

ARS □ **ERS** □ **NASS** □ **NIFA**

Bulletin

Title: AFM Awards Instructions

Number: 12-468.0

Date: August 28, 2012

Originating Office: Associate Deputy Administrator, AFM

This Replaces: New

Distribution: AFM All

This bulletin provides the awards and recognition program for AFM employees to make it consistent with the new awards spending limitation guidance established by OPM and OMB.

Table of Contents

1. Purpose.....	2
2. Background	2
3. Policy	2
4. Responsibilities	5
Exhibits	6

1. Purpose

This bulletin provides the guidance on how performance awards, individual special act awards (extra effort and spot awards), and non-monetary recognition procedures will be implemented in AFM to ensure compliance with Office of Personnel Management (OPM) and Office of Management Budget (OMB) guidance on awards spending limits. This bulletin does not pertain to Senior Executive Service positions within AFM.

2. Background

On June 10, 2011, OPM and OMB issued a joint memorandum providing guidance on budgetary spending limitations for all individual awards during FY 2011 and FY 2012. The memorandum directs all agencies to reduce total spending on individual-rating based performance awards and individual special act awards with effective dates during FY 2012. This guidance presumes the award limitation will be extended.

3. Policy

3.1 Spending Limitations and other considerations

Based FY 2010 Actuals, AFM has a spending limitation of \$340,146 for awards and incentives with a spending limitation of \$193,709 for Quality Step Increases.

AFM will set aside \$20,000 for the AFM Awards for Excellence recognition program and \$55,000 for extra effort awards. The balance remaining is for performance cash awards (Outstanding and Superior awards).

There are no limitations for Time-Off and nonmonetary awards.

3.2 Quality Step Increase (QSI) Awards

A QSI is not required or automatically granted for an Outstanding performance. For a rating of Outstanding, the decision to recommend a QSI or provide a cash award is at the discretion of the supervisor or manager. The decision as to which employee is granted a QSI will be left to the discretion of the Division and Business Center Directors. In determining which employees receive QSIs, the Division and Business Service Center Directors will consider factors such as

1. Impact – at that specific employee’s grade and step. A lower grade employee’s impact should not be compared with that of a higher grade
2. Quality of Work – volume of work may be considered in this category, but technical skill, attention to detail, timeliness, complexity, etc. are to be considered as well

3. Customer Service Satisfaction – feedback obtained from customers and improvement of AFM service delivery

3.3 Outstanding and Superior Performance Evaluations Cash Awards

The cash award amount will follow the guidance in Exhibit 1.

The cash award amount will be prorated for employees with less than 12 months of performance in a position. The cash award will be calculated by rounding up the service time to the nearest whole month, dividing by twelve, and multiplying the standard award amount by that factor. Example:

An employee with 6 months of service in a position with a standard award amount of \$1,000 would receive: $\$1000 \times (6 \text{ months} \div 12 \text{ months}) = \500 .

3.3.1 Outstanding Cash Awards

The cash award amount will vary by grade as indicated in Exhibit 1.

3.3.2 Superior Cash Awards

The cash award amount will vary by grade as indicated in Exhibit 1.

A Superior rating will receive the indicated cash award amount with no differentiation between the degrees of Superior ratings, such as High Superior versus Low Superior.

3.4 Time Off Awards (TOA)

Supervisors are encouraged to use time off awards and nonmonetary awards as recognition for accomplishments that exceed normal job requirements. A TOA can be awarded to recognize the same types of accomplishments as Extra Effort and Spot awards. TOA will be used instead of Spot Award.

The cumulative total TOA cannot exceed 40 hours in the calendar year. This is to allow for a balance of 40 hours to be used for a performance award.

3.5 Extra Effort Awards

The cash value of the extra effort award will not exceed 1½ percent of the employee's annual salary or 40 hours time-off per occurrence.

The cumulative value of all extra effort awards for an employee in the same 12 month rating cycle shall not exceed 1½ percent of the employee's annual salary or 40 hours time-off.

3.6 Spot Awards

All Spot awards will be time-off awards to reserve the available funds for extra effort awards. The time-off given for a spot award will not exceed 4 hours per occurrence; this is to encourage more instant rewards throughout the year.

3.7 Performance Awards Process

Of the \$55,000 available for extra effort awards, \$40,000 will be allocated among the Divisions and Business Service Centers for their use throughout the year. The allocation will be based on the client package FTEs assigned to each organization divided by the total FTE for the client package.

The remaining \$15,000 available for extra effort awards will be retained by the Deputy Administrator AFM and may be requested, on a competitive basis, by the Divisions and Business Service Centers Directors to recognize extraordinary efforts exceeding their allocations.

Any unused funding from the Outstanding and Superior cash award allocations will be used to supplement the \$15,000 retained by the Deputy Administrator AFM for extra effort awards.

4. Responsibilities

Employees will be required to submit their accomplishments to their supervisor within 1 week of the end of the rating period.

Raters (supervisors) will discuss the proposed ratings with the Reviewers (second line supervisors) and then submit the proposed ratings and award recommendations to their Division and Business Service Center Directors.

Each Director will compile the proposed award recommendations into Exhibit 2 and submit that to the Deputy Administrator AFM by the first Friday of November.

The Deputy Administrator AFM will compile the proposed award distribution for all of AFM and using a pre-set formula will determine if the proposed awards are within the spending limitations. Based on that analysis, adjustments will be made to ensure maximum use of QSI allotments. After maximizing the QSIs, if it is determined that the proposed awards exceed the spending limitations, the cash amount for the Outstanding and Superior cash awards will be adjusted downward.

The Deputy Administrator AFM will provide guidance to the Division and Business Service Center Directors by November 15 on the amount to be used for cash awards.

After receiving Reviewers approval, Raters can finalize performance ratings and conduct employee evaluation discussions concurrent with the process to determine the amount of cash awards. The performance rating is independent of the awards process.

Division and Business Service Center Directors will ensure all performance and award packages for their organization are finalized and forwarded by the due date established by the Human Resources Division.

Lisa Baldus
Associate Deputy Director
Administrative and Financial Management

Date

Exhibits

1. Outstanding and superior Cash Awards
2. Reporting Format for Divisions and BSCs

Exhibit 1

**Outstanding and Superior Cash Awards
(These amounts may be adjusted based on
actual award requirements. This table is
provided to show approximate amounts)**

Grade (GS)	Outstanding Cash Amount by Grade	Maximum Superior Cash Amount by Grade
GS-15	\$2,800	\$1,800
GS-14	\$2,300	\$1,500
GS-13	\$1,800	\$1,200
GS-12	\$1,450	\$950
GS-11	\$1,100	\$750
GS-10	\$950	\$600
GS-09	\$850	\$525
GS-08	\$700	\$450
GS-07	\$550	\$350
GS-06	\$450	\$275
GS-05	\$350	\$250
GS-04	\$250	\$200
GS-03	\$200	\$175
GS-02	\$150	\$100
GS-01	\$100	\$75

Exhibit 2 Reporting Format for Divisions and BSCs

Division/Business Center-

INSERT NUMBER OF EMPLOYEES PROPOSED FOR EACH AWARD

<u>Grade</u>	<u>QSI</u>	<u>Outstanding</u>		<u>Superior</u>	
		<u>Cash</u>	<u>Time Off</u>	<u>Cash</u>	<u>Time Off</u>
15					
14					
13					
12					
11					
10					
9					
8					
7					
6					
5					
4					

- The amount of the cash award for a Superior rating may be adjusted downward to remain within the OMB ceiling for cash awards.