

HHS Transmittal 96.23
Personnel Manual
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Material Transmitted:

HHS Instruction 451-1, Incentive Awards

Material Superseded:

HHS Instruction 451-1 (all)
HHS Circular 451-6 (all)

Background:

This Instruction has been revised consistent with recent changes in the organization of HHS, and in support of HHS administrative initiatives calling for more streamlined rules and greater delegation of authority.

Under this issuance, the rules were streamlined and the delegation of authority was increased.

Any reference to "OPDIV" in this Instruction now includes AHCP, ATSDR, CDC, FDA, HRSA, IHS, NIH, SAMHSA, the Office of the Secretary, the Program Support Center, HCFA, ACF, and AOA.

This issuance is effective immediately. Implementation of this issuance must be carried out in accordance with applicable laws, regulations, and bargaining agreements.

Filing Instructions:

Remove superseded material and file new material. Post receipt of this transmittal to the HHS Check List of Transmittals and file this transmittal in sequential order after the check list.

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INSTRUCTION 451-1

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HHS PERSONNEL INSTRUCTION 451-1
INCENTIVE AWARDS

451-1-00	Purpose
10	Coverage
20	References
30	Policy
40	Superior Accomplishment Awards
50	Presidential Awards
60	Time Off Awards
70	Departmental Awards
80	Non-HHS Awards
90	Length-of-Service Recognition
100	Retirement Recognition
110	Awards Ceremonies
120	Maintenance of Records

Exhibit 451-1-A, Delegation of Authority for Incentive
Awards Programs

451-1-00 PURPOSE

This Instruction states Department policies and requirements for administering Incentive Awards Programs.

451-1-10 COVERAGE

- A. All Department employees are covered by this Instruction.
- B. Former employees and legal heirs or estates of deceased employees are eligible for awards for contributions made during Government employment with this Department.
- C. Non-Federal individuals or employees of other Federal agencies are eligible for HHS awards. (Non-Federal individuals are not eligible for monetary awards.)

NOTE: This Instruction does not cover performance awards based on ratings of record.

451-1-20 REFERENCES

- A. 5 U.S. Code 552a (law - records maintained on individuals)

- B. 5 U.S. Code 4501 through 4507 (law - incentive awards)
- C. Executive Order 10096, as amended by Executive Order 10695 (providing for a uniform patent policy for the government with respect to inventions made by government employees and for the administration of such policy)
- D. 5 CFR, Part 451 (regulations - incentive awards)
- E. 45 CFR, Part 6 (regulations - inventions and patents)
- F. 45 CFR, Part 7 (regulations - employee inventions)
- G. General Administration Manual Chapter 6-10 (employee inventions)
- H. HHS Personnel Instruction 293-1 (personnel records disposal)
- I. HHS Personnel Instruction 430-4 (employee performance management system: performance appraisal)
- J. HHS Personnel Instruction 430-5 (employee performance management system -- performance awards)
- K. HHS Personnel Instruction 430-6 (performance management for members of the senior executive service)
- L. HHS Personnel Instruction 430-7 (performance appraisal system)
- M. HHS Personnel Instruction 920-1 (executive resources management)
- N. 54 Comp. Gen. 1054
- O. 55 Comp. Gen. 800
- P. 65 Comp. Gen. 738

451-1-30 POLICY

It is the policy of this Department to establish and maintain effective Incentive Awards Programs and to encourage the use of incentive awards as a management tool to recognize and reward HHS employees, non-Federal personnel, or employees of other Federal agencies.

451-1-40 SUPERIOR ACCOMPLISHMENT AWARDS

- A. Superior Accomplishment Awards are designed to improve Government efficiency, economy, and effectiveness by motivating employees to increase productivity and creativity by rewarding their efforts which benefit the Government.
- B. The decision to grant a Superior Accomplishment Award, including the amount of such an award, shall be reviewed and approved by an official of the Department who is at a higher level than the official who made the initial decision, unless there is no official at a higher level in the Department.
- C. Following are the three categories of Superior Accomplishment Awards:

1. Special Acts or Services - The determining factor in distinguishing what constitutes a special act or service is the nature of the contribution itself-- a special effort in performing that aspect of the job that would not otherwise be appropriately recognized through a performance award. OPDIVs and STAFFDIVs may develop procedures for granting some special act or service awards as On-the-Spot Awards to provide immediate recognition. These procedures must be in
 - a. A special act or service may be an act of heroism, a special project or assignment that involved overcoming unusual difficulties, the performance of assigned duties with special effect or innovation that resulted in a significant economic or other highly desirable benefit, or a creative effort that made an important contribution to science or research.
 - b. A Special Act or Service Award, which can be either an individual or a group award, may also be used to recognize employees whose disclosure of fraud, waste, or abuse resulted in tangible or intangible benefits to the Government.
 - c. If an employee's contribution has possible wider application within the Department or the Government, the awards coordinator should promptly forward information about the contribution to the appropriate OPDIV/STAFFDIV awards coordinator for evaluation and possible further awards or to the Department's Incentive Awards Coordinator for forwarding to the appropriate Federal agency.

2. Suggestions - A suggestion, used in this context, is a constructive idea, submitted in writing by one or more individuals, that directly contributes to the economy or the efficiency or increases the effectiveness of Government operations. Recognition for employee suggestions serves as a means for motivating employees to increase productivity and creativity by rewarding those whose adopted ideas benefit the Government. A suggestion consists of three parts:
 - a. Identification of an existing problem or need
 - b. A suggested method for solving the problem or need
 - c. Estimated benefits or savings, if known

(1) A Suggestion Award is granted for a suggestion that is adopted by management, and the award will consist of a certificate and/or cash.

(2) Adopted suggestions that result in first-year tangible benefits of \$250,000 or more should be recommended for a Presidential Letter of Commendation.

3. Inventions - An invention is a new and useful device, contrivance, or process that is (or may be) patentable under the patent laws of the United States. An employee (or group of employees) may submit an invention report, and inventions that have value may be considered for cash awards.

a. An Invention Award is monetary recognition granted to a Federal employee for an invention which is of interest to the United States Government or the public and for which patent coverage is sought or granted.

b. An initial Invention Award of \$100 is granted to each employee when an invention disclosure has been favorably searched and a patent application has been filed.

c. An additional award of \$300 is granted to each employee when a patent has been issued for the invention.

d. A further award of up to \$35,000 may be granted on an invention owned by the United States Government when:

(1) The invention benefits the public as evidenced by the number of patent licenses granted, reports on commercialization from patent licenses, and other information pertaining to the commercial use of the invention; or

(2) The invention is used by, and provides benefits to, the Government.

D. When the recommended amount for either a Special Act or Service Award or a Suggestion Award exceeds \$10,000 for an individual or a group, it must be forwarded to the Executive Secretary, Departmental Awards Board, Assistant Secretary for Management and Budget (ASMB), through the appropriate awards\suggestions coordinator. The award recommendation must be approved by:

1. The appropriate servicing personnel office official

2. The appropriate OPDIV/STAFFDIV fiscal officer, certifying that funds are available'
3. The appropriate OPDIV/STAFFDIV management levels, including the OPDIV/STAFFDIV Head
4. The Executive Secretary, Departmental Awards Board
5. The Chairman of the Departmental Awards Board
6. The Secretary

451-1-50 PRESIDENTIAL AWARDS

- A. The President's Award for Distinguished Federal Civilian Service - This award is the highest honor that the Federal Government can grant to a career employee in recognition of unusual benefits to the Nation. Generally, five such awards may be granted each year and are presented by the President. The award consists of a certificate, a gold medal, and a rosette.
1. The President's Award for Distinguished Federal Civilian Service is granted for outstanding achievements having a major impact on improving Government operations or serving the public interest. The importance of the achievements must be so outstanding that the employee is deserving of greater public recognition than that which can be granted by the Secretary.
 2. The Office of Personnel Management (OPM) reviews all nominations for the President's Award for Distinguished Federal Civilian Service and advises the President, who selects the award recipients.
 3. To be eligible for the President's Award for Distinguished Federal Civilian Service, a nominee must have received recognition from the Department or an OPDIV/STAFFDIV.
- B. The Presidential Management Improvement Award - This award is presented each year by the President to a limited number of individuals or small working teams whose suggestions or special achievement contributions during the fiscal year resulted in verifiable tangible savings to the Government of \$250,000 or more.

1. In addition to Department or OPDIV/STAFFDIV recognition, candidates for the Presidential Management Improvement Award must also have received a Presidential Letter of Commendation at the time of nomination. This award consists of a plaque and a certificate.
 2. OPM and the Office of Management and Budget advise the President on final selection. This award is approved and presented by the President. Finalists who are not selected for Presidential Management Improvement Awards receive Presidential Management Improvement Certificates, which are approved by the President and presented at appropriate ceremonies within the Department.
 3. To be eligible for the Presidential Management Improvement Award, a nominee must have received recognition from the Department or an OPDIV/STAFFDIV.
- C. The Presidential Letter of Commendation - This commendation is granted for a contribution (suggestion, invention, or special act or service) that is beyond job requirements and resulted in first-year measurable benefits of \$250,000 or more. This commendation consists of a personal letter from the President.
1. The nomination for the Presidential Letter of Commendation is submitted to the Executive Secretary of the Departmental Awards Board, through the appropriate channels, to the Secretary for signature. The nomination and the letter are then forwarded to the White House.
 2. To be eligible for a Presidential Letter of Commendation, a nominee must have received recognition from the Department or an OPDIV/STAFFDIV.

451-1-60 TIME OFF AWARDS

A Time Off Award is an incentive award granted an employee that allows an excused absence without charge to leave or loss of pay. These awards are intended to increase Federal employees' productivity and creativity by rewarding their contributions to the quality, efficiency, or economy of Government operations.

- A. Except as indicated in paragraph B below, each determination to grant a Time Off Award, including the amount of such an award, shall be reviewed and approved by an official who is at a higher level than the official who made the initial decision (unless the official who made the initial decision is the Secretary) .

- B. To encourage the use of a Time Off Award for timely recognition of an employee's contribution, an OPDIV/STAFFDIV may authorize supervisors to grant such awards without further review or approval for periods not to exceed 1 work day.

451-1-70 DEPARTMENTAL AWARDS

- A. Departmental awards are established by the Department and granted by the Secretary. They are designed to recognize exceptional or meritorious achievement. These awards are as follows:
1. Secretary's Recognition Award - This award was designed for the Secretary's exclusive and personal use to provide recognition for any reason he/she determines to be appropriate. It is a plaque, and it may be granted to any individual HHS employee or to a group or team of HHS employees. At the Secretary's discretion, in extraordinary cases, an honorarium not to exceed \$3,500 may be granted.
 2. Secretary's Special Citation - This award represents either a major contribution or a single achievement to HHS goals. It is a plaque, and it may be granted to any HHS employee.
 3. Secretary's Certificate of Appreciation - This award represents unusual and exemplary dedication, loyalty and effectiveness, and a consequent special contribution to the Department. It is a certificate which may be granted to either an employee of this Department or an individual in the private sector.
 4. Secretary's Letter of Appreciation - This letter represents a special significant contribution to the Department's mission for which one of the other awards is inappropriate. It is a commendation signed by the Secretary, and it may be granted to either an employee of this Department or an individual in the private sector.
 5. HHS Distinguished Public Service Award - This award represents a truly significant contribution with a deep and lasting impact on our society or the world. It is a plaque, and it may be granted to any individual of national or international reputation.
 6. HHS Medallion Seal Award - This award was designed for the Secretary's use to provide instant recognition for special services or contributions, such as those which may be encountered while traveling, or other special occasions. It is a bronze medallion, and it may be granted to any employee of this Department.

7. Secretary's Award for Distinguished Service - This is an honor award granted by the Department and is conferred by the Secretary for service that significantly advanced the Department's mission and goals. It represents a display(s) of leadership, skill, ability, and customer service performed in such a manner that the team and/or the employee performed significantly above those with similar duties, and that the results of these efforts were distinctly beneficial to the Department. This award is an appropriately inscribed plaque.
 8. Superior Service Award - This is the highest Departmental award that the OPDIVs/STAFFDIVs and the ASMB are authorized to grant. It recognizes employees whose service and achievements deserve special recognition from the Department. This award consists of a silver medal, a lapel pin, and a certificate. Either an individual or a group of employees may be granted a single certificate citing the accomplishments. While OPDIV/STAFFDIV Heads and the ASMB have been delegated authority to grant the Superior Service Award, the authority to change or modify the form of recognition of the award is retained by the Secretary.
 9. Regional Director's Citation - This citation is a certificate granted by a Regional Director to recognize contributions to an HHS regional program. It may be granted to an individual in HHS, an HHS group of employees, or individuals and groups outside of HHS.
- B. All nominations for Departmental awards must be forwarded through the appropriate awards coordinator and OPDIV/STAFFDIV and Office of the Secretary line management channels to be considered by the Executive Secretary of the Departmental Awards Board.
 - C. Recommendations for the establishment of new Departmental awards should be forwarded to the Executive Secretary, Departmental Awards Board, for review by the Departmental Awards Board and final decision by the Secretary prior to implementation.
 - D. When an OPDIV or STAFFDIV wishes to nominate an employee or individual in the private sector for a Secretarial award that may be granted at any time, a decision memorandum to the Secretary outlining the reasons for the award must be forwarded to the Executive Secretary of the Departmental Awards Board.
 - E. If a request for a cash stipend which accompanies an honor award is made, a full justification must be attached to the nomination form. The justification must list all recent

awards given to the individual or group, including the date and type of awards granted, the amounts received, and the specific achievements the awards recognized. The minimum cash stipend which may be requested is \$100, and the maximum amount is \$5,000.

451-1-80 NON-HHS AWARDS

Various organizations outside the Department sponsor awards for which HHS employees may be nominated. The eligibility and criteria requirements for each type of award are described in OPM'S annual Honor Awards Planning Guide.

451-1-90 LENGTH-OF-SERVICE RECOGNITION

Length-of-Service Recognition recognizes HHS employees with certificates and emblems. Based on their desires, OPDIVs/STAFFDIVs have the discretion to grant Length-of-Service Recognition to employees who complete any number of years up to 49 years of Federal service. Recognition for 50 years or more will be granted by the Secretary.

451-1-100 RETIREMENT RECOGNITION

Retirement certificates are granted to express appreciation to retiring employees for the contributions they have made to the Department and to the Government. In addition to a certificate, a letter of appreciation may also be given to a retiring employee. All employees are eligible to receive retirement certificates.

451-1-110 AWARDS CEREMONIES

A. Departmental Annual Awards Ceremony

Departmental awards are presented annually by the Secretary at the Awards Ceremony held in Washington, D.C., on a date close to May 4, the Department's anniversary date.

B. Operating Division, Office of the Secretary (OS), and Regional Annual Awards Ceremonies

OPDIV, OS, and regional awards are presented annually by the Heads of OPDIVs, the ASMB for the OS, and Regional Directors on dates determined by these individuals.

C. Special Awards Ceremonies

In addition to the awards presented at Annual Awards Ceremonies, awards may be presented at special ceremonies held throughout the year.

451-1-120 MAINTENANCE OF RECORDS

- A. The employee's Official Personnel Folder must contain a permanent record of all monetary and honorary awards granted by the Department to the employee.
- B. Records related to the administration of the Incentive Awards Program will be retained for the period specified in HHS Personnel Instruction 293-1.
- C. An award nomination is privileged information. It is to be made available only to those involved in the decision-making process and certain other officials on a need-to-know basis. Award nominations and suggestions are covered by the Privacy Act, and nominees/suggesters have the rights of access provided by that Act. With the exception of the performance appraisal, documentation supporting a successful nomination usually has to be released, if requested.

HHS Instruction 451-1 - Exhibit A

DELEGATION OF AUTHORITY FOR INCENTIVE AWARDS PROGRAMS

A. Authority Delegated

1. I hereby delegate to the Heads of Operating Divisions (OPDIVs) and Staff Divisions (STAFFDIVs) the authority to:
 - a. Establish and maintain effective Incentive Awards Programs, including Superior Accomplishment Awards (special acts or services, suggestions, and inventions) , Time Off Awards, Length-of-Service Recognition, and Retirement Recognition.
 - b. Grant cash awards based on special acts or services, inventions, and adopted employee suggestions in amounts not to exceed \$10,000 for individuals and groups.(Heads of STAFFDIVs have this authority up to \$5,000.)
 - c. Grant the Superior Service Award.
 - d. Establish and grant honor awards, in accordance with HHS Instruction 451-1, that are in addition to those prescribed Departmentwide.
 - e. Recommend individuals or groups -to the Secretary for cash awards for special acts or services, inventions, and adopted employee suggestions in amounts over \$10,000 for individuals and groups.
 - f. Recommend individuals and groups to the Secretary for Presidential, Departmental, and non-HHS awards.
 - g. Grant Length-of-Service Recognition for less than 50 years of service.
 - h. Sign retirement certificates.
 - i. Grant Time Off Awards.
2. With the exception of paragraphs 1a, c, e, and f above, the authorities delegated in paragraph 1 may be redelegate, with further redelegations

authorized. STAFFDIVs may not redelegate the authority in 1.b for amounts above \$1,500.

3. Regional Directors are hereby delegated the authority to grant the Regional Director's Citation to employees in or under a regional office or to individuals or organizations outside the Department. This authority may not be redelegate.

B. Authority Retained

The following authorities are retained by the Secretary:

1. Grant cash awards based on special acts or services, inventions, and adopted employee suggestions in amounts from \$10,001 to \$25,000 with prior approval of the OPM.
2. Recommend, in conjunction with the Director of OPM, the approval of an additional cash award of up to \$10,000 by the President.
3. Grant the following Departmental awards:
 - a. Secretary's Recognition Award
 - b. Secretary's Special Citation
 - c. Secretary's Certificate of Appreciation
 - d. Secretary's Letter of Appreciation
 - e. HHS Distinguished Public Service Award
 - f. HHS Medallion Seal Award
 - g. Secretary's Award for Distinguished Service
4. Approve nominations for all Presidential and non-HHS awards officially submitted by the Department.
5. Grant Length-of-Service Recognition for 50 years or more.
6. Grant cash honorariums with honor awards.

C. Prior Delegations

This delegation supersedes all prior delegations. To the extent that previous redelegations of authority covering the above subjects are consistent with the provisions of this delegation, they may remain in effect until new redelegations are made under the authority of this delegation.

D. Effective Date

This delegation is effective on the date of this transmittal.