



United States Department of Agriculture

Research, Education, and Economics
Agricultural Research Service

October 14, 2011

SUBJECT: Policy on Awards

TO: Mid South Area Employees

FROM: Edgar G. King /s/ *Edgar G. King*
Area Director

Awarding performance is a critical part of personnel management. The Mid South Area Office supports the need to recognize individuals that perform at the Outstanding and Superior levels or otherwise display extra effort. Supervisors at their discretion may give a Cash Award for a performance rating of Fully Successful. It is our responsibility to ensure that these awards are consistent across the Mid South Area. The Mid South Area Award Policy is consistent with Agency policy and pay for performance in keeping with the President's Management Agenda.

The Office of Personnel Management (OPM) and the Office of Management and Budget (OMB) issued a joint memorandum to all Executive Agencies that provides guidance on budgetary spending limitations for all individual awards during FY 2012 (see Attachment 1). In order to ensure Area compliance with the awards and incentives limitation, we must track awards expenditures on a monthly basis throughout FY 2012. Individual cash awards (includes performance rating-based awards, extra efforts and spot awards) and Quality Step Increases (QSI) awards are reported separately. Time-off awards do not involve additional cash expenditures, so they are not included in these limitation targets. However, these awards represent a cost and we should refrain from increasing time off awards to compensate for the restrictions on cash awards.

In order to meet the budgetary spending limitations as required, each location should provide a list of employees with the proposed award information as shown on Attachment 2. This information should be consolidated for the location and submitted to Ms. Drusilla Fratesi by October 24. The Area Office will review the listing and determine if we are within our budgetary spending limitation. This list will be returned to the locations for implementation or revision as appropriate.



Area Office
Mid South Area, Jamie Whitten Delta States Research Center
141 Experiment Station Road, P.O. Box 225
Stoneville, MS 38776-0225

Conducting the national research programs in Alabama, Kentucky, Louisiana, Mississippi, and Tennessee

The following applies to approval of Cash and Time Off Awards in the Mid South Area.

1. All recognition must be linked to Agency's mission, goals, and objectives.
2. There should be no preconceived distribution of awards.
3. All employees who receive an Outstanding rating for their annual performance must be offered a choice of either Cash or Time Off Award. An employee cannot receive more than one form of award for a single performance event. The attached award chart (Attachment 3) lists the amounts for a Cash Award for those employees receiving an Outstanding performance rating for performance cycle ending September 30, 2011. The enclosed table shows amounts for GS, WS, WL, and WG employees, and reflects a realistic balance between impact and job performance. The guideline amounts are updated annually.
4. If time off is selected as an award option, 40 hours off will be awarded for an Outstanding rating.
5. The Guidelines provided by Headquarters explain the option for a supervisor to award an Outstanding rating with a QSI if the supervisor believes the criteria have been met. This will be reviewed by the Area office prior to final submission.
6. Performance awards for employees whose Outstanding performance ratings have been approved by the reviewing official may be approved by the CD/LD/RL once the list of proposed awards has been pre-approved by the Area Office. The written justification for the Outstanding rating suffices as justification for the award.
7. All employees receiving a Superior rating must be given a Cash Award or a Time Off Award. Cash Awards for High Superior (one element scored Fully Successful) must be 75% of the amount in the Award Chart for Outstanding Performance. Cash Awards for Low Superior (more than one element scored Fully Successful) must be at 50% of the amount in the Guidelines for Outstanding Performance. Per the guidance attached, a supervisor may give a Cash Award for a performance rating of Fully Successful. Cash Awards for Fully Successful should be at 25% of the amount in the Award Chart for Outstanding performance. A written justification for all Cash Awards and Time Off Awards is required. This narrative must address how the employee's performance justifies an award. Time Off Awards should be pro-rated accordingly (30 hours for a High Superior rating, and 20 hours for a Low Superior rating). The supervisor may give 10 hours off for a Fully Successful rating in lieu of a Cash Award.
8. *Extra Effort Awards should not be given as a result of an annual performance rating.* According to the USDA Guide for Employee Awards and Recognition (<http://www.afm.ars.usda.gov/hrd/awards/files/DR4040-451-1.pdf>), Extra Effort

Awards recognize specific accomplishments such as superior contribution on short-term assignment or project, an act of heroism, scientific achievement, major discovery, or cost savings. **All monetary and time off awards now require a written justification** explaining why the contribution is deserving of special recognition. Review by the Area office is required prior to final submission so it can be monitored for budgetary spending limitations.

9. Extra Effort Awards, Spot Awards, and Time Off Awards are separate from performance rating of record. However, any award proposed for an employee whose most recent performance rating was less than Fully Successful must be justified in writing and can be approved only by the Area Director. Such approvals will be very rare. Supervisors are encouraged to use Spot Awards, Time Off Awards, and other non-monetary recognition as appropriate. Again, all monetary and time off awards require written justification, and review by the Area office is required for monetary awards prior to final submission so it can be monitored for budgetary spending limitation.

Enclosures (3)

cc: w/encl.
E. B. Knipling
C. Rexroad
J. Park
A. Tucker



United States Department of Agriculture

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October 14, 2011

SUBJECT: FY 2011 End-of-Year Performance Appraisal Guidance

TO: Mid South Area Employees

FROM: Edgar G. King, Area Director /s/

Guidance was sent by Casandra Butler, Chief, REE Services Branch, for use in finalizing performance appraisals for FY 11. Her instructions are as follows.

I. Receipt of Employee Listings - Beginning the Process

Employee Listings were sent in a separate email to location contacts today (10/14/11).

II. Completion of Performance Appraisal Form (AD-435P)

The Performance Appraisal Form (AD-435P) is located in 'eForms'. This form is initiated when the supervisor rates each performance element and assigns a summary rating. The rating official must discuss the tentative summary rating with the reviewing official and receive final approval.

Both, the rating and reviewing official must sign the AD-435P **before** the performance discussion can be held with the employee. After the discussion, the employee should sign their AD-435P and a copy of the completed form should be provided to the employee and a copy retained in the supervisor's records. **It is important to remember that the rating official and reviewing official cannot be the same person. The reviewing official must be at a higher organizational level than the rating official (usually the rating official's supervisor).**

Please note an employee's signature on the AD-435P only constitutes receipt of the appraisal. An employee's signature on the form does not mean the employee agrees with the rating given. If an employee chooses not to sign their AD-435P, a note should be written in the employee signature box stating, "Performance review was held on (date) and the employee declined to sign."

The Human Resources Division (HRD) requires that a written justification providing details concerning the employee's performance accompanies the AD-435P, if the rating of record is **Outstanding or Unacceptable**. The **employee's accomplishment report** can serve as the written justification for all other ratings of record.



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Situational Circumstances

Employees who have been in their positions and under performance standards for 90 calendar days or more are ratable and must receive an appraisal using the AD-435P. If an employee has not been covered under standards for the minimum appraisal period of 90 calendar days, the appraisal period for that employee should be extended to meet the 90 day requirement, at which time the employee must receive a rating of record. For questions about unusual circumstances, please contact this office for guidance.

Employees who retire or separate from the agency on or after September 30th and were on an established performance plan for at least 90 days are eligible to receive a rating of record and performance bonus according to Area or Headquarters Staff policy. It is important and helpful for the employee to provide an accomplishment report for assistance to the supervisor before departure.

In order to effectively assist an employee who receives less than a "Fully Successful" summary rating, the supervisor should contact their servicing Employee Relations Specialist immediately upon making that determination and prior to communicating with the employee about the rating.

III. Information to Complete Award Form (AD-287-2)

In order to meet the budgetary spending limitations as required, each location should provide a list of employees with the proposed award information as shown on Attachment 2. This information should be consolidated for the location and submitted to Ms. Drusilla Fratesi by October 24. The Area Office will review the listing and determine if we are within our budgetary spending limitation. This list will be returned to the locations for implementation or revision as appropriate.

A Recommendation and Approval of Awards Form (AD-287-2) located in 'eForms' must be prepared for each award nomination. Employees rated Fully Successful or above are eligible for performance awards based on the applicable Headquarters Staff Office or Area policy.

- All performance-based cash awards and Time Off awards require a written supervisory justification or an employee's accomplishments report.
- If the rating of record is Outstanding and a Quality Step Increase (QSI) is being assigned, **a copy of the written justification provided for the Outstanding rating is sufficient documentation for the QSI.** The employee's accomplishment report can serve as the written justification for all other awards (superior or fully successful, performance bonuses and time off awards).
- A QSI may be recommended only for those employees who receive an Outstanding rating and who have not received a QSI within the last 52 weeks. **QSIs are given in the position and at the grade level for which performance was assessed.** QSIs to the 4th and 7th steps of a grade extend the employee's current within-grade waiting period by one year. For specific questions regarding QSIs, refer to your servicing Human Resources Specialist.
- A QSI will not be held for a Within Grade Increase (WGI) to be effective.
- QSIs received by December 12, 2011, will be made effective on **December 18th**.

- The latest date a QSI will be made effective is **January 1, 2012**. Any QSIs received after this date will be changed to cash awards. Note: Specific guidance for requests on performance awards to be changed from what was originally submitted on the AD-287-2, can be found at the following link:
<http://www.afm.ars.usda.gov/hrd/performance/files/HRD%20Policy%20on%20Changing%20Original%20Performance%20Award%20Submissions.pdf>

It is important to recognize that QSIs are the very highest form of performance recognition and that a change in an employee's position and/or level of responsibility during the rating cycle should be considered in determining an appropriate award. Specifically, QSIs may be appropriate when the Outstanding rating assigned to the employee is based primarily on the employee's performance since the promotion/reassignment. This supports the intent of QSIs to recognize not only Outstanding performance, but the expectation that performance is expected to continue at a very high level. Thus, when an Outstanding rating is based primarily on performance preceding a promotion/reassignment, an assessment should be made as to whether the employee has achieved a sufficiently high level of *performance in the new position* to warrant a QSI. If not, a performance-based cash award or time off award should be considered.

A citation must be provided in Block 11 of the AD-287-2 Form for performance awards and QSIs. The following citation is recommended:

"This award is based upon an official performance appraisal rating of (**Fully Successful, Superior, or Outstanding**) for the rating period October 1, 2010 through September 30, 2011."

Since performance awards, time off awards, and QSIs are based upon the annual performance rating, an employee may not be recommended for more than one award in this category. Recognizing specific accomplishments or achievements during this time period with other awards such as extra effort or non-monetary, is permitted.

IV. Submission of Completed Performance Appraisal and Awards Packages to HRD

Supervisors must complete and document the Employee Listing and indicate in the space provided the date the appraisal was issued or a reason as to why it was not, i.e., employee's cycle was extended through (date) or employee reported (date) and will be rated next cycle, etc. Please do not send Individual Development Plans (IDPs), training forms, lists of publications, or other management documents to HRD in this package. These are not required documents in the Employee Performance File and will not be filed if received.

Provided below is the chronological listing that each individual employee appraisal and award package is to be arranged. Completed packages should be bundled by location or office and forwarded to HRD as a group with the Employee Listing for the location/office atop the bundle.

- 1) Employee Listing;
- 2) Original AD-287-2, if an award will be given;
- 3) Original AD-435P signed/dated by the Rating/Reviewing Officials and employee;

- 4) QSIs: Require a separate written justification;
- 5) A written justification for an Unacceptable Rating; and
- 6) Original Performance Plan.

Please send employee listings and all employees' appraisal and award packages to the address below no later than December 2, 2011. Completed award packages will be processed in receipt order, first come first serve basis. HRD will do its utmost to process all those completed awards received by December 2, 2011, so they will be paid out in this calendar year.

Send completed employee listings and all appraisal/award packages to the following address:

Chevon Gibson
USDA/ARS/Human Resources Division
Performance and Awards Staff
5601 Sunnyside Avenue, Room 3-1280D
Beltsville, MD 20705-5107

NOTE: Supervisors should consult applicable union agreements and comply with any time frames for the submission of performance appraisals and awards for bargaining unit employees.

**Fixed Cash Award for Outstanding Performance Rating
(For Performance Cycle Ending September 30, 2011)**

GS Employees	Award Amount \$	WG Employees	Award Amount \$	WL Employees	Award Amount \$	WS Employees	Award Amount \$
01	350	01	350	01	400	01	600
02	400	02	400	02	450	02	650
03	450	03	450	03	500	03	650
04	500	04	500	04	550	04	700
05	550	05	550	05	600	05	750
06	600	06	550	06	600	06	750
07	650	07	600	07	650	07	800
08	750	08	650	08	700	08	800
09	800	09	700	09	750	09	850
10	900	10	750	10	800	10	900
11	1,000	11	750	11	850	11	900
12	1,200	12	800	12	900	12	1,000
13	1,400	13	850	13	900	13	1,050
14	1,650	14	900	14	1,000	14	1,100
15	1,750	15	950	15	1,000	15	1,150
						16	1,250
						17	1,350
						18	1,450
						19	1,500

*** See MSA Policy on Awards for ratings other than Outstanding.

This chart reflects the reduction required by the Agency.

Summary of Due Dates – Performance Cycle Ending September 30 2011

Date:	Due to:	Include:
Oct. 24, 2011	Area Office (Drusilla Fratesi)	<ol style="list-style-type: none"> 1. Chart listing employees and proposed awards/amounts. 2. Justification for any Outstanding awards.
Nov. 1, 2011	Area Office (Packages requiring AD signature)	<ol style="list-style-type: none"> 1. Performance appraisals (AD-435s) for cycle ending 9/30/11 2. Performance standards for cycle ending 9/30/11 with accomplishments/justifications, 3. New performance standards for 10/1/11 – 9/30/12, 4. Award forms (AD-287-2) (if applicable) requiring Area Office review/approval, 5. New IDPs for FY 2012 (10/1/11 – 9/30/12) requiring Area Office review/approval.
Nov. 14, 2011	Human Resources – Stoneville, MS	<p>Stoneville Location only: Each unit is to provide the following:</p> <ol style="list-style-type: none"> 1. Original Employee Listing and one copy, 2. The following stapled together for each employee: Original Award form (AD-287-2), Original AD-435, Performance Rating/Award Justification, and Performance Plan (with original signatures) for period ending 9/30/11. 3. The following copies stapled together for each employee: Copy of Award form/justification/AD-435 form. 4. The following copies stapled together: AD-435 and justification 5. Original IDP for FY 2012 (10/1/11– 9/30/12)
Dec. 2, 2011	Human Resources – Stoneville, MS	<p>All other locations:</p> <ol style="list-style-type: none"> 1. Copy of Employee Listings 2. The following stapled together for each employee: Copy of award form (AD-287-2)/Justification/Performance appraisal form (AD-435) for period ending 09/30//11 3. Copy of AD-435 and justification (if applicable) stapled together 4. Original IDP for FY 2012 (10/1/11 – 9/30/12)
Dec. 2, 2011	HRD – Beltsville, MD	<p>All locations: Originals of: Employee listings, Completed award/performance appraisal packages for all employees, including justifications, and performance plans with original signatures. (See Section IV of memo for additional information)</p>

REMINDER: Location contacts must send all of the completed performance/award packages for their respective locations to Chevon Gibson by December 2, 2011.