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Policies and Procedures

Title: Home Marketing Incentive Award Program

Number: 341.3 - NASS

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Originating Office: Financial Management Division, Travel and Relocation Services Branch, ARS/AFM

This Replaces:

Distribution: All NASS Employees

This bulletin announces the implementation of the Home Marketing Incentive Award Program for NASS employees. This bulletin is effective for transferees who reported for duty on or after June 1, 2000, and only for those employees who use the contracted relocation services company to sell their residence.

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1. Authority

The General Services Administration issued Amendment 61 on March 22, 1997, which allowed agencies to offer a Home Marketing Incentive Award.

The relocation Home Marketing Incentive Award will take the form of a Special Act or Service Award (SAS), alternatively known as an Extra Effort Award. Part 451 of the Code of Federal Regulations describes an SAS award as a contribution or accomplishment in the public interest which is a nonrecurring contribution either within or outside job responsibilities which benefit the Government. This definition is consistent with the activity of a transferee's sale of their residence, by allowing for the fact that the transferee's sale of a home returns benefits to the Government, but is not directly a part of the employee's job responsibilities.

2. Background

The following program has been developed by the Agricultural Research Service, Financial Management Division for the National Agricultural Statistics Service (NASS). This is an optional program for employees authorized a transfer of station/relocation as a benefit to the Government. The objective is to reduce the overall cost of relocating NASS employees and share a portion of that savings with employees.

The Government's Relocation Services Program allows NASS employees to receive a guaranteed offer to purchase their residence. Under this program, a relocation services company; e.g., Cendant Mobility, Associates Relocation Management, or Prudential Relocation Services, arranges for independent appraisers to determine market value for the transferee's residence. The contractor then offers to buy the residence at that market value. This is a guaranteed offer.

If the contractor buys the residence, the contractor inventory professionals must manage the maintenance and marketing of the residence until a buyer is found. In order to reimburse the contractor for carrying costs, broker commissions, repairs, settlement costs and resale losses, NASS pays contractor fees ranging from 22 to 29 percent of the residence's market value offer.

With the relocation Home Marketing Incentive Award Program, the transferee is encouraged to actively find an outside buyer who would purchase the residence at the same or higher value than the appraised value offered by the relocation company. If the outside offer received is considered a bona fide offer by the contractor, the contractor still incurs the same broker's commission and settlement costs, but markedly lower repair and carrying costs, because the residence, already under contract to an outside buyer, is carried for a much shorter time period. In addition, the contractor incurs no risk of resale loss. Consequently, NASS pays the contractor a lower fee of approximately 13.75 to 13.90 percent of the homes market value.

3. Eligibility

The relocation Home Marketing Incentive Award Program will introduce a cash incentive award for transferees who successfully find a buyer and sell their residence. This program only applies to transfer of station (relocation) employee's who choose to use the Government's Relocation Services Program and actively seek to find an outside buyer whom will pay the transferee more than the guaranteed market value offer from the relocation company.

To be eligible for the Home Marketing Incentive Award, **a transferee must:**

1. Be authorized to relocate at Government expense.
2. Elect to use the Government's Relocation Services Program to sell their residence when they sign their Service Agreement.
3. List their residence with a qualified broker.
4. **Report for duty**, at the new official duty station, on or after **June 1, 2000**.
5. Find a bona fide outside buyer willing to pay the same or more than the guaranteed market value offer received from the relocation contractor.

This program **does not apply** to:

1. New Hires or Appointees.
2. Employees who elect to sell their residence without the use of the Relocation Services Program.
3. Employees who reported for duty, at their new official duty station, prior to June 1, 2000.
4. Senior Executive Service members.

4. Initiation and Approval of Award

Eligibility for the Home Marketing Incentive Award will be determined by the Budget and Administrative Services Office (BASO), when the billing invoice is received from the relocation company. Once BASO has confirmed the eligibility and the calculation of the award, BASO will initiate an AD-287-2, Recommendation & Approval of Awards and forward to the Associate Deputy Administrator for Field Operations for approval.

Transferees will receive an SAS award of the lesser of 5% of the price the relocation services company paid when it purchased the residence or the savings the Agency realized from the reduced fee as a result of the amended value purchase, whichever is less, this amount may not exceed a maximum of \$5,000. Payment is received through ordinary payroll channels just as payment is received for other awards or paychecks. The relocation Home Marketing Incentive Award will be taxable income for the transferee.

Relocation incentive awards will be funded from amounts budgeted for relocation expenses.

5. Summary of Responsibilities

Budget and Administrative Services Office

- a. After receipt of the invoice from the contracted relocation company is received and paid, BASO will calculate the cost savings on the Home Marketing Incentive Award Program Calculation form in Exhibit 1.
- b. Prepare a justification for the award (Exhibit 2).
- c. Prepare the AD-287-2, Recommendation & Approval of Awards form. See Exhibit 3 for required items that must be completed.
- d. Sign and date the AD-287-2 as the "Recommending Individual" and forward to the Associate Deputy Administrator for Field Operation who will approve as the Award Approving Official.
- e. Forward the approved AD-287-2, the justification and Home Marketing Incentive Award Program Calculation form to the Human Resources Division, ARS/AFM, Performance and Awards Staff for payroll processing.
- f. Retain a copy of the AD-287-2, justification and Home Marketing Incentive Award Program Calculation form.
- g. BASO will maintain a cumulative file of all relocation Home Marketing Incentive Awards. The file must provide for the number of transferees who receive this award and the cost of the award. It must also show the following:
 1. Name of the transferee.
 2. Authorization number.
 3. Amount of the market value offer.
 4. Fee for the market value offer.
 5. Amended value sale price.
 6. Amended value fee.
 7. Cost savings to the Agency.

Award Approving Official

- a. After review, the Associate Deputy Administrator for Field Operations will sign and date the AD-287-2.
- b. Return the AD-287-2 to BASO.

W. G. HORNER
Deputy Administrator
Administrative and Financial Management

Home Marketing Incentive Award Program Calculation

Name: (Last, First, Middle): _____

Position Title, Series, Grade: _____

Recommendation and Calculation:

1. Purchase Price \$ _____ X 5 Percent = \$ _____

Or

2. Appraised Value \$ _____ X Fee _____ = \$ _____

Minus -

Amended Value \$ _____ X Fee _____ = \$ _____

(Same as purchase price)

Savings Realized by Agency = \$ _____

*** Total Award \$**

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*** The award paid will be the lesser of 1 and 2 above not to exceed a maximum of \$5,000.**

Prepared by: _____ Date _____

Financial Officer: _____ Date _____

EXHIBIT 2

Sample - Justification language for cash award

_____ (Name) _____ has merited a Special Act or Service (Extra Effort Award) award by achieving savings for NASS.

Savings were achieved by the above named employee through successfully marketing his/her home in association with NASS' relocation Home Marketing Incentive program.

The savings was achieved by the employee enabling the Government's relocation contractor to acquire his/her property, under the terms of our relocation services contract, at the lower amended/assigned rate fee rather than the higher guaranteed home purchase rate.

It is the policy of the Department to ensure that consideration for awards is made without regard to race, color, national origin, religion, sex, age, marital status, disability or other nonmerit factors.

U.S. DEPARTMENT OF AGRICULTURE RECOMMENDATION & APPROVAL OF AWARDS	CASE NO. <i>(Personnel Use Only)</i>
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NOTE: For group awards, attach list of group members. Show data in items 2 - 9, and award amount for each payee.

1. AGENCY NASS (20)	2. NAME OF EMPLOYEE <i>(Last, first, middle initial)</i> Traveler	Fred
3. SOCIAL SECURITY NO. 123-45-6789	4. POSITION TITLE *Required*	5. PAY PLAN-SERIES/GRADE/STEP *Required*
6. ORGANIZATION AND LOCATION *Required*	7. PERIOD COVERED FOR AWARD <i>(mm, dd, yy)</i> From: *Required* To: *Required*	8. ACCOUNTING CODE *Required*
9. IF AWARD APPROVED, MAIL CHECK TO: <input type="checkbox"/> SALARY CHECK ADDRESS <input type="checkbox"/> OTHER <i>(Specify address):</i> →		

10. LIST AWARDS OR QSI'S IN THE PAST 52 WEEKS *(Specify type of award, amount received, and effective date.)*

11. CITATION: SUMMARIZE EMPLOYEE'S CONTRIBUTION IN 25 WORDS OR LESS. *(This language will appear on the employee's certificate.)*
 EMPLOYEE IS BEING RECOGNIZED FOR:
 See Attached (The original justification and Home Marketing Incentive Award Program Calculation must be attached)

COMPLETE THE APPROPRIATE AWARD SECTION

EXTRA EFFORT AWARD	12. TYPE OF RECOGNITION RECOMMENDED <i>(check one)</i>				
	<input type="checkbox"/> EMPLOYEE SUGGESTION OR INVENTION * <input checked="" type="checkbox"/> EXTRA EFFORT AWARD * <input type="checkbox"/> SPOT AWARD <input type="checkbox"/> TIME OFF AWARD ** <input type="checkbox"/> OTHER * <input type="checkbox"/> KEEPSAKE AWARD <input type="checkbox"/> GAINSHARING AWARD				
	<i>* Attach a description of the contribution or patent notification being recognized and the resulting benefits to the Government. ** Attach a description if the contribution exceeds the moderate benefits.</i>				
	13. NO. OF PERSONS	14. TOTAL AWARD <i>(Give dollar amount / hours, or value of item)</i> *Required*	15. TOTAL DOLLAR AMOUNT/HOURS BASED ON: <i>(Check approp. box)</i> →	<input type="checkbox"/> MEASURABLE BENEFITS SCALE <input type="checkbox"/> NONMEASURABLE BENEFITS SCALE	ESTIMATED FIRST YEAR SAVINGS \$ VALUE OF BENEFITS APPLICATION
PERFORMANCE BONUS AWARD	16. TYPE OF RECOGNITION RECOMMENDED <i>(check one)</i>				
	<input type="checkbox"/> PERFORMANCE BONUS AWARD * <input type="checkbox"/> QUALITY STEP INCREASE * <i>Certification: I certify, by my signature in the Recommendation & Approval section below, that the employee's position description and the performance standards for the positions were thoroughly reviewed prior to submission of this recommendation; that the employee's performance is outstanding; and that the performance is characteristic and is expected to continue in the future.</i> <i>* Attach a copy of employee's latest performance rating of record. Also, attach a justification statement, if required.</i>				
	17. DATE OF LAST PROMOTION	18. DATE OF LAST WITHIN GRADE INCREASE	19. AMOUNT RECOMMENDED FOR PERFORMANCE BONUS AWARD \$		

RECOMMENDATION AND APPROVAL

20. RECOMMENDING INDIVIDUAL <i>(Signature)</i> *Required*	DATE *Required*	21. REVIEWING OFFICIAL <i>(Signature)</i>	DATE
TITLE:		TITLE:	
22. APPROVING OFFICIAL <i>(Signature & Title)</i> *Required*			DATE *Required*

PERSONNEL USE ONLY

23. AGENCY CODE/POI	24. DATE EFFECTIVE	QUALITY STEP INCREASE: →	25. TO: <i>(Grade & Step)</i>	26. NEW SALARY	27. RATE	28. PAY RATE DETERMINANT CODE
I certify that the proposed action is in compliance with statutory and regulatory requirements			29. PERSONNEL OFFICIAL <i>(Signature & Title)</i>			DATE PROCESSED