

Justification of Awards:

In recent OHRM audits of agencies' awards programs, it was revealed that many award justifications were poorly written and did not adequately reflect the accomplishment for the level of recognition given. Therefore, OHRM has provided a "Justification Award Template" (attached to this document) that managers and supervisors may use to document the necessary information to support the award. It is imperative for managers and supervisors to place emphasis on awards for developing improvements that result in documented, validated cost savings, and productivity improvements. In that regard, all justifications must clearly state:

- 1) What the employee or group accomplished;
- 2) The time period covered by the accomplishment;
- 3) Articulate how the accomplishment exceeded normal expectations of the employees role;
- 4) The result or outcome of the accomplishment; and
- 5) The calculation of measurable or non-measurable benefits.

HRD will not process awards that do not include a justification which includes the five factors listed above. **For the FY-2013 performance year, rating-based awards do not require a separate award justification, provided the justification for the rating of record is thoroughly documented during the appraisal process.** A copy of the rating justification must be filed with the award documentation. Additionally, HRD is required to increase the oversight as well as the number of audits conducted on our awards and performance programs to ensure full compliance and appropriateness.

Below are a few examples of accomplishments which may be recognized by an award:

- Using personal initiative and ingenuity to significantly improve a customer-facing product or service;
- Completing an important project before the deadline, to the benefit of customers and/or stakeholders;
- Ensuring the mission of the work unit is accomplished during an unusually difficult period by successfully completing additional projects while maintaining the employee's own workload.

These are example of activities for which giving an award is not appropriate:

- Performing one's normal duties as an expected employee during a furlough status.
- Participating in a wellness program.

In addition to the established awards spending limitations, USDA has continued the following procedural requirements and temporary award requirements that must be adhered to.

Cumulative Awards Exceeding \$5,500

OHRM has extended the temporary award procedural requirement for multiple awards. Therefore, multiple awards for one employee, which collectively exceed \$5,500 for the fiscal year, must be submitted through HRD to the Under Secretary/Assistant Secretary or Staff Office Head to the Director, OHRM, for approval before processing. Reference: <http://www.ocio.usda.gov/directives/doc/DR4040-451-1.htm>. This includes any awards from the previous year held due to the moratorium and processed in FY 2014.

Review packages must contain the following:

- 1) An AD-287-2, Recommendation & Approval of Awards, for each award
- 2) Narrative justification for each award (must address the 5 factors)
- 3) AD-435P, most recent performance appraisal
- 4) A summary of the accomplishments, with a brief explanation as to why the accomplishments justify separate awards and how, combined, they justify the total amount of the proposed award.

OHRM will assess the review packages and determine whether the justifications clearly validate the multiple awards, and will approve those that meet the criterion. However, agencies and staff offices should anticipate that most award packages will be forwarded to the Secretary for review and approval, just as if they were for single awards over \$5,500.

When employees receive multiple awards, it is highly possible the \$5,500 threshold will be inadvertently exceeded, especially if the awards for each individual are not being monitored. Therefore, organizations must track all individual employee award expenditures to ensure the \$5,500 threshold is not exceeded so as to avoid any circumstance that appears the Secretary's approval is being circumvented.

If you are recommending a cash award for an employee that does not report directly to you, **you must contact the direct supervisor of that employee** to ensure the recommended amount will not exceed the \$5,500 cumulative amount for cash awards. If so, a completed review package must be provided to Chevon Gibson, Section Head, Performance and Awards Staff, for submission to the Department for final decision.

Non-Monetary Awards (Honorary vs Swag)

Agencies are asked to be judicious in their purchasing of non-monetary awards. The limit on expenditures for non-monetary awards remains \$250 on any one item, with that amount being reserved for the highest level honorary awards or other major accomplishments. Executive Order E.O. 13589 provides specific guidance as it relates to non-monetary recognition. OPM has provided guidance around the distinction between "swag" and honorary or informal recognition. Please [click here](#) to see the specific guidance. Also, please be advised of increased scrutiny on all awards spending to safeguard and ensure the integrity of all recognition.

Procedures for Processing FY 2014 Awards

To ensure full compliance with the new awards guidance, each award to an individual employee requires a separate AD-287-2 and justification. One AD-287-2 and justification is suitable for a group award, provided:

- All employees contributed equally to the accomplishment and are receiving an equal amount;
- A separate document captures the information for blocks 1-10 on the AD-287-2 for each employee; and
- The names and amounts are redacted appropriately before the documentation is filed in the e-OPF.

Performance-based awards for non-SES/SL/ST/SSTS employees are due to HRD no later than March 31, 2014.

Implications: OMB and OPM can reinstate a moratorium at anytime. Also, submitting awards at the later due date could have an impact on employees who receive a Quality Step Increase (QSI) this year and who may possibly meet the qualified definition in the year proceeding. A QSI may not be granted to an employee who has received a quality step increase within the preceding 52 consecutive calendar weeks. Additionally, QSI's must be made effective as soon as practicable after it is approved. Therefore, HRD will not delay or hold QSI's when received. The following policies must be adhered to:

- 1) Every AD-287-2 must have an accompanying narrative justification
- 2) Multiple awards granted to the same employee must be justified by discrete accomplishments;
- 3) Spot awards are limited to a net of \$750 to the employee;
- 4) Non-SES/SL/ST/SSTS total awards for FY 2014 over \$5,500 must be submitted through HRD to the Under/Assistant Secretary for Administration to the Director, OHRM, for Secretary's approval;



Justification for Employee Awards

Employee Name(s)	
Time Period Covered for Award	
Description of Accomplishment	
How the Accomplishment Exceeded Normal Expectations	
Result or Outcome of the Achievement	
Calculation of Benefits <i>See DR-4040-451-1 Appendix A for the Measurable and Non-Measurable Benefits Scales, and Appendix B for the Time-Off Awards Scale</i>	