If a probationary employee is to be terminated for performance reasons, the Rating Official must notify the employee in writing of the reason for termination, the effective date, and the official's conclusions as to the inadequacies of the employee's performance.

(2) Probationary Supervisors and Managers.

- (a) The Rating Official must continually evaluate a probationary supervisor or manager to determine whether they have demonstrated the ability to perform the functions of the position at the Fully Successful level, including an informal assessment no later than at each of the 3, 6, and 9 month marks.
 - (b) A probationary supervisor or manager, who for reasons of supervisory or managerial performance does not satisfactorily complete the probationary period, is entitled to be assigned to a position of no lower grade and pay than the one the employee vacated to accept the supervisory or managerial position, except:
 - 1 A new supervisor or manager who does not satisfactorily complete the supervisory probationary period and who is also serving the probationary period for an initial appointment may be removed at any time as described under the provisions of Section 5k(1).
 - 2 If the new supervisor or manager who is also serving probationary period for an initial appointment is not removed, they are not automatically entitled to be assigned to a position at a specific grade and pay. Such determinations are made on a case-by-case basis in consultation with the servicing HRO.
 - (c) A non-supervisory or non-managerial employee who is demoted into a supervisory or managerial position for which a probationary period is required, and who does not satisfactorily complete the probationary period for reasons of supervisory or managerial performance, is entitled to be assigned to a position at the same grade and pay as the position in which they were serving a supervisory probationary period.
 - 1 The Rating Official must notify the employee in writing of the decision to assign the employee to a different position.
 - 2 The employee is eligible for repromotion in accordance with the respective Mission Area, agency, and staff office's merit promotion policy.
- (3) Within-Grade Increase (WGI).
- (a) WGIs are based on performance and longevity.
 - (b) An eligible employee may be granted a WGI only when:
 - 1 The current rating of record was assigned no earlier than the most recently completed appraisal period; and
 - 2 The employee is currently performing at or above the Fully Successful level on all elements in the performance plan.

- (c) A WGI must not be granted automatically.
- 1 The Rating Official must indicate on Form AD-658, *Within-Grade Increase Record*, or OHRM-approved electronic alternative, whether:
 - a Performance is currently at the Fully Successful level for every element in the performance plan and the WGI is approved;
 - b Performance is currently below the Fully Successful level for one or more elements in the performance plan and the WGI is denied; or
 - c The WGI determination is delayed.
 - 2 If a WGI is erroneously processed without the Rating Official's verification of acceptable performance, and the WGI should have been denied or delayed, the WGI must be rescinded.
- (d) An employee with a current rating of record that is below Fully Successful may receive a WGI only if:
- 1 Their current performance is at or above the Fully Successful level for every element in the performance plan; and
 - 2 An out-of-cycle rating of record is prepared to certify performance at or above the Fully Successful level.
- (e) If an employee was rated Fully Successful on the most recent rating of record and performance in any element falls below Fully Successful before the WGI is due, the employee must be notified immediately and put on a DO according to the provisions of Section 5i.
- 1 The employee may request reconsideration of the determination of unacceptable performance that resulted in the denied WGI.
 - 2 If the employee succeeds in demonstrating performance at the Fully Successful level before the WGI's effective date, the WGI may be approved.
 - 3 The WGI must be denied if it is due while the employee is on an active DO. An out-of-cycle rating of record must be prepared to document a rating of Unacceptable.
 - 4 If the employee succeeds in demonstrating performance at the Fully Successful level at the end of the DO, the WGI may be reconsidered at any time thereafter, but the Mission Area, agency, or staff office must consider the employee's performance at least every 52 weeks after the denial.

not officially approved and placed on record until on or after the date of the specific notices will not be used to determine additional service credit.

6. AWARDS AND RECOGNITION

- a. Guiding Principles for Awards and Recognition. The following principles are the foundation for USDA's awards and recognition program, and provide the policy parameters for questions and situations not specifically described in this DR:
- (1) Effective and strategic recognition for work done well is essential to employee engagement, and a driver of positive business outcomes.
 - (2) Recognition is most effective and serves to cultivate a high-performing workforce when it:
 - (a) Rewards exemplary performance and accomplishments in support of the organization's mission and goals;
 - (b) Is clearly based on merit;
 - (c) Differentiates among levels of performance and/or contribution to an organizational achievement;
 - (d) Recognizes creativity and innovation;
 - (e) Is timely;
 - (f) Is commensurate with the performance and/or contribution; and
 - (g) Represents a tangible and/or symbolic value to the recipient.
 - (3) USDA advocates a culture of appreciation where recognition for good work is owned by the entire workforce, and encompasses a very broad spectrum of acknowledgement, not limited to the monetary, time off, and non-monetary awards delineated in this directive. Intangible recognition provides meaningful appreciation for successes and achievements, and facilitates engagement and positive business outcomes.

Examples include, but are not limited to:

- (a) Public credit for work done well;
- (b) Opportunities to participate in visible projects;
- (c) Being selected to lead initiatives;
- (d) Thank you notes; and

- (e) White boards for employees to leave short notes of appreciation for their peers.
 - (4) Where there is discretion within established policy, Mission Areas, agencies, and staff offices should normally implement the course of action that will best uphold the principles of effective employee recognition, to the extent practicable.
- b. General Award Provisions.
- (1) The granting of awards is discretionary, not an employee entitlement.
 - (2) Incentives and recognition may cover individual employees or groups, provided everyone in the group contributed to the accomplishment.
 - (3) Awards may be granted for:
 - (a) Exceptional performance;
 - (b) An exemplary accomplishment;
 - (c) Work that advances the quality, efficiency, economy, or other improvement of Government operations;
 - (d) Excellence in customer service;
 - (e) A suggestion or invention that advances USDA's mission and services;
 - (f) Achieving a significant reduction in paperwork; and
 - (g) A special act or service in the public interest in connection with, or related to, the employee's official employment.

One key to determining if an achievement or contribution may be recognized with an award is whether it is directly connected to noteworthy performance or to an accomplishment specific to USDA's mission and goals.

- (4) Awards may not be granted for such things as:
 - (a) An employee leaving the Mission Area, agency, or staff office when it would appear to be a departure or retirement "bonus";
 - (b) Attending special programs or observances;
 - (c) Participating in fitness programs;
 - (d) Canceling leave;
 - (e) The non-use of sick leave;

- (f) Responding to the Federal Employee Viewpoint Survey;
 - (g) Participating in special activities such as gleaning;
 - (h) Planning social activities, either during or outside of official time, e.g., picnics and holiday parties; or
 - (i) Personally contributing to specific initiatives, e.g., the Combined Federal Campaign (financially) and Feds Feed Families (food). Mission Areas, agencies, and staff offices may recognize the efforts of employees who serve in collateral roles to lead such initiatives with informal non-monetary awards, but monetary or time off awards (TOA) are not permitted for those efforts.
- (5) Prizes. Federal awards regulations do not provide for the awarding of prizes or any other type of “award” that involves the element of chance (e.g., drawings or raffles).
- (6) Contractor Employees and Volunteers.
- (a) Monetary recognition may not be granted to non-Federal or non-USDA employees, including volunteers and collaborators, under the authorities in this DR. Mission Areas, agencies, and staff offices may recognize their contributions solely with certificates of appreciation.
 - (b) USDA awards programs do not cover contractor employees. They are employed by the contracting organization, not the Federal government, and cannot receive direct payments from USDA.
 - 1 Under very limited circumstances, contractor employees may receive non-monetary awards, such as certificates, when they are part of a group of USDA employees being recognized for a contribution to the Department’s mission and goals.
 - 2 Such recognition always requires the prior written concurrence of the Contracting Officer, and documentation of the concurrence must be maintained by the Contracting Officer’s Representative.
- (7) Confidentiality and Privacy.
- (a) Documentation related to recommendations for recognition is confidential information and is available only to those involved in the award decision process and other officials on a need-to know basis. Recommendations are not to be discussed with nominees or with anyone not involved in the decision process until the award has been authorized within the appropriate chain of command and approved by the HRO.
 - (b) Limited award information is obtainable under the Freedom of Information Act (FOIA), and requests should be handled through that process. Mission Areas,

agencies, and staff offices may not disclose award amounts if doing so could reveal the recipient's rating of record, which is protected information under the Privacy Act.

c. Monetary and Time Off Awards.

- (1) Eligibility. All employees whose current rating is Fully Successful are eligible for monetary and time off awards, except that employees who were on leave restriction within the 52 weeks prior to the award effective date are not eligible for a TOA.
- (2) Authorization and Approval. The provisions in this Section apply to all monetary awards and TOAs processed within USDA, including those for employees who are on reimbursable details outside the Department, and irrespective of the funding source.
 - (a) Monetary awards and TOAs always require an AD-287-2, *Recommendation and Authorization of Monetary and Time Off Awards*, or OHRM-approved electronic alternative, and the justification required for the category of award.
 - (b) Any employee may nominate another employee or management official for an award, but may not nominate:
 - 1 Themselves; or
 - 2 Anyone in their supervisory chain, except in the context of a formal Mission Area, agency or staff office program, such as a Supervisor of the Year award.
 - (c) The nominating individual is an optional role on the AD-287-2.
 - (d) The Recommending Official is either the employee's first or second level supervisor of the employee's position of record, and is responsible for ensuring an award is not duplicative, as described in Section 6c(4).
 - (e) The Certifying Official is an optional role for Mission Area, agency, or staff office use (e.g., a Budget Analyst or Administrative Officer).
 - (f) The Authorizing Official is determined by the award amount, as described in Appendix D.
 - (g) Award packages for authorization at the subcabinet and Secretary levels must include:
 - 1 A decision memorandum from the agency or staff office;
 - 2 The AD-287-2(s); and either:

- a A thorough justification that documents how the requested amount for a discrete award is commensurate with the contribution, consistent with Appendix E; or
 - b A thorough justification that documents how the cumulative amount for multiple awards in a consecutive 52 week period is commensurate with the contributions, consistent with Appendix E, and addresses any overlap among the multiple awards.
 - (h) Award authorization packages for the Secretary must also be routed from the subcabinet official through the USDA CHCO and the Assistant Secretary for Administration (ASA).
 - (i) An award is considered approved when the Human Resources Official signs off on the AD-287-2 that the award complies with statutory and regulatory requirements.
- (3) Prohibited Bases. Monetary awards and TOAs may not be granted as additional compensation or reimbursement of any kind, including scenarios such as:
- (a) Forfeited annual leave;
 - (b) An actual or perceived inequity in salaries and/or the classification of positions;
 - (c) A substitute for salary dollars as a means of circumventing the annual aggregate limitation on pay;
 - (d) Performing the normal duties of the position as an excepted, essential, or emergency employee during a furlough, weather-related closure, or similar scenario;
 - (e) Working outside normal hours when the time should be recorded as compensatory time or overtime; or
 - (f) Denial of a recruitment, relocation, or retention bonus.
- (4) Multiple awards for the same contribution.
- (a) Supervisors and managers must ensure employees are not inadvertently receiving duplicative awards for the same contribution. For example:

An employee was given an award by their supervisor for a customer service contribution, and the office that benefitted from the customer service nominated the employee for a separate award. In this situation, the employee's supervisor should flag the award as duplicative and suggest another form of recognition (e.g., certificate of appreciation.)

- (b) There are limited circumstances where multiple awards may be appropriate.
 - 1 TOAs and monetary awards may be combined for a single award action where the sum of the combined award is commensurate with the contribution(s), and together are consistent with Appendix E. (See Section 6c(10).)
 - 2 If an award is granted, and the benefit of the contribution being recognized is later determined to be greater than originally ascertained, the employee may be granted the difference between the original award and what is subsequently concluded to be the more appropriate amount. The justification for the second award must reference the original award, and must describe the basis for determining the combined award amount.
 - 3 Contributions to a large or multi-year project may be recognized at specific milestones, provided:
 - a The combined amounts for all the associated awards are commensurate with the employee's contributions, consistent with the applicable benefits scale in Appendix E; and
 - b The award justifications specify the work being recognized at the respective milestones.

(5) Timeliness and Effective Dates.

- (a) Recognition is most effective when it is given as close to the achievement or contribution as possible. However, when timely awards are precluded (e.g., because of budgetary or process issues, or temporary spending freezes), the awards may be processed as soon as practicable once those barriers are resolved.
- (b) Effective dates may be no earlier than the date an award is approved by the HRO on the AD-287-2 or OHRM-approved electronic alternative.
- (c) Where there is discretion in setting effective dates, Mission Areas, agencies, and staff offices should generally select the course of action that is most beneficial to the employee(s) to the extent feasible, consistent with the principles of timely recognition as a driver of employee engagement. For example:
 - 1 Rather than processing authorized awards on a specific schedule, HROs would process them as soon as they are received; and
 - 2 If an employee is approaching the annual aggregate limitation on pay, an award may be deferred to the next calendar year.

This provision will in no way be interpreted as permitting the “back-dating” of actions.

- (6) Forced distribution is not permitted in determining performance ratings, but may be considered in the context of awards. The term has no precise definition in policy or practice, but "forced distribution" generally is associated with the idea of limiting awards to a certain number or percentage of employees.
 - (a) Relative comparisons among individuals or groups, such as rank ordering or categorizing employees, may be used for making decisions about distributing awards. For example, Mission Areas, agencies, and staff offices may limit awards to the top three producers or teams, or limit awards to those individuals or groups that exceeded certain goals.
 - (b) Mission Areas, agencies, and staff offices may also establish criteria for categories of awards that are given only to a selected number of recipients who best fit the criteria, although the basic criteria might have been met by more individuals or teams.

For example, an agency’s Supervisor of the Year award will have basic criteria that set the threshold for award consideration, and a significant number of supervisors may meet that threshold; but the individual selected as the Supervisor of the Year would generally be the one who best fits the criteria.

(7) Awards Across Agency Lines.

- (a) When a Mission Area, agency, or staff office wishes to recognize an employee of another organization or Federal agency with a monetary or time off award (TOA), the benefiting organization will nominate the employee for the award.
- (b) The clearance provisions of Section 6c(2) apply to the recommendation and authorization of the award.
- (c) If it is a monetary award, the benefiting agency will arrange to reimburse the employee’s Mission Area, agency, or staff office.

1 This provision may be waived when the agencies agree the administrative costs involved would outweigh the award amount.

2 When the servicing HRO of the benefiting Mission Area, agency, or staff office has the capacity to process an award for a contributing employee from another Mission Area, agency, or staff office, they may do so after it is authorized to eliminate the need for reimbursement.

(8) Monetary Awards.

- (a) Amounts.

- 1 The minimum monetary award is \$100.
 - 2 Award amounts must be commensurate with the contribution(s), consistent with the applicable benefits identified in Appendix E.
 - 3 Monetary awards granted by USDA may never exceed 20% of the employee's rate of basic pay.
- (b) Tax Implications. Cash awards are reported as compensation and taxes withheld accordingly.
- (c) Pay Implications. A monetary award is a lump sum payment, and is not basic pay for any purpose.

(9) TOAs.

(a) Amounts.

- 1 TOAs are granted in increments of no less than one hour.
- 2 The amount of the TOA must be commensurate the value of the contribution(s) being recognized, consistent with Appendix E.
- 3 Full-time employees may be awarded up to 80 hours of time off during a leave year, but not more than 40 hours in one award.
- 4 Part-time employees may be granted TOAs up to the average number of work hours in the employee's biweekly scheduled tour of duty during a leave year. The limit for a single TOA for part-time employees or employees with an uncommon tour of duty is one-half the maximum that may be granted during the leave year.

For example, if an employee has a biweekly scheduled tour of duty of 64 hours, the employee may be granted up to 64 hours of time off during the leave year, and no more than 32 hours at one time.

(b) Using TOAs.

- 1 A TOA may only be taken after it has been approved and entered in the USDA payroll/personnel system, and is reflected in the time and attendance system.
- 2 Employees must obtain their respective supervisor's approval before using a TOA, consistent with the approval requirements for using annual leave.

- 3 If an employee is incapacitated while using their TOA, that period may be recorded as sick leave, and the time off rescheduled for another time, within the constraints of Section 6c(9)(c).
 - 4 If an employee is issued a leave restriction letter after the TOA is approved, the TOA may not be used for the duration of the restriction.
- (c) Constraints. Unlike other forms of pay for time not worked (e.g., annual leave), employees are not entitled to a TOA.
- 1 A TOA may not be converted to a monetary payment or other form of compensation under any circumstances.
 - 2 Employees may carry over up to 80 hours of TOA at the end of each leave year. Any hours in excess of 80 are forfeited.
 - 3 Mission Areas, agencies, and staff offices may not permit the use of TOAs for an entire office to allow all employees the same day off work.
 - 4 The granting of time-off does not increase an employee's "use or lose" annual leave amount, and time-off should be scheduled so as not to conflict with the use of existing "use or lose" annual leave. Time-off absence is not justification for the restoration of forfeited annual leave.
 - 5 Because a TOA is not annual leave, it cannot be transferred to another Federal employee under the Voluntary Leave Transfer Program.
- (d) Employee Reassignments and Transfers.
- 1 If an employee moves within USDA from one Mission Area, agency, or staff office to another, the gaining Mission Area, agency, or staff office will honor an unused TOA granted by the employee's losing agency.
 - 2 If an employee transfers into USDA from another Department or independent Federal agency, the gaining Mission Area, agency, or staff office is permitted, but is not required, to honor up to 40 hours of an unused TOA granted by the employee's prior agency. Mission Areas, agencies, and staff offices must:
 - a Set an internal policy governing this provision;
 - b Communicate the policy to hiring managers and HROs; and
 - c Apply it consistently.

3 Unused TOAs are not transferrable outside USDA, unless the employee makes a special arrangement with the gaining agency to honor the TOA granted by the employee's USDA Mission Area, agency, or staff office.

- (e) Tax Implications. TOAs do not have explicit monetary value, and do not change the employee's income. As a result, TOAs are not subject to special tax withholdings. Tax withholdings are deducted from the salary paid for the hours the TOA is used, just as tax withholdings are deducted when employees use annual or sick leave, or other forms of authorized paid absence.

(10) Combination of Monetary Awards and TOAs.

- (a) A TOA may be granted along with a monetary award, provided the combined value of the award given is commensurate with the value of the contribution being recognized, consistent with the applicable benefits scale in Appendix E.

For example, an employee served as the team lead on a short-term project that impacted an entire small State. According to the non-measurable benefits scale in Appendix E, this would be considered a Moderate type of contribution with a Level 1 scope, which would support an award of either \$750 or 10 hours of time off. A combination of \$500 and four hours of time off could be granted.

- (b) The AD-287-2 must document in the award justification how the value of the combined amount was determined and how it is commensurate with the contribution being recognized.

(11) Categories of Monetary Awards and TOAs.

- (a) Rating-Based Awards.

1 These awards are based solely on an employee's performance rating of record assigned at the end of the appraisal period, and are intended to recognize sustained levels of successful performance over the course of the rating period.

A rating-based award may not be granted to an employee without a rating of record.

2 Because a two-tier summary rating pattern does not differentiate among levels of successful performance, monetary awards and TOAs are not authorized on the basis of ratings of record in that summary rating pattern. Instead, non-rating-based achievement awards will be utilized to recognize specific accomplishments that supported excellence in performance.

- (b) Achievement Awards.

- 1 Achievement awards are non-rating-based awards that recognize specific accomplishments that are in the public interest and have exceeded normal job requirements.
- 2 Examples of such accomplishments include, but are not limited to:
 - a Making a high-quality contribution involving a difficult or important project assignment;
 - b Creating a knowledge management product to document the materials and processes for carrying out a significant job function;
 - c Displaying initiative and skill in successfully completing an assignment or project before the deadline, to the benefit of the program, staff or customer;
 - d Using initiative and creativity in making improvements in projects, activities, programs, or services; and
 - e Ensuring the mission of the work unit is accomplished during a challenging period by successfully completing additional work or a special project assignment while maintaining the employee's own workload.
- 3 Eligibility.
 - a All employees with a current rating of record of Fully Successful are eligible for achievement awards.
 - b These awards can be for individual or group contributions.
 - c Employees may receive more than one achievement award within one performance year.
- 4 Justifications. The justification on the AD-287-2 must clearly state:
 - a What the employee or group accomplished;
 - b The time period covered by the accomplishment;
 - c How the accomplishment exceeded normal expectations of the respective employee's role;
 - d The result or outcome of the accomplishment; and
 - e The calculation of benefits, using the appropriate benefits scale in Appendix E, that describes how the award amount was determined.

- 5 Group Awards. Achievement awards may be granted to groups of employees.
 - a Each employee must have contributed to the accomplishment being recognized.
 - b The total award amount must be commensurate with the accomplishment's overall value to the organization, consistent with the appropriate benefits scale in Appendix E.
 - c The amount awarded to each employee in the group must be commensurate with their contribution to the accomplishment. For example, the award amount for the core team members of a particular initiative would normally be greater than the amount for someone who served in a peripheral advisory or support role.
 - d If the award amounts are different within the group, the documentation must specify the type of contribution which supports the respective amounts, consistent with the benefits scale in Appendix E.
 - e The award may be processed with a single AD-287-2, but the documentation must be redacted before being filed in each employee's OPF.

(c) Suggestion and Invention Awards.

- 1 Mission Areas, agencies, and staff offices are authorized to recognize suggestions and inventions from employees or groups of employees that:
 - a Further the mission of the Mission Area, agency, staff office or other Federal government operations or interests;
 - b Save the Mission Area, agency, staff office, or sub-organization money;
 - c Promote internal communication or employee engagement;
 - d Achieve a significant reduction in paperwork;
 - e Improve customer service; or
 - f Improve efficiency.
- 2 Acceptance of an award under this authority constitutes an agreement that the use by the Government of an idea, method, or device for which the

award is made does not form the basis of a further claim of any nature against the Government by the employee, their heirs, or assigns.

3 Mission Areas, agencies, and staff offices are authorized to give an informal non-monetary award for suggestions that demonstrate ingenuity on a relatively small scale, or that have not yet been implemented.

4 Mission Areas, agencies, and staff offices may give a monetary and/or TOA for suggestions that have been implemented and have demonstrated results, consistent with the benefits scale in Appendix E.

5 Justifications. The justification on the AD-287-2 must clearly state:

a What challenge or opportunity the suggestion addresses;

b The scope of the implementation of the suggestion;

c The result or outcome of the implementation of the suggestion; and

d The calculation of benefits, using Appendix E, that describes how the award amount was determined.

(d) Referral Bonuses.

1 Referral bonuses are granted at the discretion of the Mission Area, agency, or staff office, and are not an entitlement.

2 Eligibility. All USDA employees who meet the definition of “employee” in 5 U.S.C. 2105, *Employee*, are eligible for referral bonus awards with the exception of:

a Employees whose regular, recurring jobs include the recruitment of employees;

b Employees who are otherwise excluded from receiving monetary or TOAs;

c Selecting officials or other persons associated with the selection of the candidate; and

d Any of the following relatives of the employee recruited:

i. Spouse, and parents thereof;

ii. Children, including stepchildren and adopted children, and spouses thereof;

iii. Parents, including stepparents;

- iv. Siblings, including stepsiblings, and spouses thereof; or
- v. Any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.

3 Criteria.

- a Referral bonus awards will only be granted when the Mission Area, agency, or staff office has made the determination they have encountered difficulty in recruiting high quality candidates. The following factors must be evaluated by the recruitment staff in reaching this determination:
 - i. The success of recent efforts to recruit candidates and retain employees in like positions;
 - ii. The availability in the labor market of candidates for employment;
 - iii. Recent turnover in similar position;
 - iv. Special qualifications needed for the position; and
 - v. Other unique factors that demonstrate difficulty in filling the position.
- b Vacancy announcements must indicate the position being advertised is one for which a referral bonus may be paid.
- c The HRO which staffed the position must certify on the AD-287-2 that the eligibility requirements and criteria for granting a referral bonus have been met.

4 Amounts. Referral bonuses do not follow the criteria in Appendix E. They are limited as follows:

- a Monetary (up to \$1,000, paid in one lump sum);
- b TOA (up to 20 hours); or
- c Combined monetary award and TOA, not to exceed the value of either of the above (e.g., \$500 and 10 hours).

5 Referral bonuses are paid out after:

- a The newly appointed employee (i.e., an employee on their first appointment with a USDA Mission Area, agency, or staff office, or

an appointment to a USDA Mission Area, agency, or staff office after a break in service of 90 or more calendar days) has served 1 year with the Mission Area, agency, or staff office; and

b The new employee received a rating of record of Fully Successful.

d. Quality Step Increase.

(1) Constraints.

- (a) QSIs are reserved for the most exceptional levels of performance. No single accomplishment merits a QSI; it may be granted only to those employees who have demonstrated sustained exceptional performance, commensurate with the classification of the employee's position, over at least an 18 month period in the same grade and type of position.
- (b) Because a QSI permanently increases the employee's salary, it essentially continues to reward the employee's performance for the remainder of their career, and increases the Mission Area, agency, or staff office's retirement costs and Thrift Savings Plan contributions. Judgment must therefore be exercised to ensure only the top performers are recommended for this award.
- (c) Mission Area, agency, and staff office management reserve the discretion to grant a QSI. It is not required or automatically granted to employees who meet the basic eligibility criteria.
- (d) No more than 2% of a Mission Area, agency, or staff office's permanent, non-executive employees may be granted a QSI each fiscal year, as identified by the effective date of the action.

(2) Eligibility. An employee must:

- (a) Occupy a position which is eligible for WGIs (i.e., GS employees occupying permanent positions);
- (b) Be at the full performance level of their position;
- (c) Be below step 10 of their grade level;
- (d) Have performed in the same grade and type of position for at least 18 months before the end of the appraisal cycle;
- (e) Have received a rating of record of at least Fully Successful for at least the three most recent performance years (or the two most recent performance years if the employee is new to the Federal government);
- (f) Have demonstrated sustained performance of the highest quality, significantly

and demonstrably above the expectations defined at the Fully Successful level of their performance plan;

- (g) Have achieved accomplishments that contributed substantially to the organization's goals, commensurate with the classification of their position;
- (h) Be expected to continue the same high level of performance; and
- (i) Not have received a QSI within the previous 104 weeks.

There are many factors that influence the timing of QSIs that should not have a negative impact on employees. A QSI recommendation cannot be effected until the 104 week mandatory waiting period is completed, but as long as at least two performance years since the prior QSI, a subsequent QSI can simply be held until such time the 104 week requirement is met.

(3) QSI Recommendations and Review Panels.

- (a) Mission Areas, agencies, and staff offices will establish one or more review panels to evaluate QSI recommendations.
- (b) A recommendation package for a QSI will be prepared by either the first- or second-level supervisor, and must include:
 - 1 Form AD-3115, *Recommendation and Authorization of Quality Step Increase*; and
 - 2 The three most recent consecutive ratings of record, or two ratings of record if the employee is new to the Federal government.
- (c) Mission Areas, agencies, and staff offices will establish policies and practices for their review panels.
 - 1 The policies and practices do not have to be approved by OHRM, but must include:
 - a The organizational scope of their panels;
 - b The size and composition of their panels; and
 - c Any requirements for the QSI nominations, beyond what is described in this Section.
 - 2 Review panels may consult with their HRO on technical questions, but will not usually have HRO staff as part of the panel.
- (d) Review panels will provide their recommendations to the respective authorizing SES official.

(4) Authorization.

- (a) QSIs will be authorized no lower than the SES level, who will take into consideration, but will not be bound by, the recommendation of the review panel.
- (b) QSI authorization documentation always requires an AD-3115 or OHRM-approved electronic alternative, and the approved nomination package.

(5) QSI Approval and Effective Date.

- (a) When the servicing HRO's approving official, as identified by the Mission Area, agency, or staff office CHCO Council Member, signs the AD-3115:
 - 1 The final Mission Area, agency, or staff office discretion on the QSI will have been exercised; and
 - 2 The QSI will be designated approved.
- (b) A QSI becomes effective on the first day of the first pay period on or after it is approved by the HRO. QSIs may not be retroactive except to correct an administrative error that occurred after the final Mission Area, agency, or staff office discretion has been exercised (i.e., the date the award is approved by the HRO.)

(6) QSI and WGI Timing.

- (a) A QSI does not change the effective date of an employee's normal WGI, except when the QSI places the employee in the fourth or seventh step. At either step, the employee would enter a longer waiting period for the next WGI.
- (b) When a WGI and QSI are effective on the same day, the WGI will be processed before the QSI.
- (c) HROs may hold a QSI for what they determine to be an administratively reasonable timeframe to benefit a high-performing employee, so that it is processed after a pending WGI. Mission Areas, agencies, and staff offices must ensure such decisions are made consistently and fairly.

(7) QSI and Promotion Timing.

This subsection pertains only to non-career ladder promotions; an employee below the full performance level of their position is not eligible for a QSI.

- (a) A QSI must be applied to the rate of pay for the position on which the rating of record was based.

- (b) If an employee is granted a QSI based on performance at one grade and is competitively promoted before the QSI is made effective, the QSI cannot be applied to the higher grade. Backdating the QSI to an effective date prior to the promotion is prohibited.
 - (c) A QSI must be processed before any promotion action with the same effective date.
 - (d) If the rating of record was based on the employee's performance in a temporary promotion, the QSI must be based on the rate of pay for the temporary position. When the temporary promotion terminates, the employee will lose the benefit of the QSI because pay is set in the lower grade as if the employee had not been temporarily promoted, unless the Mission Area, agency, or staff office sets pay at a higher rate under 5 CFR 531.221, *Maximum Payable Rate*.
 - (e) If the rating of record was based on the employee's performance in a permanent position, the QSI cannot be applied to the rate of pay received during a temporary promotion. The employee would receive the QSI after termination of the temporary promotion when the employee returns to the lower-graded position.
- e. Non-Monetary Awards.
- (1) General Provisions.
 - (a) 5 CFR 451.104(a), *Awards*, specifically authorizes honorary and informal recognition awards.
 - (b) Mission Areas, agencies, and staff offices are authorized to provide these non-monetary awards to employees instead of or in addition to monetary awards and TOAs, within the parameters for the appropriate expenditure of public funds.
 - (c) Non-monetary awards are authorized only when items are presented on the basis of achievement.
 - 1 Mission Areas, agencies, and staff offices must ensure non-monetary items are not given in the context of gifts, keepsakes, or mementos.
 - 2 Non-monetary awards based on career milestones or retirement are prohibited, except as specified in Sections 6e(5)(d) and (e).
 - (d) Cash surrogates, such as gift certificates, gift cards, and pre-paid credit and debit cards, are not authorized under this DR.
 - (e) Programs that allow employees to choose from among a number of non-monetary awards are not permitted, because:

- 1 When an employee is given considerable choice in selecting the item received as a non-monetary award, the award rarely meets the conditions for *de minimis*, regardless of its fair market value; and
- 2 For tax purposes, programs that give employees a wide degree of choice within specified limits, such as categories where all the items are of about the same value, are equivalent to giving a gift certificate. The value of the category from which the employee was eligible to choose must be reported to the IRS as a taxable fringe benefit, and the Mission Area, agency, or staff office would have to withhold taxes on that amount.

(2) Approvals.

- (a) Non-monetary awards do not require an AD-287-2.
- (b) Mission Areas, agencies, and staff offices may establish internal guidance for the use of non-monetary awards, including general criteria and approvals. Such internal guidance must be consistent with the policies in this DR, but does not require OHRM approval.

(3) Distinction between non-monetary awards and swag. Executive Order 13589, *Promoting Accountability and Streamlining Removal Procedures Consistent with Merit System Principles*, calls upon all agencies to reduce spending on extraneous promotional items, also known as “swag.”

- (a) OPM describes swag as “merchandise such as mugs, shirts, key chains, pens, hats, thermoses, and bags that typically display an agency’s name or seal. Swag items are commonly distributed to all employees or participants at a particular event for the sole purpose of promoting or advertising the agency or organization.”
- (b) Non-monetary awards are given on the basis of employee contribution, as required by 5 U.S.C. § 4503, *Agency Awards*.

(4) Types of non-monetary awards:

- (a) Honorary Awards. These are a form of formal recognition, the highest level of non-monetary awards in a Mission Area, agency, or staff office, or a significant organizational component of a Mission Area, agency, or staff office.

- 1 Spending Limits. The spending limit for honorary awards is \$250 on any one item, with that amount reserved for exceptionally high-level honorary awards. Awards in that range would typically be presented by the Secretary, recognizing the most significant and/or career-spanning accomplishments. Most honorary award expenditures will be well below this amount.

- ii. An expensive frame that is not engraved as an award;
 - iii. A gift basket; or
 - iv. A jacket embroidered with the USDA logo for every employee in an office, irrespective of whether everyone substantially contributed to the achievement.
- 4 Context. Mission Areas, agencies, and staff offices must ensure honorary awards of this type are not provided in the context of “gifts,” but rather as significant recognition for a substantial accomplishment.
- 5 Tax Implications. OPM has determined that traditional non-monetary awards, such as plaques, are usually not taxable.
- (b) Informal Awards. These are non-monetary awards of nominal cost, and are more casual than honorary awards.
- 1 Usage. These awards:
- a Are typically used to provide frequent and timely recognition of individual and group contributions that, taken alone, do not merit a monetary award, a TOA, or an honorary award;
 - b May be presented along with a monetary award or TOA if the Mission Area, agency, or staff office determines it will enhance the more significant award; and
 - c Normally have more informal approval procedures and presentation settings than honorary awards.
- 2 Item Selection Criteria. Items presented as informal recognition awards must:
- a Be of nominal value, or *de minimis*; in USDA, this is generally \$35 or less; and
 - b Take an appropriate form to be used in the public sector and to be purchased with public funds. Some items may be inexpensive, but still not be appropriate.
- 3 Examples:
- a Items that would meet the criteria in this subsection include:

- i. T-shirts, ballcaps, or mugs with a team slogan given to every contributing member of a project team for successful completion of that project, or a significant milestone of the project;
 - ii. Engraved paperweights;
 - iii. Challenge coins;
 - iv. Nylon laptop shoulder bags; or
 - v. Luggage tags and passport holders for employees who travel.
- b Items that would not meet the criteria in this subsection include:
- i. Movie tickets;
 - ii. A music CD;
 - iii. A flask; or
 - iv. Grilling utensils.

(c) Certificates.

- 1 A Certificate of Merit may accompany achievement awards and QSIs, and must be signed by a supervisor or manager.
- 2 Mission Areas, agencies, and staff offices are authorized to determine their parameters for the use of Certificates of Appreciation.
- 3 Mission Areas, agencies, and staff offices may utilize certificate presentation folders that display the USDA logo (also referred to as the USDA symbol).
- 4 Folders that display the USDA seal are reserved for the Secretary's use.

(5) Specialized Categories of Non-monetary Awards.

- (a) Secretary's Honor Awards. These awards are the highest award granted by the Secretary of Agriculture to an individual or group for a contribution or achievement in support of the Department's mission.
- 1 The designation "Honor Award" is reserved solely for these awards, and may not be used to describe any other awards within USDA.
 - 2 The program parameters, including frequency, timing, criteria, procedures, and approvals, are at the Secretary's discretion, and are subject to change at any time.

3 The program parameters are announced at the direction of the Office of the Secretary, and remain in effect until superseded.

(b) Hall of Heroes.

1 The purpose of the program is to recognize contributions with a direct and lasting impact on national and international agriculture and related programs.

2 The program is announced solely at the direction of the Secretary.

3 The program parameters, including frequency, timing, criteria, procedures, and approvals, are at the Secretary's discretion, and are subject to change at any time.

4 The program parameters will be announced in a nomination call memorandum at the direction of OSEC.

(c) Flag Recognition. As a posthumous honorary award, Under and Assistant Secretaries may present a flag in an engraved flag case to the next of kin of an employee lost in the line of duty, or an individual in a contractor, collaborator, or volunteer capacity, lost while providing mission support service to USDA.

1 Criteria.

a This recognition is authorized when an individual meets both of the following:

- i. The individual is lost in the line of duty (i.e., carrying out an official function on behalf of USDA); and
- ii. The individual would not have been lost had they not been carrying out a USDA function (i.e., not of natural causes, even if during work hours).

b Examples of situations which would qualify an individual for this posthumous recognition:

- i. Aircraft accident while conducting USDA business or on official travel;
- ii. Vehicular accident while on USDA business;
- iii. Plant or farm accident while on USDA business; and

- iv. Vehicular accident while on temporary duty (TDY) and on official travel time (e.g., driving between the TDY site and home/office).
 - c. Examples of situations which would not qualify the individual for flag recognition:
 - i. Vehicular accident while on TDY and off duty (e.g., going to dinner);
 - ii. Vehicular accident while on the way to work; and
 - iii. Natural causes while conducting normal USDA business.
 - d. Flags may not be provided when the death is the result of:
 - i. Unlawful or negligent action of the individual;
 - ii. Willful misconduct of the individual; or
 - iii. Activities unrelated to the individual's status as a Federal employee, contractor, collaborator, or volunteer.
- 2 Next of kin will be determined according to the following order of precedence:
 - a Widow(er);
 - b If none, to the eldest child;
 - i. This includes an adopted child
 - ii. This does not include step-children, unless the otherwise eligible next of kin specifically directs otherwise
 - c If none, parents;
 - d If none, to the next of kin according to the laws of the State in which the individual legally resided.
- 3 Mission Areas, agencies, and staff offices must notify OHRM of flag recognition for any USDA employee to ensure the employee is included on OPM's data calls for the online [Wall of Honor](#). The report must include:
 - a The employee's name;
 - b The employee's title;

- c The employee's duty location;
- d A description of the circumstances; and
- e Links to relevant news stories, Mission Area, agency, or staff office announcements or press releases.

(d) Length of Service Recognition.

1 Eligibility.

- a All employees are eligible for length of service recognition.
- b It is based solely on length of service; achievements and ratings of record are not considered.

2 Criteria.

- a Certificates may be presented starting with 5 years of service, at 5-year intervals.
- b In computing eligibility, employees will receive credit for total Federal service, including civilian and all honorable military service credited to their service computation date for leave purposes, as described in Chapter 6 of OPM's *Guide to Processing Personnel Actions*.
- c Military service for retired service members is eligible to be credited for length of service recognition at the request of the employee.

3 Modes.

- a Mission Areas, agencies, and staff offices are authorized to present a Length of Service Certificate, and either a:
 - i. Lapel pin or charm (or equivalent), or
 - ii. Commemorative challenge coin, provided the item cost is comparable to the pins and charms, or approximately \$2-3 each.
- b Non-monetary awards are authorized only on the basis of employee performance or contribution, and are therefore not authorized based on career milestones.
- c Subcabinet officials may sign length of service certificates or re-delegate this authority to a lower level official in the organization. Mission Areas, agencies, and staff offices may also obtain certificates

pre-printed with the Secretary's signature from the Office of Operations Materiel Management Service Center.

(e) Retirement Recognition.

- 1 Mission Areas, agencies, and staff offices may provide some form of honorary recognition, provided it is for the employee's career-long contributions in support of USDA's mission (or other agency if the career includes Federal employment outside USDA). The recognition may not be merely for the number of years of service.
- 2 Mission Areas, agencies, and staff offices may also present a retirement certificate. Subcabinet officials may sign retirement certificates or re-delegate this authority to a lower level official in the organization.

(f) President's Volunteer Service Awards (PVSA). The PVSA program is an optional program, administered at the Mission Area, agency, and staff office level.

- 1 Mission Areas, agencies, and staff offices are authorized to recognize employees for volunteer service performed outside of work hours by becoming a certifying organization in accordance with the guidance at the [Corporation for National and Community Service](#) website.
- 2 This DR authorizes recognition of employees. Mission Areas, agencies, and staff offices wishing to recognize non-employees, such as volunteers, with a PVSA, must do so under Mission Area, agency, or staff office regulations and funding which permit such recognition.
- 3 Award levels are described at the [Corporation for National and Community Service](#) website.
- 4 USDA criteria for PVSAs are in Appendix F, President's Volunteer Service Award Eligibility Criteria.
- 5 Mission Areas, agencies, and staff offices are authorized to determine the frequency and timing of PVSA recognition.
- 6 Employees who volunteer together for a single organization may be recognized as a group.
 - a Each group member must contribute at least 25 hours; and
 - b Hours credited under a group award may not also be used for an individual award, with the exception of a Lifetime Achievement Award.

- 7 Mission Areas, agencies, and staff offices providing PVSA recognition will develop an application process, ensuring the following is documented and maintained for 3 years for reporting purposes:
 - a Employee name(s);
 - b Duty Station(s);
 - c Qualifying organization(s) for which the volunteer service was performed;
 - d Date ranges of the volunteer service, per organization;
 - e Total number of hours of the volunteer service, per organization; and
 - f Employee certification that the information on the application is correct.
- 8 All applicants are required to have a verifying official (i.e., someone in a leadership capacity at each respective volunteer organization) certify the applicant has, in fact, served the number of hours for which they are claiming credit.
- 9 Volunteer hours already recognized in a previous PVSA are not eligible to be counted toward another award, with the exception of a Lifetime Achievement Award.
- 10 An employee may only receive one Lifetime Achievement Award through USDA's program.

f. Ceremonies and Refreshments.

Mission Areas, agencies, and staff offices may hold ceremonies and serve refreshments under the authorization to incur necessary expense for the honorary recognition of employees, and must ensure such spending represents proper and defensible use of taxpayer dollars. This spending is subject to the review and approval of contracting and budget offices, and must be tracked and reportable by event.

(1) Ceremonies.

- (a) Agencies and staff offices may plan formal ceremonies for high level awards, such as Administrator's or Chief's Awards. External venues, special staging, or other effects are generally not appropriate at this level, and spending for such must be approved by the Administrator, Chief, or Staff Office Head.

If an agency is planning a ceremony on behalf of its Under Secretary, such spending must be approved by the Under Secretary's office.

- (b) Organizations within the agency or staff office may hold less formal ceremonies.

(2) Refreshments.

- (a) Cake and punch refreshments, or similar items within that cost range, are generally acceptable as necessary expenses, provided the primary purpose of the gathering is the presentation of awards.

If the primary purpose of the gathering is to conduct other business, presenting a few awards at the end is not sufficient justification to provide refreshments under this authorization.

- (b) Refreshments in conjunction with formal ceremonies, such as those at the Administrator or Chief level, may include simple finger foods as well.
- (c) Ceremonies at the subcabinet and Secretary level may be accompanied by catered receptions, but the refreshments typically may not take the form of a meal. Exceptions must be approved in advance by the ASA.
- (d) If a local office employee is receiving an award at a State or Regional Office, or in Washington, D.C., and the ceremony is being livestreamed, the local office may provide cake and punch-type refreshments as a means of celebrating the local employee's recognition.

g. Special Situations.

- (1) Post-Employment and Posthumous Awards. Monetary awards may be granted to former employees or to their legal heirs or estate if the contribution recognized by the award was made during their employment with USDA.
- (2) Awards to Employees Moving Between Pay Scales and/or to Another Mission Area, Agency or Office in USDA.
 - (a) An award may be paid to an SES, SL or ST employee after appointment to such pay plan for contribution(s) as a GS employee. Approval provisions for SES, SL and ST awards apply.
 - (b) An award may be paid to an employee after a reassignment to another USDA Mission Area, agency, or staff office is effective. The provisions of Section 6c(7) apply.
- (3) Awards to Employees on Behalf of Other Federal Agencies. When another Federal agency or department wishes to provide a monetary or TOA to a USDA employee, the provisions of Section 6 will govern the action.

- (4) Awards to Employees of Other Federal Agencies. When Mission Areas, agencies, or staff offices wish to provide a monetary award or TOA to an employee of another Federal agency doing work on behalf of USDA, that agency's award policies and procedures will govern the action.
 - (5) Honorary Awards to Private Citizens. Under the provisions of 7 CFR §2.91(a)(9)(ii), *Director, Office of Human Resources Management*, only the Secretary may provide honorary awards to a private citizen, except as noted in Section 6e(5)(c). Authority to grant honorary awards to private citizens may not be further delegated.
- h. Mission Area, Agency, and Staff Office Awards.
- (1) Mission Areas, agencies, and staff offices may establish customized award programs that convey significant recognition reflecting their respective mission and culture. Examples include, but are not limited to awards like Supervisor of the Year, Program Technician of the Year, and Scientist of the Year.
 - (2) Such awards do not require OHRM review or approval, but must be consistent with the policies contained in this DR.
- i. External Awards.
- (1) The Samuel J. Heyman Service to America Medals, awarded annually by the Partnership for Public Service, are a highly respected honor with a formal selection process. Mission Areas, agencies, and staff offices must clear their nominations through their respective Under Secretary's office before submitting the nominations to the Partnership, and must provide a copy of the cleared nomination to OHRM.
 - (2) OMB and OPM may establish awards programs, such as the Gears of Government Awards, where the overarching criteria and processes are defined by OMB or OPM. OHRM will publish any necessary supplementary guidance specific to USDA's implementation of the programs.
 - (3) There are numerous other external awards for Federal employees that OHRM does not monitor or manage. Mission Areas, agencies, and staff offices must exercise discretion as to whether they will encourage or manage such nominations.
 - (a) Mission Areas, agencies, and staff offices may not nominate an employee for an award or permit their acceptance of an award if it is sponsored by any entity having interests that may be substantially affected by the performance or non-performance of the employee's official duties.
 - (b) All external awards of cash or investment interests (in any amount) and gifts with an aggregate market value greater than \$200 (including the aggregate value of physical items, complimentary attendance at awards ceremonies, or free transportation to ceremonies) offered as part of an external award, may

only be accepted after timely notification to the USDA Office of Ethics, and a written ethics determination issued by the Office of Ethics allowing acceptance of such offered gifts.

- (4) Employees may not receive an award or recognition from an individual charity or other organization for Combined Federal Campaign performance or participation. This does not preclude an employee from receiving recognition for humanitarian activities performed outside the workplace that might include volunteer work at a CFC charity.

7. FORMS AND RECORDS

a. Forms

- (1) Appraisal Forms. The Rating Official must use the following forms, or OHRM-approved electronic alternative, to prepare and document performance plans:
 - (a) Form AD-435E, *Performance Plan and Appraisal for Non-Supervisors*; and
 - (b) Form AD-435S, *Performance Plan and Appraisal for Supervisors*.
- (2) WGI Form. The Rating Official must use Form AD-658, *Within Grade Increase Record*, or OHRM-approved electronic alternative, to approve, delay, or deny WGIs.
- (3) Award Forms. The following forms, or OHRM-approved electronic alternative, must be used for awards.
 - (a) Form AD-287-2, *Recommendation and Authorization of Monetary and Time off Awards*; and
 - (b) Form AD-3115, *Recommendation and Authorization of Quality Step Increase*.
- (4) Digital Signatures. Digital signatures are authorized for these forms, and must:
 - (a) Comply with DR 3640-001, *Identity, Credential, and Access Management*;
 - (b) Be created using the Department's digital signature standard, via the USDA-approved Personal Identity Verification (PIV) (LincPass), PIV-Derived, or other USDA-approved credentials that offer cryptographic non-reputable assurance in the signer's identity; and
 - (c) Be producible on a paper copy.

b. Certificates. The following certificates are designated for Departmentwide application.

- (1) Form AD-141A, *Certificate of Appreciation*;

- (2) Form AD-69, *Certificate of Merit*;
- (3) Length of Service Certificates (AD-68 form series); and
- (4) Retirement Certificates (Government Printing Office/OPM certificates).

c. Records.

- (1) Performance and award-related records must be maintained in accordance with the procedures set forth in 5 CFR Part 293, *Personnel Records*; 5 CFR Part 297, *Privacy Act Procedures for Personnel Records*; and any Departmental Directives associated with Personally Identifiable Information; the *Privacy Act of 1974*; and the *Freedom of Information Act of 1996* (FOIA), 5 U.S.C. Section 552. These records must be filed according to OPM's *The Guide to Personnel Recordkeeping*.
- (2) Mission Areas, agencies, and staff offices must not agree to erase, remove, alter, or withhold from another USDA or other Federal agency any information about an employee's performance or conduct in that employee's official personnel records, including an employee's Official Personnel Folder (OPF) and EPF, as part of, or as a condition to, resolving a formal or informal complaint by the employee or settling an administrative challenge to an adverse personnel action.
- (3) Ratings of record, the supporting performance plans, and other relevant documentation must be maintained for 4 years, or longer periods as required.
- (4) Records related to monetary awards, TOAs, and QSIs must be maintained for 3 years, or longer periods as required.
- (5) Rating Officials will regard performance records as confidential in their maintenance and distribution.
- (6) Performance Rating Transfers.
 - (a) If an employee moves to a new organization within USDA or to another Federal agency, the ratings of record contained in the OPF and the EPF must be transferred to the new organization or Federal agency.
 - (b) The "losing" servicing HRO will purge all ratings of record, performance plans, and any supporting performance-related documents that are more than 4 years old from the OPF or EPF.
- (7) Purchase records for non-monetary awards and necessary expenses must be maintained for 6 years. These records must be filed according to Office of Contracting and Procurement (OCP) guidance.
- (8) Reports, including analyses of the effectiveness of spending practices, may be required as OHRM or OCP deem necessary.

8. ROLES AND RESPONSIBILITIES

- a. The Director, OHRM, serving as the USDA CHCO, will:
 - (1) Design, attain OPM approval of, and implement USDA's Appraisal System in accordance with 5 CFR Part 430;
 - (2) Establish USDA's Performance Management Program policies and parameters within the approved System;
 - (3) Ensure the Program complies with applicable laws, regulations, and OPM guidance, including the merit system principles and prohibited personnel practices;
 - (4) Establish awards program policies in accordance with Federal regulations;
 - (5) Review, direct, and approve Mission Area, agency, and staff offices' internal policies; and
 - (6) Provide policy compliance oversight, technical assistance, and direction on issues that arise.

- b. Mission Area, Agency, and Staff Office Heads will:
 - (1) Promote and model the policies and behaviors necessary for effective performance management and employee recognition;
 - (2) Delegate appropriate authority to managers, supervisors, and other management officials, as required, to effectively implement and operate under the Performance Management Program in a manner consistent with effective operations and sound management practices;
 - (3) Develop and communicate Mission Area, agency, or staff office organizational goals, initiatives, and priorities;
 - (4) Assess organizational performance, communicate results to employees, and provide formal guidance to Rating and Reviewing Officials on how organizational performance is considered when deciding ratings and awards;
 - (5) Ensure supervisors are accountable for the successful accomplishment of their performance management responsibilities, and employees are accountable for their individual performance;
 - (6) Ensure appropriate performance management and recognition training is provided for managers, supervisors, and employees within their organizations;
 - (7) Incorporate funding for their awards program in the Mission Area, agency, or staff office budget;

- (8) Ensure high-performing employees are recognized and rewarded;
- (9) Develop, review, and update, as needed, an annual awards spending plan for their Mission Area, agency, or staff office that establishes and maintains a current, comprehensive strategy to develop and foster a culture of recognition, including formal and informal recognition;
- (10) Ensure the authority to incur necessary expense for honorary non-monetary awards is used in a manner that shows good judgment and preserves the credibility and integrity of USDA's awards program;
- (11) Establish QSI panels;
- (12) Establish Mission Area, agency, or staff office policy on whether to transfer up to 40 hours of a previously-earned TOA for employees transferring from outside USDA;
- (13) Set clear expectations and communicate support for their awards program, ensuring employees working for different managers within the organization experience minimal disparities in the program's execution;
- (14) Continually assess their use of incentives and awards to determine whether their awards program is genuinely motivating employees' high performance;
- (15) Inform employees of recognition policies and procedures;
- (16) Ensure spending data on all awards, including monetary, non-monetary, and time off, are tracked and evaluated for appropriateness and desired results; and
- (17) Ensure internal reviews are conducted of the effectiveness of the awards program implementation, including consistent application across the organization, and making adjustments where necessary.

c. USDA CHCO Council Members will:

- (1) Administer their employee performance management and recognition programs in accordance with Departmental and Federal regulations;
- (2) Ensure formal and informal performance planning and evaluation are used appropriately in the context of managing, training, recognizing, promoting, retaining, reassigning, and, as necessary, reducing in grade or removing employees for unacceptable performance;
- (3) Provide training and information on performance management and recognition for managers, supervisors, and employees;
- (4) Provide guidance for linking performance to organizational goals, and establishing

performance plans with results-focused performance elements and balanced, credible performance measures within the performance standards;

- (5) Provide assistance and guidance to supervisors and managers in the execution of their performance management and recognition responsibilities;
- (6) Conduct annual internal evaluations and participate in Departmentwide Program evaluations to assess compliance with established principles, policies, and procedures; and determine the need for improvement, training, or guidance;
- (7) Provide required reports and documentation of Program activities to support USDA and OPM accountability Program reviews or audits;
- (8) Ensure internal processes do not diminish the principles or impact of employee recognition;
- (9) Provide required reports and documentation of Program activities to OHRM upon request; and
- (10) Submit all draft internal directives and policies that reference the employee performance management and awards programs to the CHCO for review and approval prior to implementation. (This requirement does not necessitate approval of procedural guidance such as annual reminders of program requirements, processes, and deadlines.)

d. Managers and Supervisors will:

- (1) Model the principles of effective employee recognition;
- (2) Ensure recognition is merited, suitably justified, linked to, and commensurate with the performance, contribution(s) or accomplishment(s) being recognized;
- (3) Submit nominations for timely recognition of employee or group achievements;
- (4) Consider input from appropriate sources when making recognition decisions, including obtaining concurrence from the supervisor of record if recognizing an employee from another organization;
- (5) Use non-monetary awards as an alternative when monetary awards or TOAs are not appropriate or otherwise not authorized; and
- (6) Promote the awards and recognition program by encouraging employee participation, arranging for appropriate presentations, and publicizing recognition activities.

e. Reviewing Officials will:

- (1) Establish a performance culture that fosters a high performing organization through effective management of individual and organizational performance;
- (2) Implement the principles, policies, procedures, and requirements of the performance management program for the organizations within their span of control;
- (3) Hold their subordinate Rating Officials accountable for carrying out their performance management responsibilities within established deadlines;
- (4) Actively support Rating Officials in dealing with unacceptable performance; and
- (5) Complete required ongoing performance management training.

f. Rating Officials will:

- (1) Create a performance culture and environment that fosters a highly performing work unit;
- (2) Implement the principles, policies, procedures, and requirements of the Program within their span of control;
- (3) Establish meaningful and achievable performance expectations in a performance plan for each subordinate employee;
- (4) Work with employees to identify opportunities to develop their performance;
- (5) Provide ongoing feedback and performance coaching, including quarterly reviews;
- (6) Maintain documentation on each employee's performance;
- (7) Recognize and effectively address employees' performance issues early;
- (8) Provide the most effective assistance to employees as is practical; and
- (9) Complete required ongoing performance management training.

g. Employees will:

- (1) Provide input to their Rating Official concerning the development of their performance plan;
- (2) Carry out the performance expectations defined in their plan;
- (3) Request clarification of the performance standards and measures, as needed;
- (4) Identify obstacles to completing performance expectations and address them with their respective Rating Official;

- (5) Complete developmental assignments;
- (6) Participate with their Rating Official in their quarterly conversations; and
- (7) Submit an accomplishment report at the end of the performance year, if the Rating Official so requires.

9. COMPLIANCE

- a. USDA CHCO Council Members are responsible for ensuring their non-executive performance management programs comply with the Program policies specified in this DR.
- b. On an as-needed basis, the Office of Human Resources Management (OHRM) will:
 - (1) Establish mandatory compliance reporting; and
 - (2) Audit Mission Area, agency, and staff office programs.

10. POLICY EXCEPTIONS

- a. Policy exceptions to this directive must be requested, in advance, via a decisional memorandum to the USDA CHCO. The memorandum must be routed through the respective subcabinet official.
- b. Policy exceptions specific to the Secretary's authorization of awards, as noted in Appendix D, must be requested, in advance, via a decision memorandum. It must be routed through the:
 - (1) Respective subcabinet official;
 - (2) USDA CHCO; and
 - (3) ASA.

11. INQUIRIES

Inquiries regarding this DR may be directed to the Office of Human Resources Management, 202-720-3585.

-END-

APPENDIX A

ACRONYMS AND ABBREVIATIONS

AD	Agriculture Department (for Departmental forms use only)
CFR	Code of Federal Regulations
CHCO	Chief Human Capital Officer
DO	Demonstration Opportunity
DR	Departmental Regulation
EEO	Equal Employment Opportunity
EPF	Employee Performance File
FOIA	Freedom of Information Act
GS	General Schedule
HRO	Human Resources Office
OCP	Office of Contracting and Procurement
OHRM	Office of Human Resources Management
OMB	Office of Management and Budget
OPF	Official Personnel Folder
OPM	Office of Personnel Management
OSEC	Office of the Secretary
PII	Personally Identifiable Information
PIV	Personal Identity Verification
PVSA	President's Volunteer Service Award
QSI	Quality Step Increase
RIF	Reduction in Force
SES	Senior Executive Service
SL	Senior Level
ST	Scientific and Professional
TDY	Temporary Duty
TOA	Time Off Award
U.S.C.	United States Code
USDA	United States Department of Agriculture
WGI	Within-Grade Increase

APPENDIX B

DEFINITIONS

Absolute Standards. Performance standards which allow for no errors.

Acceptable Performance. An employee's performance that meets the performance standard(s) and measures at the Fully Successful level for the respective element(s).

Advisory Assessment. An informal, written record of an employee's performance for a period of 60- 89 days.

Agency. Organizational units of the Department, other than staff offices, whose heads report to officials within the Office of the Secretary, Deputy Secretary, Under Secretaries, and Assistant Secretaries. (DR 0100-001)

Agency Head. The head of a USDA agency or an official who has been delegated the authority to act for the head of the agency.

Alignment. The line of sight within a performance plan from organizational goals to the individual's performance expectations.

Appraisal. The formal process under which performance is reviewed and evaluated against performance elements and standards.

Appraisal Period. The period of time covered by a specific performance plan, during which performance will be evaluated against elements and standards, and for which a rating of record will be prepared.

Appraisal Program. The specific policies and requirements established within the framework of the OPM-approved performance appraisal System.

Appraisal System. The broad framework of policies and parameters established by the Department as defined at 5 U.S.C. 4301(1) for the administration of performance appraisal programs under 5 U.S.C., Chapter 43, Subchapter I , and 5 CFR 430 Subpart B; documented on OPM Form 1631 and approved by OPM.

Award. Something bestowed, or an action taken, to recognize and reward individual or team achievement that contributes to meeting organizational goals or improving the efficiency, effectiveness, and economy of the Government or is otherwise in the public interest. (5 CFR § 451.102)

Backwards Standards. Standards which describe unacceptable performance rather than tell the employee what level of performance is expected.

Balanced Measures. An approach to performance management that balances organizational results with the perspectives of stakeholders, including customers and employees.

Basic Pay. The total amount of pay received at a rate fixed by law or administrative action for the position held by an employee, including any special rate under 5 CFR part 530, subpart C, or any locality-based comparability payment under 5 CFR part 531, subpart F, or other similar payment under other legal authority, before any deductions. Basic pay includes night and environmental differentials for prevailing rate employees under 5 U.S.C. 5343(f) and 5 CFR 532.511. Basic pay excludes additional pay of any other kind.

Challenge Coin. Originally a military tradition, a small coin or medallion bearing the organization's logo or emblem and carried by the organization's members. In USDA's practice, they are normally presented in recognition of a special achievement or contribution by a member of the organizational unit, or someone performing such on behalf of the unit. They are also authorized for Length of Service recognition.

CHCO Council Member. The most senior Human Resources Officer in a Mission Area or staff office.

Credible Measures. Performance measures that are observable, measurable, and/or demonstrable.

Critical Element. An element of a performance plan which covers an aspect of a job for which an employee can be held individually accountable, and that must be done successfully in order for the organization to complete its mission. It is of such importance that failing to attain the Fully Successful level of the element would result in a determination that an employee's summary rating would be Unacceptable. Such elements must only be used to measure performance at the individual level, such that the critical element describes performance that is reasonably measured and controlled at the individual employee's level. In the two-level summary rating pattern, all elements are critical.

Days. Calendar days, unless otherwise specified.

de Minimis. The Internal Revenue Code defines a de minimis item as one which, taking into account the frequency with which it is given, has a value so small that accounting for it is unreasonable or too administratively impracticable (26 CFR §1.132-6(a)). USDA generally envisions de minimis as less than \$35.

Demonstration Opportunity (DO). The period of time provided for an employee to demonstrate acceptable performance in an element(s) previously determined to not attain the Fully Successful level, generally requiring a formal Demonstration Opportunity Plan.

Demonstration Opportunity Plan. A written plan that describes the level of performance required to demonstrate acceptable performance (i.e., Fully Successful) in one or more elements.

Disabled Veteran. A veteran who is entitled to compensation (or who but for the receipt of military retired pay would be entitled to compensation) under laws administered by the Secretary

of the Department of Veterans Affairs, or a person who was discharged or released from active duty because of a service-connected disability.

Element. A work assignment or responsibility that is used to plan, monitor, and appraise employee performance.

Element Rating. The level of performance assigned to a specific performance element, as measured by a comparison of accomplishments to the performance standards established for that element. The two possible element ratings are Fully Successful and Does Not Meet Fully Successful.

Employee Performance File (EPF). A folder containing an employee's ratings of record and the associated performance plans for the most recent four years.

Full Performance Level. The highest level of classified duties certified by the supervisor to successfully carry out the objectives of the position and the mission of the organization.

Generic Element or Standard. A performance element or standard which is written to cover a wide number or variety of positions. Supplemental standards may be necessary to ensure expectations and performance measures are sufficiently documented to effectively communicate expectations and manage an employee's performance.

Hall of Heroes Award. A USDA award that recognizes individuals (living or deceased) and symbolic figures that had a direct and lasting impact on national/international agriculture and related programs.

Honor Award. The highest honorary award in USDA, granted by the Secretary of Agriculture to an individual or group for a contribution or achievement in support of the Department's mission and goals.

Incentives. Awards which are based on predetermined criteria such as productivity standards, performance goals, measurement systems, award formulas, or payout schedules. (5 CFR § 451.102)

Informal Recognition. Non-monetary awards of nominal value, presented for an accomplishment or contribution that does not merit a monetary award, TOA or honorary award.

Interim Rating. A written appraisal of an employee's performance conducted before the end of the appraisal period. Interim ratings are required for situations such as changes in supervisors, promotions, significant changes in responsibilities, and details and temporary promotions of 90 or more days.

Leave Year. A leave year begins on the first day of the first full biweekly pay period in a calendar year, and ends on the day immediately before the first day of the first full biweekly pay period in the following calendar year.

Manager. An individual who directs the work of an organization through one or more subordinate supervisors.

Measures. Objective criteria for assessing employees' work results, which delineate the results and outcomes for which the employee is responsible. General measures of performance include quality, quantity, timeliness, cost effectiveness and manner of performance. Activities or duties are not measures.

Minimum Appraisal Period. The minimum 90-day period of performance that must be completed on a performance plan before a rating of record may be prepared.

Mission Area. A group of agencies with related functions that report to the same Under or Assistant Secretary. Research, Education, and Economics (REE) is an example of a Mission Area.

Nominal. See de minimis.

Non-Critical Element. An element of a performance plan which is related to a work assignment or responsibility that is important to the successful achievement of a position's performance expectations, but not of such importance that failing to attain the Fully Successful performance level of the element would result in a determination that an employee's summary rating would be Unacceptable. A non-critical element may reflect group or team expectations. In the two-level summary rating pattern, no elements are non-critical.

Non-Rating-Based Award. A lump sum monetary or time off award that recognizes specific accomplishments that are in the public interest and have exceeded normal job requirements.

Official Personnel File. The file containing records for an individual's Federal employment career.

Out-of-cycle rating of record. A rating of record given when a WGI decision is not consistent with the employee's most recent rating of record and a more current rating of record must be prepared.

Performance. The accomplishment of work described in the employee's performance plan.

Performance Goals. Specific goals assigned to an employee by the Rating Official that establish the results that are to be achieved. These are most often documented by describing the required outcome, results, and associated performance measures.

Performance Management. The systematic process by which the Department involves its employees in ensuring organizational effectiveness in the accomplishment of USDA mission and goals. It integrates the process the Department uses to communicate and clarify organizational goals to employees; identify individual and, where applicable, team accountability for accomplishing organizational goals; identify and address developmental needs; assess and improve individual, team and organizational performance; use appropriate measures of

performance as the basis for recognizing and rewarding accomplishments; and use the results of the performance appraisal process as a basis for appropriate personnel actions.

Performance Plan. The written document, or approved electronic alternative, that communicates to the employee what is expected of the position. A plan must include all elements, and their respective performance standards and measures on which the employee will be evaluated.

Performance Standard. The performance thresholds, requirements, and expectations an employee must meet for an element to be appraised at a specific level of performance. Performance standards are properly written as outcomes, rather than duties, and must include credible performance measures.

Performance Year. The full 12-month appraisal period from October 1 – September 30.

Permanent Position. A position filled by an employee whose appointment is not designated as temporary and does not have a definite time limitation of 1 year or less. This includes a position to which an employee is promoted on a temporary or term basis for at least 1 year. It does not include a position filled by an employee whose appointment is limited to 1 year or less and subsequently extended so that the total time of the appointment exceeds 1 year. (5 CFR 531.403)

Personally Identifiable Information (PII). Any information about an individual maintained by a Mission Area, agency, or staff office, including (1) any information that can be used to distinguish or trace an individual's identity, such as name, social security number, date and place of birth, mother's maiden name, or biometric records; and (2) any other information that is linked or linkable to an individual, such as medical, educational, financial, and employment information.

Position of Record. The position to which an employee is assigned through a formal personnel action, such as an appointment, promotion, reassignment, or transfer. It does not indicate such things as details or temporary promotions.

President's Volunteer Service Award. An initiative of the Corporation for National and Community Service, administered by the Points of Light organization. Recognizes United States citizens and lawfully admitted, permanent residents of the United States who have achieved the required number of hours of volunteer service over a 12-month period or cumulative hours over the course of a lifetime.

Quality Step Increase (QSI). An optional one-step increase in pay granted to GS employees who demonstrate the highest quality performance over the course of at least 18 consecutive months, when it is expected that level of performance will continue to be demonstrated.

Rating-Based Award (also referred to as a Performance Award). An award granted to an employee based solely on the current rating of record.

Rating Official. A representative of management, generally the employee's immediate supervisor, who establishes the employee's performance plan; provides progress reviews; and

prepares an interim rating(s), as applicable. If the Rating Official is the employee's supervisor of record, they prepare the final rating of record at the end of the appraisal period.

Rating of Record. The formal evaluation and summary rating of an employee's performance as compared to the elements and standards for performance over the entire appraisal period.

Recognition. Awards that provide after-the-fact acknowledgement to employees for their accomplishments when there was no previous promise of reward. Recognition signals the types of achievements the organization values.

Referral Bonus. An incentive bonus granted to an employee who brings new talent to the Mission Area, agency, or staff office by referring a person who is subsequently selected for, and performs successfully in, a hard-to-fill position.

Reviewing Official. A representative of management, generally the employee's second-level supervisor, and in all cases at least one organizational level above the Rating Official, who reviews and approves the performance plan; interim rating(s), as applicable; and rating of record. The Reviewing Official is also responsible for ensuring both consistency and meaningful distinctions among similar positions and alignment with organizational goals.

Staff Office. A Departmental administrative office whose head reports to officials within the Office of the Secretary. (DR 0100-001)

Suggestion. A constructive proposal that results in a savings or an improvement to USDA or the broader Federal Government. Suggestions pose solutions to problems, identify potential problems, or provide an opportunity to effect change.

Summary Rating. The overall rating (e.g., Fully Successful) determined by the formula applied to all of the element ratings.

Supervisor. An individual employed in USDA having authority, in the interest of a Mission Area, agency, or staff office, to hire, direct, assign, promote, reward, transfer, furlough, layoff, recall, suspend, discipline and/or remove employees; to adjust their grievances or to effectively recommend such action, if the exercise of the authority is not merely routine or clerical in nature but requires the consistent exercise of independent judgment. Except with respect to any unit which includes firefighters or nurses, the term "supervisor" includes only those individuals who devote a preponderance of their employment time to exercising such authority.

Supervisor of Record. The supervisor for the position of record. These individuals are responsible for ensuring the performance management provisions are carried out for employees who officially report to them (even if the employees are on detail elsewhere), and are responsible for the final rating of record.

Team Leader. An employee whose primary purpose is, as a regular and recurring part of their assignment and at least 25% of their duty time, to lead a team of other GS employees in accomplishing work.

Telework. A work flexibility arrangement under which an employee performs the duties and responsibilities of their position, and other authorized activities, from an approved worksite other than the location from which the employee would otherwise work. Telework may be authorized for an entire duty day or a portion of one. Telework does not include the following:

- (1) Work performed while on official travel status;
- (2) Work performed while commuting to/from work; or
- (3) Mobile work.

Time Off Award. Time off from duty, without loss of pay or charge to leave, granted to a Federal employee as a form of incentive or recognition.

Unacceptable Performance. An employee's performance that fails to meet established performance standards in one or more elements of such employee's position.

Voluntary Leave Transfer Program. A voluntary program under which an employee may donate annual leave directly to another employee who has a personal or family medical emergency and who has exhausted their available paid leave.

Within-Grade Increase. A periodic increase in a General Schedule (GS) employee's rate of basic pay from one step of the grade of their position to the next higher step of that grade.

APPENDIX C

AUTHORITIES AND REFERENCES

- Actions Based on Unacceptable Performance*, [5 U.S.C. 4303](#), (2018)
- Adverse Actions*, [5 CFR Part 752](#), (2019)
- Adverse Actions*, [5 U.S.C. 75](#) (2018)
- Awards*, [5 CFR Part 451](#) (2019)
- Delegations to the Director, Office of Human Resources Management*, [7 CFR § 2.91](#) (2019)
- Earning Within-Grade Increase*, [5 CFR § 531.404](#) (2019)
- Employee*, [5 U.S.C. 2105](#) (2018)
- Employee Performance File System Records*, [5 CFR § 293.401 through 293.406](#) (2019)
- Employment and Training of Veterans*, [38 U.S.C. 4211](#) (2018)
- Entire Executive Civil Service*, [5 CFR § 213.3102](#) (2019)
- Freedom of Information Act of 1996 (FOIA)*, [5 U.S.C. Section 552, as amended](#) (2018)
- Incentive Awards*, [5 U.S.C. 45](#) (2018)
- Maximum Payable Rate Rule*, [5 CFR 531.221](#) (2019)
- Merit System Principles*, [5 U.S.C. 2301](#) (2018)
- Official Personnel Folder*, [5 CFR § 293.302](#) (2019)
- OMB, [M-17-22](#), *Comprehensive Plan for Reforming the Federal Government and Reducing the Federal Civilian Workforce*, April 12, 2017
- OPM, Form 1631, *Performance Appraisal System Description*, (2016)
- OPM, [The Guide to Personnel Recordkeeping](#), June 1, 2011
- OPM, [The Guide to Processing Personnel Actions, Chapter 6](#)
- Performance Appraisal*, [5 U.S.C. 43](#) (2018)
- Performance Based Reduction in Grade and Removal Actions*, [5 CFR Part 432](#) (2019)
- Performance Management*, [5 CFR Part 430](#) (2019)

Personally Identifiable Information, [2 CFR § 200.79](#) (2019)

Personnel Records, [5 CFR Part 293](#) (2019)

Positions of a Confidential or Policy-Determining Nature, [5 CFR § 213.3301](#) (2019)

Privacy Act of 1974, [5 U.S.C. Section 552a](#) (2018)

Privacy Act Procedures for Personnel Records, [5 CFR Part 297](#) (2019)

Probation on Initial Appointment to a Competitive Position, [5 CFR Part 315 Subpart H](#) (2019)

Probation on Initial Appointment to a Supervisory or Managerial Position, [5 CFR Part 315 Subpart I](#) (2019)

Promoting Accountability and Streamlining Removal Procedures Consistent with Merit Systems Principles, [Executive Order 13839](#), May 25, 2018

Promoting Efficient Spending, [Executive Order 13589](#), November 9, 2011

Quality Step Increases, [5 CFR Part 531, Subpart E](#) (2019)

Reduction in Force, Retention Standing, [5 CFR Part 351 Subpart E](#) (2019)

Special Leaves of Absence to be Given Disabled Veterans in Need of Medical Treatment
Executive Order 5396, July 17, 1930.

The Uniformed Services Employment and Reemployment Rights Act, [38 U.S.C. 4301-4335](#) (2018)

USDA, [DR 3640-001](#), *Identity, Credential, and Access Management*, December 9, 2011

USDA, [DR 4070-735-001](#), *Employee Responsibilities and Conduct*, October 4, 2007

USDA, [DR 4080-811-002](#), *Telework Program*, January 4, 2018

USDA, [DR 4230-001](#), *Volunteer Programs*, October 20, 2016

USDA, [Form AD-287-2](#), *Recommendation and Authorization of Monetary and Time Off Awards* (July 2020)

USDA, [Form AD-435E](#), *Performance Plan and Appraisal for Non-Supervisors* (June 2020)

USDA, [Form AD-435S](#), *Performance Plan and Appraisal for Supervisors* (June 2020)

USDA, [Form AD-658](#), *Within Grade Increase Record* (June 2020)

USDA, Form AD-3115, *Recommendation and Authorization of Quality Step Increase* (July 2020)

APPENDIX D

MONETARY AWARD AND TOA AUTHORIZATION REQUIREMENTS

Use the following table to determine the authorization requirements for monetary and time off awards.

Table 1. Authorization Requirements

Discrete or cumulative awards within a consecutive 52 week period, up to:		Organizational authorization levels are no lower than:
\$750	and/or 8 hours	The immediate supervisor
\$2,000	and/or 20 hours	The 2 nd level supervisor
\$4,000	and/or 40 hours	The first SES in the employee's chain of command
\$6,000	and/or 80 hours	The agency or staff office head
\$8,000		The subcabinet official
\$10,000		The Secretary

- a. An award for a highly exceptional and unusually outstanding suggestion, invention, superior accomplishment, or other meritorious effort exceeding \$10,000 per individual requires the Secretary's approval, as well as authorization from OPM prior to payment. Mission Areas, agencies, and staff offices must consult with OHRM before initiating such a request to ensure it complies with current OPM guidance.
- b. Awards exceeding \$25,000 require Presidential authorization.

APPENDIX E

MEASURABLE AND NON-MEASURABLE BENEFITS SCALES

Use the Measurable Benefits Scale when a contribution, suggestion or invention results in a quantifiable benefit, such as a process improvement that saves a program a particular monetary amount. The benefit is calculated based on the first 52 weeks of the contribution, invention, or of the implemented improvement or suggestion.

Table 2. Measurable Benefits Scale

Benefit	Award
Up to \$10,000	10% of the benefits
\$10,001 - \$100,000	\$1,000 for the first \$10,000 in benefits, plus 3% of benefits over \$10,000
\$100,001 or more	\$3,700 for the first \$100,000 in benefits, plus 0.005% of benefits over \$100,000. Award amount may not exceed 20% of recipient's basic pay.

Use the Non-Measurable Benefits Scales when a contribution, suggestion or invention results in benefits which cannot be readily quantified, such as contributions described in the examples after Table 3.

Table 3. Non-Measurable Benefits Scale for Monetary Awards

Scope	Type of Contribution			
	Limited	Moderate	Significant	Substantial
Level 1	Up to \$250	Up to \$500	Up to \$1,000	N/A
Level 2	Up to \$500	Up to \$750	Up to \$1,500	N/A
Level 3	N/A	Up to \$1,000	Up to \$2,000	Up to \$3,500
Level 4	N/A	Up to \$1,250	Up to \$3,000	Up to \$5,000
Level 5	N/A	Up to \$1,500	Up to \$4,000	Up to \$7,500
Level 6	N/A	Up to \$2,000	Up to \$5,000	Up to \$10,000

Table 4. Non-Measurable Benefits Scale for Time Off Awards

Scope	Type of Contribution			
	Limited	Moderate	Significant	Substantial
Level 1	Up to 4 hours	Up to 8 hours	Up to 16 hours	N/A
Level 2	Up to 8 hours	Up to 10 hours	Up to 20 hours	N/A
Level 3	N/A	Up to 12 hours	Up to 24 hours	Up to 40 hours
Level 4	N/A	Up to 20 hours	Up to 30 hours	Up to 40 hours
Level 5	N/A	Up to 30 hours	Up to 40 hours	Up to 40 hours
Level 6	N/A	Up to 40 hours	Up to 40 hours	Up to 40 hours

Table 5. Key to Types of Contribution

Type	Examples
Limited	<ul style="list-style-type: none"> a. Assisted a colleague on a project to help meet a deadline; b. Provided support for a specific initiative by scheduling meetings, tracking documents through approval, following up on deliverable due dates, etc.; c. Served in an “acting” capacity for two pay periods (without a temporary promotion); and d. Served as a team member on a short-term project.
Moderate	<ul style="list-style-type: none"> a. Developed an administrative process improvement; b. Provided technical expertise and guidance to a project team; c. Performed an absent colleague’s duties for 60 days, as well as the awardee’s own workload; d. Served as the lead on a short-term project; and e. Served as a fully contributing team member on a large, long-term project.
Significant	<ul style="list-style-type: none"> a. Developed a strategic program enhancement which facilitated Mission Area, agency, or staff office decision-making, or improved delivery to external customers; b. Delivered an important project with high quality on a very short timeline; and c. Served as the lead on a large, long-term project, accountable for the results.
Substantial	<ul style="list-style-type: none"> a. Led an interagency initiative to develop a new methodology to improve program delivery to USDA’s external stakeholders; and b. Led a research team that developed a ground-breaking agricultural industry innovation.

Table 6. Key to Scope of the Contribution's Impact

Scope	Definitions of Levels
Level 1	<ul style="list-style-type: none"> a. The operations of the immediate office or Ranger District; b. The employees of an entire State or Region up to 300 employees; or c. Equivalent.
Level 2	<ul style="list-style-type: none"> a. The operations of a division, service center agency's District or an entire small State or Forest; b. The services delivered to the local community; c. The employees of an entire State, Region, agency, or staff office up to 3,000 employees; or d. Equivalent.
Level 3	<ul style="list-style-type: none"> a. The operations of an entire medium State or Forest, or a small agency or staff office (up to 3,000 employees); b. The services delivered to an entire small State, or delivered by multiple agencies to the local community or service center agency's entire District; c. A significant mission-centric program delivered State or Forest-wide; d. A subset of the general public equivalent to an entire small State; e. The employees of an entire medium agency (3,001 - 10,000) employees; or f. Equivalent.
Level 4	<ul style="list-style-type: none"> a. The operations of an entire large State or Forest, multiple States, a Region, an entire medium agency (3,001 –10,000 employees), or all the offices of multiple agencies serving an entire State; b. The services delivered by multiple States, or by multiple agencies to the entire State; c. A mission program delivered agency-wide; d. A subset of the general public equivalent to an entire medium or large State; e. The employees of multiple agencies, or an entire large agency (over 10,000 employees); or f. Equivalent.
Level 5	<ul style="list-style-type: none"> a. The operations of an entire large agency (over 10,000 employees), multiple agencies, multiple Regions, or a bureau or independent agency outside USDA; b. The services delivered by multiple Regions; c. A program delivered Department-wide; d. A subset of the general public equivalent to multiple States; e. The employees of the entire Department; or f. Equivalent.
Level 6	<ul style="list-style-type: none"> a. The operations of the entire Department; b. A significant mission-centric program delivered Department-wide; c. The general public of the entire Nation; or d. Equivalent

APPENDIX F

PRESIDENT’S VOLUNTEER SERVICE AWARD
ELIGIBILITY CRITERIA

Table 7. Criteria for Eligible Service

Criterion	Yes	No
Is the volunteer work with an organization that is <i>legally established</i> in the United States, the Commonwealth of Puerto Rico or one of the territories?	Eligible	Not Eligible
Does the volunteer work meet national or community needs such as youth achievement, parks and open space, health communities, conservation, animal welfare, public safety or emergency response?	Eligible	Not Eligible
Is the work paid or otherwise compensated (e.g., stipend)? Note: Qualifying for an IRS charitable contribution deduction associated with the volunteer work, such as may be appropriate when hosting an exchange student, for example, is not in and of itself considered a stipend.	Not Eligible	Eligible
Is the work court-ordered or disciplinary-related community service?	Not Eligible	Eligible
Are the activities associated with influencing legislation or elections to a public office, engaging in protests, engaging in union activities, or likely to include political advocacy?	Not Eligible	Eligible

These criteria are progressive; i.e., the volunteer work must be eligible in each criterion.

Table 8. Examples of Eligible Service

Category	Eligible	Not Eligible
AmeriCorps, Peace Corps, Military On-Duty Hours	All on-duty hours are eligible for the Call to Service award	Not for Bronze, Silver or Gold
AmeriCorps, Peace Corps, Military Off-Duty Hours	All volunteer activities are eligible for all levels of PVSA	
Faith-Based	Facilitating a weekday support group for single parents; painting or cleaning a church, mosque or synagogue	Activities that take place during the normal worship service such as ushering or participating in the choir
Foster Parenting	All hours which are part of the official Senior Corps Foster Grandparents program	Non-Senior Corps foster parenting program

Category	Eligible	Not Eligible
Care-giving	Unpaid volunteering through a legally established volunteer organization, such as the Senior Corp Senior Companions	If not through a legally established volunteer organization (e.g., within a family or personal relationship)
Fund-raising Cancer Walk	Time spent soliciting funds and actually walking	Rallies, mealtimes, etc.
Fund-raising Dinner	Organizing, setting up and cleaning up	Attending the dinner
Elected position, such as with a homeowners' or parent-teacher association	Planning, attending or presiding over meetings and events, conducting inspections, etc.	Time spent campaigning for the position, and any activity undertaken to specifically benefit the individual as a homeowner, parent, etc.
Hosting an Exchange Student	Time spent interacting directly with the student	Hours the student is at school, attending activities without the host parents, sleeping, etc.
Sorority/Fraternity	Mentoring activities that support such things as the members' academic advancement, community building, and leadership skills; participating in the organization's community support activities; working for the respective organization's charitable foundation.	Activities that primarily benefit the organization's social activities or the immediate house's concerns

Each of these examples assumes the General Criteria in Table 1 are met.