

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, DC 20250

DEPARTMENTAL REGULATION		NUMBER: 4040-451-1
SUBJECT: USDA Employee Awards and Recognition Program	DATE: January 20, 2011	
	OPI: Office of Human Resources Management	

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1. PURPOSE

The purpose of the directive is to set forth the Department of Agriculture’s (USDA) policy on awards and recognition. This directive provides for rewarding and recognizing employees, groups, and others for their performance and acknowledging their contributions and achievements in support of USDA’s mission and goals.

2. REFERENCES

This directive must be applied in conjunction with:

- a. Title 5, United States Code (U.S.C.), Chapter 45 – Incentive Awards;
- b. Title 5, Code of Federal Regulations (CFR), Part 451 – Awards;
- c. 5 CFR Part 430 – Performance Management;

- d. 5 CFR Part 531, Subpart E – Quality Step Increases;
- e. 5 CFR 534.405 – Performance Awards; and
- f. 5 U.S.C. 5384 – Performance Awards in the Senior Executive Service (SES).

3. SPECIAL INSTRUCTIONS

This directive replaces the:

- a. USDA Criteria for the Spot Awards Program.
- b. USDA Guide for Employee Recognition, dated October 29, 2006;
- c. Departmental Regulation 4040-451 – Criteria for Career Service Recognition, dated February 14, 2002;
- d. Departmental Regulation 4040-451-02 – Criteria for Secretary’s Annual Honor Awards, dated September 9, 2002; and
- e. Departmental Regulation 4040-451-03 – Criteria for Time-off Awards, dated August 26, 2002.

4. POLICY

It is USDA’s policy to establish an Employee Awards and Recognition Program, herein “Program,” to recognize organizational, individual, and group performance that exceeds performance and/or public service expectations, especially that which contributes to the core values, mission, and goals of the Department. Actual awards and recognition will be commensurate with the purpose and intent of the award granted, provide for special acknowledgement of the accomplishments, and given as close to the time of achievements as possible. The Program will be administered in accordance with the principles set forth in 5 U.S.C. 2301 – Merit System Principles and the provisions of this directive.

5. DEFINITIONS

For the purpose of this directive, the following terms are defined as set forth below:

- a. Agency. An organizational unit of the Department, other than a Staff Office as defined below, whose head reports to an Under Secretary.
- b. 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 in the matter concerned.
- c. Award. Something bestowed or an action taken to recognize or reward an individual or group achievement that contributes to meeting organizational goals or improving the efficiency, effectiveness, and economy of the Government or is otherwise in the public interest. Such awards include, but are not limited to, employee incentives, which are based on predetermined criteria such as productivity standards, performance goals, measurement systems, award formulas, or payout schedules.
- d. Career Service Award. Non-monetary recognition of career service that includes both length of Federal service and retirement recognition.
- e. Extra Effort Award (formerly Special Act or Service Award). A lump sum cash award that recognizes specific accomplishments that are in the public interest and have exceeded normal job requirements.
- f. Honor Award. The highest honorary award granted by the Secretary of Agriculture to an individual or group for a contribution or achievement in support of the organization's mission or goals.
- g. Informal Recognition. Recognition presented for performance or an accomplishment that benefits the Agency or Staff Office, but does not merit a cash, time-off, or honor award. Informal recognition includes non-monetary awards of nominal value, which may be purchased with public funds for appropriate use in the public sector.
- h. Monetary Award. A cash award granted to an employee as an individual or member of a group.
- i. Non-monetary Award. A letter of appreciation or other appropriate means to recognize contributions that do not meet the standard for a cash award or in cases where the contributions do meet the standard, but the supervisor chooses not to grant a monetary award. The limitation of expenditures for non-monetary awards is \$250 on any one item, with higher amounts normally reserved for high-level honorary awards or other major accomplishments.

- j. Performance Award. A cash award based solely on an employees' performance rating of record assigned at the end of the appraisal period.
- k. Quality Step Increase (QSI). A QSI is an increase to an employee's rate of basic pay from one-step or rate of the grade of the position to the next higher step of that grade or next higher rate within the grade.
- l. Spot Award. A form of an extra effort award that recognizes individuals or groups of employees for their day-to-day extra efforts and contributions.
- m. Staff Office. A Departmental administrative office whose head reports to the Secretary.
- n. Staff Office Head. The head of a Staff Office or an official who has been delegated the authority to act for the head or Staff Office in the matter concerned.
- o. Suggestion. A suggestion is a constructive proposal that results in a savings or an improvement to the Federal Government and/or the USDA. Suggestions pose solutions to problems, potential problems, or provide an opportunity to effect change.
- p. Supervisor. An employee having authority to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees; or having responsibility to direct them, adjust their grievances, or effectively recommend such action if, in connection with the foregoing, the exercise of authority is not of a merely routine or clerical nature but requires the use of independent judgment.
- q. Time-off Award (TOA). An excused absence granted to an employee as an individual or member of a group without charge to leave or loss of pay.
- r. USDA Hall of Heroes Award. An award that recognizes individuals (living or deceased) and/or symbolic figures that had a direct and last impact on national/international agriculture and related programs.

6. RESPONSIBILITIES

- a. The Director, Office of Human Resources Management (OHRM), is responsible for:
 - (1) Establishing the employee recognition program policies, procedures, and providing technical assistance and advice on issues that arise; and
 - (2) Monitoring Agency/Staff Office compliance with Departmental policy.

- b. Agency and Staff Office Heads are responsible for:
 - (1) Issuing agency or staff-level policy and procedures for maintaining an effective awards and recognition program within their organization;
 - (2) Administering the Program in accordance with Departmental and Federal regulations;
 - (3) Informing employees of recognition policies and procedures;
 - (4) Ensuring periodic training is provided on the effective use of employee awards and recognition;
 - (5) Ensuring annual reviews of the appropriate use of their Program; and
 - (6) Incorporating funding for their Program into the budget.

- c. Agency and Staff Office Human Resources Officers are responsible for:
 - (1) Providing training, information, and assistance on the Program for managers, supervisors, and employees;
 - (2) Serving as the focal point in their respective organizations for the receipt, dissemination, review and control of award nomination requirements, justifications, guidelines, and submissions;
 - (3) Processing award payments through the National Finance Center (NFC) for serviced employees or forwarding awards to the appropriate Human Resources Office for processing;
 - (4) Ensuring that awards and recognition are used appropriately to reward employees;
 - (5) Providing required reports and documentation of Program activities to OHRM upon request;
 - (6) Evaluating or participating in program evaluations using established assessment tools to assess whether programs comply with established principles, policies, procedures, and determining the need for improvement, training, or guidance; and
 - (7) Submitting directives or policies to the Department for review in which they establish guidance that reference the USDA Employee Awards and Recognition Program in any manner before implementation.

- d. Managers and Supervisors are responsible for:
- (1) Submitting nominations for timely recognition of employee or group achievements;
 - (2) Considering input from appropriate sources when making recognition decisions;
 - (3) Using non-monetary recognition as an alternative to monetary recognition for specific achievements or when monetary recognition is not authorized;
 - (4) Promoting the Program by encouraging employee participation, arranging for appropriate presentations, and publicizing recognition activities;
 - (5) Allowing those recognized to choose the type of non-monetary recognition they receive when choices are available; and
 - (6) Reviewing nominations to ensure that recognition is merited, appropriately justified, linked to and commensurate with the contribution and/or accomplishment and that award amounts accurately reflect the value of the contribution.

7. DELEGATION OF AUTHORITY

Unless otherwise stated, any authorities delegated in this directive may be redelegated to a level of management that has the experience and/or training to administer the authority.

8. AWARDS AND RECOGNITION CRITERIA

a. General Guidelines.

- (1) Approval of Awards. All awards must be approved within delegated levels of authority. The Approving Official must be at a higher supervisory level than the Recommending Official unless otherwise stated.

Awards of \$5,500 or less require approval from the Under/Assistant Secretary or Staff Office Head. This authority or any portion thereof may be redelegated to any subordinate supervisory level or to an authorized award review committee as appropriate.

Awards exceeding \$5,500 per individual require approval from the Secretary. Award recommendations must be submitted through the Under/Assistant Secretary or Staff Office Head to the Director, OHRM, for the Secretary's approval.

Awards exceeding \$10,000 per individual require concurrence by the Assistant Secretary for Administration, which are forwarded through the Secretary for final approval by the Office of Personnel Management (OPM).

Awards in excess of \$25,000 require Presidential approval.

The Secretary approves all SES awards and the USDA Secretary's Honor Awards.

- (2) Award Justifications. All awards and recognition require written justification to support the accomplishments being recognized.
- (3) Confidentiality of Award Nominations. Documentation supporting 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. As a rule, recommendations are not to be discussed with nominees or with anyone not involved in the decision process until the award has been approved within the appropriate chain of command.
- (4) Payment of Monetary Awards. Generally, the Agency/Staff Office benefiting from the contribution pays for the monetary award. When an employee of another organization or federal agency receives a monetary award, the benefiting agency shall arrange to reimburse the employee's agency.
- (5) Post-employment and Posthumous Awards. 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 the Department.
- (6) Awards for Political Appointees. Recommendations for cash awards for political appointees must go through the appropriate mission area supervisory channels to the USDA Chief of Staff for approval. Awards may not be granted to a political appointee during a Presidential election period. Any period beginning on June 1 in a calendar year in which the popular election of the President occurs, and ending on January 20 following the date of such election.
- (7) Receipt of Award Payments. Monetary awards are deposited to the employee's salary check address through the Payroll/Personnel System via Electronic Funds Transfer.

- (8) Honor Awards. Honorary recognition items must have a lasting trophy value; clearly symbolize the employer/employee relationship; and be appropriate for the expenditure of public funds.
- (9) Gift Certificates. Agencies may present gift certificates/cards if they are being used as informal recognition awards. Gift certificates usually are given when the intent is to give something but let the recipient make the final choice. Gift certificates may not exceed nominal value. The value of the award should be commensurate with the contribution being recognized. These awards recognize contributions that would not ordinarily merit formal recognition. No exact dollar value is set as nominal; however, agencies are expected to use good judgment and remember that nominal generally refers to a low monetary value.

b. Awards and Recognition Criteria:

- (1) Extra Effort Award. Award amounts range from \$50 to more than \$10,000 depending on the achievement being recognized according to the Measurable or Non-measurable Benefits Scale. These awards may be for individual or group contributions.
- (2) Spot Award.
 - (a) Managers, supervisors, and peers may submit recommendations for spot awards.
 - (b) Award amounts range from \$50 to \$750 (in increments of \$5 or \$10) with no award exceeding \$750. Employees may receive more than one spot award within a 1-year period. The Non-measurable Benefits Scale issued to determine appropriate spot award amounts.
 - (c) Restrictions. Spot awards should be awarded usually within three days, but no later than 30 days after completion of the accomplishment being recognized.
 - (d) Examples of accomplishments include, but are not limited to:
 - 1 Volunteering for an extra or emergency assignment while continuing to perform primary responsibilities;
 - 2 One-time noteworthy achievements that may not meet the criteria for other types of awards;

3 Using personal initiative and creativity to solve an unusual situation; and

4 Producing a work product of exceptionally high quality under tight deadlines.

(3) Suggestion Award. The Employee Suggestion Program is designed to increase benefits to Agencies and Staff Offices, the Department, or the Government by encouraging, fostering, and carefully considering employee ideas for productivity improvements. Recognition is appropriate for an adopted suggestion that improves the efficiency or effectiveness of Government operations. The types and/or amount of the award or recognition received will be determined in conjunction with the Measurable and Non-measurable Benefits Scale. Recognition may be monetary or non-monetary. The USDA Employee Suggestion Program Brochure covers guidelines for submitting and evaluating employee suggestions.

(4) Performance Award. Performance-based awards are intended to recognize sustained levels of successful performance over the course of the rating period. Employees who receive a rating of record of no less than “*Fully Successful*” are eligible for a performance-based award. Performance-based awards for non-SES employees usually may not exceed 10 percent of the employee’s rate of basic pay. For exceptional accomplishments, performance-based awards not to exceed 20 percent of the employee’s rate of basic pay may be granted.

If a performance-based award is granted to an employee, a written justification is required for the award recommendation, which is in addition to the accomplishment write-up describing the employee’s contributions that support the rating of record.

Performance-based awards should normally be given within 90 days of the end of the performance appraisal cycle. An employee may be granted no more than one performance-based award for the same appraisal cycle.

Career SES employees are eligible for performance bonuses in accordance with 5 U.S.C. 5384 and 5 CFR 534.405. However, non-career SES employees are not eligible for performance awards.

The granting of a performance-based award is discretionary on the part of management, not an employee entitlement unless provided for in accordance with the terms of a collective bargaining agreement.

(5) Quality Step Increase (QSI).

- (a) The purpose of a QSI is to provide recognition of sustained high-quality performance and faster-than-normal progression through the step rates of the General Schedule (GS)/General Manager (GM) pay systems. Unlike other forms of recognition, QSI's permanently increase an employee's rate of basic pay.
- (b) A QSI may be granted to GS/GM employees to recognize high-quality performance. An employee must have received an "Outstanding" rating of record.

In addition, an employee must:

- 1 Not have received a QSI within the preceding 52 consecutive calendar weeks.
- 2 Not be at the top step of the pay range.
- (c) A QSI does not change the effective date of the employee's normal within-grade increase (WGI) except when the QSI places the employee in the fourth or seventh step. In this case, the employee would enter into a prescribed longer waiting period. When a WGI and QSI are effective on the same day, the WGI should be processed before the QSI to avoid situations where the QSI may place the employee in a longer waiting period.
- (d) An employee may not receive a QSI if he/she has received a performance award based in whole or in part on the performance rating of record for the same appraisal cycle.
- (e) A QSI is not required or automatically granted for an "Outstanding" performance rating. A manager/supervisor reserves the discretion to grant a QSI.

(6) Time-off Award (TOA).

Time-off awards may be granted to individuals or groups of employees. A TOA can be awarded to recognize the same types of accomplishments as cash awards.

- (a) A manager or supervisor may grant up to 10 hours of time-off without a higher level of review or approval. If the award exceeds 10 hours; it must be reviewed and approved by an official at a higher level than the recommending official. A TOA will be given

in increments of no less than one hour. In addition, a written justification is required to document the time-off.

- (b) Full-time employees may be granted up to 80 hours of time off during a leave year, but not more than 40 hours for a single achievement.
- (c) Part-time employees may be granted time off up to the average number of work hours in the employee's biweekly scheduled tour of duty during a leave year. The limit for any single contribution 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, but cannot be granted an award in excess of 32 hours for a single achievement.
- (d) Use the Time-off Scale to determine the appropriate number of hours for granting time off. The amount of time off granted must be proportionate to the value of the contribution being recognized.
- (e) A TOA may be granted along with other forms of awards, as long as the total value of the awards given reflects the value of the contribution being recognized. For example, an employee might receive both a one-day TOA and a \$50 cash award as an award for a single contribution, as long as the combination of the awards does not exceed the value of the employee's contribution.

(f) Use of Time off.

- 1 A TOA must be scheduled and used within 26 pay periods from the effective date of processing. After the 26th pay period, any unused time off will be automatically forfeited and may not be restored or otherwise substituted.
- 2 A TOA may only be taken after it has been entered in the payroll/personnel system and is available in the NFC database.
- 3 If an employee is incapacitated while using his or her TOA, that period may be recorded as sick leave, and the time off rescheduled for another time, within the 26 pay period limitation.

- 4 Unused time off will be forfeited once an employee separates or transfers to another USDA or federal agency. If forfeited, no other award or compensation may be substituted.

(g) Restrictions.

- 1 Recommending officials may not grant a TOA to employees from other USDA agencies. A TOA may not be transferred from one federal agency to another federal agency.
- 2 The Department discourages the use of time off for an entire division, region, or other large geographic area to allow all employees the same day off work.
- 3 A TOA shall not be converted to a cash payment under any circumstances.

(h) Examples of accomplishments include, but are not limited to:

- 1 Making a high quality contribution involving a difficult or important project assignment.
- 2 Displaying initiative and skill in completing an assignment or project before the deadline.
- 3 Using initiative and creativity in making improvement in projects, activities, programs or services.
- 4 Ensuring the mission of the work unit is accomplished during a difficult period by successfully completing additional work or a project assignment while maintaining the employee's own workload.

(7) Career Service Award.

Career Service includes both length of Federal service and retirement recognition.

- (a) Length of Service Recognition. Awards recognize full-time and part-time employees for time based on their length of service to the Government. In computing eligibility, employees shall receive credit for total Federal service including civilian and all

honorable military service credited to their SCD for leave purposes.

Appropriate ceremonies for the presentation of Career Service Awards should be arranged by the Agency or Staff Office.

Recognition includes a certificate and an emblem, pin, or charm. This is presented starting with 5 years of service through 50 + years of service, at 5-year intervals.

Sub-cabinet Officials may sign career service certificates or re-delegate this authority to a lower level official in the organization. The Secretary of Agriculture recognizes Federal service of 50 years or more with a personal letter, signed certificate, and an emblem, pin, or charm. In addition, for career service of 55 years or more, the recognition includes a letter from the President, a plaque, and a letter from the Secretary.

(b) Requesting Federal Career Service Awards from the Secretary of Agriculture and the President.

Agencies and Staff Offices should prepare and submit a decision memorandum from their Under/Assistant Secretary to the Secretary for such recognition as soon as possible, preferably not later than 40 days prior to the eligibility date to ensure timely recognition of these rare and exceptional service milestones.

(c) The following information must be provided in the decision memorandum to ensure proper and timely processing:

- 1 The full name of the employee, including a working title, and how the letter should be addressed (e.g., Miss, Ms., Mrs., Dr., Mr., etc.).
- 2 The employee's current work address or home address if retired.
- 3 The employee's service computation date.
- 4 The total number of years of service being recognized. Provide the dates of service for

civilian positions held, position titles, and the name of the federal department or agency. If the employee has military service, include the years of service, rank, and branch of service.

- 5 The date the employee will achieve the Career Service milestone.
- 6 Information regarding ceremony presentation arrangements such as who will present the recognition and when the ceremony is scheduled.
- 7 The name and telephone number of a contact person for additional information.

(d) Retirement Recognition.

Agencies and Staff Offices may consider providing some form of honorary or non-monetary recognition of the employee's efforts in support of USDA's mission. Items such as plaques are considered appropriate and may be presented.

(e) Agencies should choose the type and level of recognition which corresponds to the scope and importance of the employee's achievements and the level of dedication and exceptional service to USDA.

1 Outstanding Career Award. A mounted certificate or plaque signed by a Sub-cabinet Official may be presented to recognize outstanding accomplishments either within or beyond job requirements over a prolonged period.

2 Retirement Certificate and Matching Pin. The retirement certificate can be presented to any employee leaving USDA through retirement. A retirement pin also may be presented.

(f) Ordering Career Service and Retirement Certificates, and Pins.

Servicing Human Resources Offices may obtain these certificates by riding the OPMs printing requisitions. OHRM will announce the availability of the Rider information each year. Length of Service pins may be obtained from the General Services Administration.

(8) Secretary's Honor Award.

The purpose of the Honor Awards is to provide Departmental recognition to distinguished employees who have made outstanding contributions that support USDA's mission and goals, as outlined in the award categories. The Secretary's Honor Awards are the most prestigious awards presented at USDA. The Secretary presents awards annually at the USDA Honor Awards Ceremony. The OHRM announces the award categories, criteria and call for nominations annually.

(a) Eligibility. All USDA employees, employees of other agencies and organizations collaborating with USDA are eligible to be nominated for a Secretary's Honor Award.

1 Only individuals or groups of individuals who performed distinguished and outstanding public service may be recognized. Groups are limited to no more than 35 individual members and a maximum of 2 group leaders.

2 The achievement or the result of the achievement recognized must have occurred within the last three years prior to the nomination deadline. Acts of heroism and emergency response must have occurred within the last year.

3 Achievements for the award category must focus on qualitative and quantitative performance measures. The contribution must reflect distinguished performance characterized by extraordinary, notable, or prestigious results that pertain to the identified award category.

(b) Program Requirements.

1 Nominees are eligible to receive more than one honor award as long as they do not receive an award for the same or a related contribution/achievement.

2 Nominees can be a member of more than one group, but not as both a prospective individual award recipient and as a member of a group based on the same or a related contribution.

3 Justifications must be clearly written, avoid the extensive use of technical terminology, focus on the nominees' contribution and the impact on the Agency's and/or Department's mission and/or goals, and describe the degree

to which the contribution exceeds normal job responsibilities. Specify which award category the contribution meets on the nomination form, selecting only one category per nomination.

- 4 Each nominating Agency or Staff Office must verify internally that there is no information that negatively affects the nominations (for example, disciplinary action, pending discipline, or equal employment opportunity actions taken against the nominee) prior to submitting nominations to the OHRM.
- (c) Complete the Honor Awards Nomination Form, AD-495 and submit it with the necessary concurrences.
 - (d) Nominations not selected in prior years are eligible for reconsideration provided they reflect current achievements.
 - (e) Nomination Approval Process.
 - 1 Nominations are prepared and screened at the Agency and Staff Office level in conformance with the requirements set forth in this directive and any supplemental instructions provided by the OHRM. Submit nominations through the servicing Human Resources Office to the Agency Heads or Staff Office Heads for their review and concurrence, and then to the appropriate Sub-cabinet Officials for final review and clearance. Submit cleared nominations to the Director, OHRM.
 - 2 The Director, OHRM reviews all the nominations for conformance with eligibility and program requirements of the Secretary's Honor Award Program and consults with appropriate nominating officials and subject matter specialists as necessary. Recommendations for approval are submitted through the Assistant Secretary for Administration for concurrence and then to the Secretary for approval. OHRM will notify all Sub-cabinet Officials, Agency, and Staff Office Heads of the action taken on their respective nominations.
 - (f) Travel. USDA desires to reduce the administrative cost of travel and minimize travel expenses by allowing only group leader(s) and individual honor award recipients to attend the Honor Awards Program at government expense. Travel expenses to Washington, D.C. are reimbursable for the award recipient representative of a

posthumous award recipient to participate in the Honor Award ceremonies. Agencies should not expend funds to pay travel expenses for spouses or other family members of award recipients, or of group members, to attend the ceremony. At the Agency's discretion, travel reimbursement for more than one individual may be applicable in situations where the award recipient requires special assistance or accommodations.

(9) Non-monetary Awards.

A letter of appreciation or other appropriate means to recognize contributions that do not meet the standard for a cash award or in cases where the contributions do meet the standard, but the supervisor chooses not to grant a monetary award.

- (a) Eligibility. All employees of USDA who meet the definition of "employee" are eligible for non-monetary awards regardless of appointment type or work schedule. In addition, former employees whose contributions occurred while they were employed with the Federal government are eligible to receive non-monetary recognition. USDA encourages prompt recognition and reward of employees for their commendable contributions. It is incumbent upon managers, supervisors, and colleagues to use non-monetary recognition to appropriately recognize contributions.

Furthermore, agencies may grant a political appointee a non-monetary award during a Presidential election period, provided that the form of the honorary award avoids the appearance of replacing a bonus. Agencies must exercise good judgment in selecting honorific items. Such items should create the inherent impression of symbolic value (an honor being bestowed) rather than monetary worth (cash value). For example, presenting a commemorative photograph or a certificate in a simple, inexpensive frame would be appropriate, but presenting a Waterford carafe would not be.

(b) Type of Non-monetary Recognition

These forms of compensation are often called "fringes" or "perks" where the fair market value of an item given to each individual is very small. A non-monetary award is considered a letter of appreciation or other appropriate means to recognize contributions that do not meet the standard for a cash award or in cases where the contributions do meet the standard, but the supervisor chooses not to grant a monetary award. The limitation of expenditures for non-monetary

awards is \$250 on any one item, with higher amounts normally reserved for high-level honorary award or other major accomplishments.

- 1 Honorary Awards. Honorary awards are given to an employee(s) to recognize his or her performance/contribution to the organization. Honorary awards are generally symbolic. Many agencies have formal and traditional honor awards programs sponsored by Agency level management.

A basic principle of symbolic awards is that their primary value should be a form of recognition and not as an object with monetary value. As mementos, such non-monetary honorary award items may not be particularly expensive; indeed, they may be of only nominal value (e.g., simple certificates in inexpensive frames, lapel pins, paperweights). Nonetheless, all items used as honorary awards must meet specific criteria.

- (a) Honorary Awards Definition. Honorary awards represent symbolic formal recognition, items presented as honorary awards must meet all of the following criteria:

- 1 The item must be something that the recipient could reasonably be expected to value, but not something that conveys a sense of monetary value.
- 2 The item must have lasting trophy value.
- 3 The item must clearly symbolize the employer-employee relationship in some fashion.
- 4 The item must take an appropriate form to be used in the public sector and to be purchased with public funds.

Consequently, each agency is responsible for determining whether items meet these criteria.

An honorary award that is intended to have abiding symbolic value loses that value if it does not have a lasting form. Examples of items that could meet the criteria:

- a plain desk globe might be appropriate for an employee who handles international matters for the agency
- a calculator for an employee who handles budget issues

Some items may meet the other criteria, but still not be appropriate. For example:

- a firearm as an honorary award, even to recognize a law enforcement official
- a desk globe would not be appropriate for an accountant in an agency with no international programs

Affixing, imprinting, or engraving the agency's seal or logo on an honorary award item is an obvious way to meet these criteria. However, putting a logo on an item that otherwise has no connection to the employee's work would not meet this criteria. Further, an item that meets these criteria in one agency, because of its mission or the employee's job, might not meet it in another agency. Agency officials must take responsibility for assuring that the authority to "incur necessary expense for honorary recognition" is used in a manner that shows good judgment and preserves the credibility and integrity of USDA and the Federal Government's awards program.

2 Informal (Keepsake) Awards. Informal (keepsake) awards are those given to recognize performance or an accomplishment that, taken alone, does not merit cash, time-off, or an honorary award. Because these informal recognition awards are intended to recognize contributions of lesser scope, they are subject to fairly general criteria. An example of informal recognition awards that could be considered are ballpoint pens or mugs with a team slogan that are given to every member of a project team for completing their assignment ahead of schedule and under cost.

(a) Informal (Keepsake) Awards Definition. Items used effectively and efficiently as informal award items are often extremely casual and low-cost. In addition, informal awards typically have more informal approval procedures and presentation settings than

honorary awards. Items presented as informal recognition awards must meet the following criteria:

- 1 The item must be of nominal value which is administratively inefficient to report as part of an employee's gross income and wages.
- 2 The item must take an appropriate form to be used in the public sector and to be purchase with public funds.
- 3 The value of the award should be commensurate with the contribution being recognized.

No exact dollar value is set as nominal. Nevertheless, agencies are expected to use good judgment and remember that nominal generally refers to a low monetary value. However, some items may be inexpensive but still not be appropriate.

(c) Determining Whether a Non-monetary Award is De Minimis

The Internal Revenue Code defines a *de minimis* fringe benefit as an item 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)). The determination as to whether honorary awards might be considered *de minimis* is based on the fair market value of the item given. For more information on *de minimis* visit

<http://www.irs.gov/publications/p15b/ar02.html#d0e775>

Non-monetary awards are taxable unless they are *de minimis*. An example of informal awards that could be considered to have a *de minimis* fair market value might be ballpoint pens, mugs, or desk clocks, with a team slogan or departmental logo that are given to employees for completing an assignment ahead of schedule or under budget constraints.

(d) Record Keeping

Records should be kept on the number of non-monetary awards issued; Average cost; type of item(s) purchased. This information should be reported to the Department, Office of Human Resources Management annually, as requested. In addition, any advantages and/or disadvantages of the non-monetary program must also be reported.

10. USDA Hall of Heroes

This award program recognizes persons (living or deceased) and/or symbolic figures that had a direct and lasting impact on national/international agriculture and related programs. This program is announced at the discretion of the Secretary of Agriculture. Up to four selections can be made. Recognition consists of a plaque that is permanently hung in the Patio of the Whitten Federal Building.

Nominations are reviewed by a panel of noncareer subcabinet officials. The Assistant Secretary for Administration chairs the panel. The panel reviews each nomination and makes recommendations to the Secretary. The Secretary makes the final selection.

The program is administered by the Office of Human Resources Management (OHRM) and funded via the appropriate Agencies.

9. FORMS AND CERTIFICATES

a. Award Forms. The following award forms are designated for Department-wide application.

- (1) Form AD-287, Employee Suggestion Form;
- (2) Form AD-287-2, Recommendation and Approval of Awards;
- (3) Form AD-287-3a, Referral and Appraisal of Employee Suggestion; and
- (4) Form AD-495, Honor Awards Nomination Form.

b. Certificates. The following certificates are designated for Department-wide application.

- (1) Form AD-141A, Certificate of Appreciation;
- (2) Form AD-69, Certificate of Merit; and
- (3) Career Service and Retirement Certificates.

10. MISCELLANEOUS PROVISIONS

The granting of or failure to grant a monetary/non-monetary award or the decision to adopt or not adopt an employee suggestion is made at the sole discretion of management. Therefore, employees may not appeal or grieve decisions to grant or not to grant monetary or non-monetary recognition or amounts of monetary recognition unless the employee or union alleges management failed to comply with an appropriate provision of a collective bargaining agreement. Formal and informal recognition must comply with ethical and procurement restrictions as specified in Departmental and Federal regulations.

END

APPENDIX A

MEASURABLE AND NON-MEASURABLE BENEFITS SCALE

MEASURABLE BENEFITS SCALE	
Benefit	Award
<i>Up to \$10,000</i>	<i>10 percent of the benefits</i>
<i>\$10,001-\$100,000</i>	<i>\$1,000 for the first \$10,000 in benefits, plus 3 percent of benefits over \$10,000</i>
<i>\$100,001 or more</i>	<i>\$3,700 for the first \$100,000 in benefits plus .005 of benefits over \$100,000. Award amount should not exceed recipient's annual salary.</i>

NON-MEASURABLE BENEFITS SCALE			
Value of Benefits	Application		
	<i>Limited</i>	<i>Broad</i>	<i>General</i>
	<i>Impacts the public interest, or a specific small work unit including a division or region.</i>	<i>Impacts the public interest, or several regional areas or an entire agency.</i>	<i>Impacts the public interest, or more than one Agency, or the entire Department.</i>
<i>Small/Moderate</i>	<i>\$50-\$325</i>	<i>\$325-\$650</i>	<i>\$650-\$1300</i>
<i>Moderate/Substantial</i>	<i>\$325-\$650</i>	<i>\$650-\$1300</i>	<i>\$1300-\$3150</i>
<i>Substantial/Extended</i>	<i>\$1000-\$2500</i>	<i>\$2500-\$5500</i>	<i>\$5500-\$10,000</i>

APPENDIX B

TIME-OFF AWARDS SCALE	
VALUE OF THE EMPLOYEE'S CONTRIBUTION	HOURS TO BE AWARDED
<i>SMALL/MODERATE - Contributions that helped to ease a backlog or completion of a special project that benefited primarily the employee's staff office.</i>	1 - 10 Hours
<i>MODERATE/SUBSTANTIAL – Contributions that significantly improved operating principles or procedures.</i>	11 - 20 Hours
<i>SUBSTANTIAL/EXTENDED - Contributions that significantly impact an entire division, region, department, or other large geographic area.</i>	21 – 40 Hours

APPENDIX C

USDA AWARDS ELIGIBILITY CHART

<i>Award Type</i>	<i>Description</i>	<i>Eligibility</i>	<i>Justification</i>
Career Service Award (Non-monetary)	Recognition of career service that includes both length of Federal service and retirement recognition.	All USDA employees.	Agency will generate a report to determine years of Federal service.
Extra Effort Award (Monetary)	Lump-sum cash award that recognizes specific accomplishments that are in the public interest and have exceeded normal job requirements. These awards can be for individual or group contributions.	All employees except Presidential Appointees and Political employees above the GS-12 level.	Written justification outlining the accomplishment. Refer to Appendix A to determine amount of award that is appropriate.
Honor Award (Non-monetary)	Highest honorary award granted by the Secretary of Agriculture to an individual or group for a contribution or achievement in support of the organization's mission or goals.	All employees except Presidential Appointees.	Completion of the <u>Honor Awards Nomination Form</u> and supporting criteria.
Non-Monetary Award	A letter of appreciation or other appropriate means to recognize contributions that do not meet the standard for a cash award or in cases where the contributions do meet the standard, but the supervisor chooses not to grant a monetary award.	All USDA employees.	Written justification outlining the accomplishment.
Performance Award	Cash award that is based solely on employees' performance rating of record assigned at the end of the appraisal period. These awards are intended to recognize sustained levels of successful performance over the course of the rating period.	All USDA employees except Schedule C and other Political employees above the GS-12 level.	Written justification describing the employee's accomplishments and contributions to support the summary rating.
Presidential Rank (Monetary)	Awards conferred by the President on a select group of career members of the SES who have provided exceptional service to the American people over an extended period and on certain senior career professionals who have a sustained record of exceptional professional, technical and/or scientific achievement.	SES career appointees who have been in the SES for 3 years or more. Senior Level (SL) and Scientific and Professional (ST) employees who have been in SL or ST positions for 3 years or more.	As required by OPM's annual announcement for Rank Awards. For further information, contact your agency SES Program Manager.
Quality Step Increase (QSI) (Monetary)	A QSI is an increase in an employee's rate of basic pay from one-step or rate of the grade of the position to the next higher step of that grade or next higher rate within the grade. QSI's permanently increase an employee's rate of basic pay.	All USDA employees except SES, ST, SL, WG, participants of the FSIS pay-for-performance pilot, Noncareer SES, Presidential Appointees, and Reemployed Annuitants.	Written justification describing the employee's accomplishments and contributions to support the summary rating.
Spot Award (Monetary)	Spot award is a form of an extra effort award that grants immediate recognition to individuals or groups of employees for their day-to-day extra efforts and contributions.	All USDA employees except SES, Presidential Appointees, Contractors, Private Citizens, and Volunteers.	Written justification outlining the accomplishment.
Time-off Award (TOA)	An excused absence granted to an employee as an individual or member of a group without charge to leave or loss of pay.	All USDA employees except Presidential Appointees and those on intermittent tours of duty.	Written justification outlining the accomplishment. Refer to Appendix B to determine amount of time-off that is appropriate for the accomplishment.
Suggestion Award (Monetary/Non-monetary)	Recognition for an adopted suggestion that improves the efficiency or effectiveness of Government operations.	All USDA employees except Presidential Appointees and Noncareer SES.	Written justification outlining the suggestion.