

U.S. DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

DEPARTMENTAL REGULATION		NUMBER: 4040-451-04
SUBJECT: Referral Bonus Awards	DATE: November 18, 2005	
	OPI: Office of Human Capital Management	

1 PURPOSE

The purpose of this policy is to provide guidelines for the use of Referral Bonus Awards. The Referral Bonus Award is an incentive award granted to an employee who brings new talent to the agency by referring persons who are subsequently selected and successfully employed for an otherwise hard to fill position. Referral bonuses are granted, as with other awards, at the discretion of management and are not an entitlement.

2 AUTHORITY

This regulation complies with Chapter 45 of Title 5, U.S. Code and Part 451 of Title 5, Code of Federal Regulations (5 CFR).

3 ELIGIBILITY

All USDA employees who meet the definition of “employee” in 5 U.S.C. 2105 are eligible for referral bonus awards with the exception of:

- a Employees whose regular, recurring, jobs include the recruitment of employees.
- b Employees who are excluded from the receipt of incentive or time off awards under other Agency or Departmental Award Regulations.
- c Selecting officials or other persons associated with the selection of the candidate.
- d Any of the following relatives of the employee recruited.
 - (1) spouse, and parents thereof;
 - (2) children, including adopted children, and spouses thereof;
 - (3) parents;
 - (4) brothers and sisters, and spouses thereof; and

- (5) any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship.

4 DELEGATIONS OF AUTHORITY

Agency Heads and General Officers are delegated the authority to review and approve payment of referral bonus awards to employees. Agency Heads and General Officers may re-delegate this authority to lower levels.

5 DEFINITIONS

- a Agencies: Refers to mission areas, agencies or staff offices.
- b Agency Head: The head of a Department of Agriculture (USDA) agency or an official who has been delegated the authority to act for the head of the agency.
- c Employee: For purposes of paying a referral bonus award an eligible employee refers to one who has successfully referred a newly appointed employee who otherwise meets all of the requirements stated in this regulation.
- d General Officer: A USDA official who reports directly to the Secretary of Agriculture as defined in Title 7 CFR, Part 2, Subpart A, Section 2.4.
- e Newly Appointed For purposes of paying a referral bonus award, newly appointed refers to an employee's first appointment with a USDA agency or an appointment to a USDA agency after a break in service with that agency of 90 days or more.

6 RESPONSIBILITIES

The Director, Office of Human Capital Management (OHCM) is responsible for setting policy and providing overall technical guidance and direction for the Department's Referral Bonus Award Plan. OHCM will provide staff assistance to agencies and monitor compliance with Departmental policy. OHCM will report to OPM as required.

Agency Heads and General Officers are responsible for issuing written regulations that address how referral bonus awards will be granted in their individual agencies or mission areas. They are also responsible for ensuring the referral bonus awards in their agencies are granted in accordance with the requirements set forth in this and other Departmental Award Regulations. They are responsible for monitoring and accessing the program and for reporting to OHCM as requested.

7 AWARD AMOUNT

Award amounts must be set in conjunction with the limits set forth in this regulation as well as other Departmental incentive award or time-off award regulations. Agencies are responsible for adhering to guidelines set forth in those regulations.

The maximum award amount for any referral bonus award shall be either up to \$1000.00 or 20 hours time off.

When setting award amounts agencies must consider such things as:

- a the percentage of costs saved by avoiding certain recruiting expenses.
- b the efforts put forth by the employee to recruit an individual, and
- c other Agency and Departmental Award Regulations.

8 CONDITIONS FOR PAYMENT OF THE REFERRAL BONUS

Referral bonus awards shall be paid in one lump sum payment and may not be paid to the employee until the person referred has served one year with the agency and their performance has been deemed successful.

9 PROCESSING

- a The award must be recommended and approved on Form AD-287-2, "Recommendation & Approval of Awards" or other agency approved form.
- b Detailed instructions on processing the action are presented in Payroll/Personnel Manual, Bulletin: Title 1, 03-6, Nature of Action Code 848, Referral Bonus Award. Nature of Action Code 846 should be used for Time Off Awards.

10 AWARD RESTRICTIONS

- a Agencies are responsible for adhering to any restrictions set forth in incentive award and time-off award regulations when approving referral bonus awards for hard to fill positions.

Referral bonus awards shall only be granted when the agency has made a determination that they have encountered difficulty in recruiting high quality candidates. The following factors should be considered:

- (1) the success of recent efforts to recruit candidates and retain employees in like positions;

- (2) the availability in the labor market of candidates for employment.
 - (3) recent turnover in similar position.
 - (4) special qualifications needed for the position.
 - (5) other unique factors that demonstrate difficulty in filling the position.
- c Vacancy announcements should indicate that the position being advertised is one for which a referral bonus award may be paid.

11 PROGRAM MONITORING

Agencies are responsible for monitoring and assessing the usage of referral bonus awards. This documented information will be reported to OHCM who will report to the Office of Personnel Management as part of their Annual Incentive Awards Report.

12 REPORTS

OHCM will conduct periodic reviews and evaluations of the use of referral bonus awards to ensure the payments conform to the criteria established in these regulations.

As requested, each mission area/agency will report to the OHCM on the use of referral bonus awards.

Agencies opting to utilize time-off awards as a method of payment for referral bonus awards are responsible for maintaining appropriate records for reporting purposes as no separate Nature of Action is available to capture this data when paid strictly for referral bonus award purposes.

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