



**Functional Series [400](#)  
Personnel**

**INTERIM UPDATE 07-06**

**SUBJECT:** 2007 Performance-Based Cash Awards for Civil Service, Foreign Service and Foreign Service Limited Employees (GS-15/FS-01 and below)

**NEW MATERIAL:** The Office of Human Resources (HR) is pleased to announce that the Agency has approved and allocated funds to establish a bonus pool to provide performance-based cash awards to deserving Civil Service (CS) and Foreign Service (FS) employees in grades GS-15/FS-01 and below. In addition, Foreign Service Limited (FSL) employees, FS-01 and below, may also be considered for performance-based cash awards.

**EFFECTIVE DATE:** August 28, 2007

POLICY

USAID/General Notice  
HR/ELR  
08/28/2007

Subject: 2007 Performance-Based Cash Awards for Civil Service, Foreign Service and Foreign Service Limited Employees (GS-15/FS-01 and below)

The Office of Human Resources (HR) is pleased to announce that the Agency has approved and allocated funds to establish a bonus pool to provide performance-based cash awards to deserving Civil Service (CS) and Foreign Service (FS) employees in grades GS-15/FS-01 and below. In addition, Foreign Service Limited (FSL) employees, FS-01 and below, may also be considered for performance-based cash awards.

Pool Managers are cautioned to read carefully the following policy guidance for administering this year's performance-based cash awards program.

(1) General Guidance and Eligibility

5 CFR 451.104(h) states, "Programs for granting performance-based cash awards on the basis of a rating of record at the fully successful level (or equivalent) or above, as designed and applied, must make meaningful distinctions based on levels of performance."

Performance-based cash awards are intended to reward employees who have demonstrated consistently high-quality performance during the most recent 12-month rating period and made

particularly significant contributions to advancing the Agency's mission as reflected in their annual performance rating of record.

All performance award determinations will be based on Civil Service employees' Annual Evaluation Form ratings for the 2006 rating cycle (which ended on December 31, 2006), and Foreign Service employees' Annual Evaluation ratings for the 2006-2007 rating cycle (which ended on March 31, 2007).

In order to be eligible for consideration for a performance-based cash award employees must meet the following criteria:

- a. Civil Service employees must have received a summary performance rating of record for the 2006 rating cycle of "Outstanding," "Excellent" or "Fully Successful" (levels 5, 4, or 3).
- b. Foreign Service (Career and Career Candidate) employees must have received a report card rating of "A" or "B" by the 2007 Foreign Service Performance Boards. (IDIs must have received an "administrative promotion" based on their most recently completed IDI rating cycle in order to be eligible for a performance award.)
- c. FSL employees may also be considered for performance awards in a separate Agency-wide performance pool. To be eligible, they must have received an Annual Evaluation Form for the 2006-2007 rating cycle. FSLs are not reviewed by performance/promotion boards and do not receive report card ratings.

Bureaus that wish to grant an FSL employee a performance award must provide Darren Shanks, HR/ELR, with a copy of the employee's AEF for the most recent rating cycle.

- d. Rating officials who did not complete annual performance evaluations for their employees for the applicable rating cycles by the due date (or approved HR extension date) are not eligible for performance-based cash awards.
- (2) No more than sixty-six percent of any organization's eligible employees may receive a performance award. Because performance awards are intended to reflect truly meaningful distinctions in performance during the relevant period, the Agency establishes a maximum ceiling on the number of awards that can be made but it does not establish a floor. Each unit will decide how many bonuses will be awarded within these parameters.

Please note the following:

- a. Pool Managers are expected to ensure that all funds available for distribution in their operating unit's performance pool are awarded in accord with the standards set forth here and that all awards are made on a purely merit basis. The size of the performance pool for each operating unit is a function of the numbers and salaries of the eligible employees in the unit.
- b. Again, 5 CFR 451.104(h) states, "Programs for granting performance-based cash awards on the basis of a rating of record at the fully successful level (or equivalent) or

above, as designed and applied, must make meaningful distinctions based on levels of performance." This means that the best performers are to receive the greatest recognition. To that end, no lower-rated CS or FS employee may receive, as a percentage of pay, a larger performance bonus than a higher-rated CS or FS employee unless the higher-rated employee has already received significant performance recognition. Depending on the circumstances, such recognition may include a recent performance-based promotion, a substantial Special Act Award, or a prestigious honorary award for work performed during the relevant performance cycle. Each unit must be prepared to specify its decisional principles and demonstrate the congruence of ratings and awards. Within rating levels, there may well be meaningful distinctions within the levels of performance. Therefore, the relative magnitude of employees' contributions to the success of the work unit and the Agency may be reflected in the size of individual bonuses granted.

- d. It is important for Pool Managers to recognize that contributions are relative to the position of the employee. For example, employees at higher grades are expected to make greater, or at least more visible, contributions than employees at lower grades. In determining whether an award is appropriate, and in determining the size of the appropriate award, the level of performance and the magnitude of contribution expected at each employee's grade must be considered.
- e. When the pool sheets are issued, HR will provide additional guidelines for implementing this policy.

**(3) Instructions for Administering Awards Pool Sheets**

HR/ELR staff will issue an awards pool sheet to each Pool Manager, listing all employees in the operating unit who are eligible to be considered for performance-based cash awards. The date by which completed pool sheets must be returned will be issued along with the pool sheets.

The names of performance award recipients will be published in the awards booklet that will be presented at the Agency's Annual Awards Ceremony in the fall.

Point of Contact: Any questions concerning this Notice may be directed to:  
Darren Shanks, HR/ELR, (202) 712-5685.

Notice 0885

File Name	Notice Date	Effective Date	Editorial Revision Date	ADS CD No.	Remarks
IU4_0706_082807_cd49	08/28/2007	08/28/2007		ADS CD 49	This will remain active until it is incorporated into ADS Chapter 462.

IU4\_0706\_082807\_w082907\_cd49