

## EMPLOYEE RECOGNITION AND AWARDS

- 1. REASON FOR ISSUE:** To issue a change to the Department of Veterans Affairs (VA) policy regarding employee recognition and awards.
- 2. SUMMARY OF CONTENTS/MAJOR CHANGES:** This handbook contains VA policy on recognizing and rewarding VA employees. The pages in this transmittal replace the corresponding page numbers in Part I; Appendix B to Part I; Part II; Part III, Appendix F to Part III and Part V of VA Handbook 5017, dated April 15, 2002. These changes standardize procedures for combining cash, time off and Quality Step Increase (QSI) awards; and, clarifies when to grant Special Advancements for Performance to supervisory and managerial Title 38 and Title 38 Hybrid employees covered by the Veterans Health Administration Performance Appraisal Program. The changes will be incorporated into the electronic version of the VA Handbook 5017 that is maintained on the [Office of Human Resources and Labor Relations Web site](#).
- 3. RESPONSIBLE OFFICE:** The Employee Relations and Performance Management Service (051), Office of the Deputy Assistant Secretary for Human Resources and Labor Relations.
- 4. RELATED DIRECTIVE:** VA Directive 5017, Employee Recognition and Awards.
- 5. RESCISSIONS:** None

**CERTIFIED BY:**

**BY DIRECTION OF THE SECRETARY  
OF VETERANS AFFAIRS:**

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**EMPLOYEE RECOGNITION AND AWARDS**

**PART I. GENERAL PROVISIONS**

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f. Appropriated funds may be expended to pay for ceremonial expenses (see Part IV, Appendix B of this handbook for information on planning a ceremony) and to furnish light refreshments at awards ceremonies when:

(1) The ceremony is truly "ceremonial" and is not a part of the organization's typical day-to-day activities; and

(2) A determination is made by the organization head that light refreshments would enhance the effectiveness of the awards ceremony; and

(3) OF Bulletin 03GA1.01, February 5, 2003, offers guidance on necessary expenses associated with an awards ceremony.

g. Decisions regarding other expenses in connection with awards that involve expenditure of appropriated funds will be determined based on application of relevant Comptroller General decisions and VA financial policy. A summary of Comptroller General decisions relevant to the employee recognition program is located in part III, appendix E of this handbook.

h. Expenses for appropriate promotion, publicity and administration of awards may be incurred at the discretion of key officials as a necessary expense of administering their awards programs in accordance with VA financial policy. Necessary expenses may include appropriate items which enhance the ceremony and presentation of awards.

**4. [COMBINATION AWARDS.** Authorized combinations of awards include cash and honorary; time off and honorary; cash and time off; and in extraordinary cases, cash and a Quality Step Increase (QSI) or time off and a QSI. To ensure compliance with the intent of applicable laws and regulations, adhere to the following guidelines when granting combination awards].

a. [**Combining Cash or Time Off With a QSI.** QSI's by themselves are substantial awards that affect everything from current and future compensation budgets, to the recipient's retirement benefits. Therefore, the granting of QSI's along with a cash or time off award should be rare, and done only in circumstances where there is extraordinary performance or contributions to organizational goals during a rating period].

b. [**Don't Exceed the Value of the Accomplishment.** The value of an employee's accomplishment(s) should always be determined by using either the Scale of Awards Based on Tangible Benefits or the Scale of Awards Based on Intangible Benefits (see Appendix A to Part III of this handbook). Time off is not a cash award, but it does have an intrinsic value. This value can be determined by multiplying the amount the employee makes per hour by the number of hours of time off. For the purpose of this procedure, the value of a QSI is the increase to the employees pay the first year. Therefore, if the value of the employee's accomplishment(s) is/are, e.g., \$2000, a supervisor may give an employee making \$25 per hour 20 hours of time off (20 X \$25/hr. = \$500), and a \$1500 cash award. Under extraordinary circumstances, if the same employee's accomplishments during the rating year are valued at \$3500, and a QSI would be a \$3000 increase to pay, the employee could receive a QSI and \$500 cash—or a QSI and up to 20 hours of time off].

c. **[Different Levels of Approval.** In order to ensure that the granting of combination awards is reasonable and appropriate, one of the two parts of the award should be approved at a level above the approval official for the first award. Note that it should be clearly stated in the justification of the award going to the higher level approval official that the award is part of a combination award].

**[5.] AUTHORITY TO APPROVE AWARDS.** Authority to approve awards is subject to the provisions outlined below except that as a courtesy, any award being recommended for an employee of another organization should receive concurrence by the appropriate official in the employing organization.

a. **Cash Awards.** All cash awards must be approved at a higher management level than that which recommended. However, key officials, including the Secretary and Deputy Secretary, may act as both the recommending and approving official on all monetary awards within their delegated approval authority.

(1) Under Secretaries, Administration Heads, Assistant Secretaries and other Central Office organization heads may approve special contribution , superior performance and productivity/gainsharing awards up to and including \$7,500 for individual employees under their jurisdiction, awards of up to and including \$10,000 for individuals as suggestion awards, and group special contribution awards of up to \$25,000 provided no member of the group receives more than \$7,500. This authority may be re-delegated.

(2) The Secretary may approve individual cash awards up to \$10,000 and may approve group awards in excess of \$10,000 providing no one group member receives more than \$10,000.

(3) The Under Secretary for Health's delegation of authority for incentive awards may be found in VA Handbook 5017, Part I, Appendix B.

(4) The Under Secretary for Memorial Affairs' delegation of authority for incentive awards may be found in VA Handbook 5017, Part I, Appendix C.

(5) The Under Secretary for Benefits' delegation of authority for incentive awards may be found in VA Handbook 5017, Part I, Appendix D.

(6) Awards for an individual employee in excess of \$10,000 up to \$25,000 must be reviewed and approved by the Office of Personnel Management.

b. **Time Off Awards.** Key officials are authorized to approve time off awards up to 40 hours. Unless otherwise covered in a supplemental organizational policy issued by a key official, all time off awards in excess of 1 work day must be approved at a higher level than the individual who recommended the award.

c. **Honor Awards.** The Assistant Secretary for Human Resources and Administration is authorized to approve Secretary's awards. Key officials are authorized to approve organizational honor awards and may delegate that authority to lower levels.

**[6.] AWARD RESTRICTIONS**

a. **Aggregate Salary Limitation.** The amount of combined basic pay, allowance, differential, bonus award or other cash payment that an employee can receive during the calendar year is limited to the salary of Executive Level 1, except for title 38 physicians and dentists where the calendar year limitation is the salary of the President of the United States. Should this limitation be a concern when recommending recognition for an employee, consult with your organization's finance officer for assistance in determining the projected total compensation for that individual through the end of the calendar year.

b. **Limitations during Presidential Election (5 U.S.C. 4508).** During the period beginning June 1 in a calendar year in which a Presidential election occurs, and ending January 20 following the date of the election, monetary awards may not be granted to:

(1) An individual in a Senior Executive Service position who is not a career appointee as defined in 5 U.S.C. 3132(a)(4); or

(2) An individual in an excepted service position of a confidential or policy-determining nature (schedule C).

c. **Employees in Executive Schedule Positions (5 U.S.C. 4509).** In accordance with law, a cash award may not be granted to:

(1) An individual in an Executive Schedule position; or

(2) An individual for whom pay is set in statute by reference to a section or level of the Executive Schedule].

**[7.] AWARD AND SUGGESTION RECORDS**

a. A case number will be assigned for identification and coding purposes to each cash, honorary and time off award.

b. Awards must be documented, filed and reported in accordance with OPM requirements. Each servicing human resources office will maintain employee recognition records, including the forms and the justification/documentation to support award actions, for a period of 2 years from the approval date. Records of employee suggestions and the action taken on them will be retained for a period of 2 years from the date of final action on the suggestion.

c. Form SF-50B, Notification of Personnel Action, which documents approved cash and honor awards will be filed on the left hand side of the personnel folder. Only Form SF-50B documenting Quality Step Increases will be permanently filed on the right hand side in the employee's personnel folder. A copy of VA Forms 4659/4659a, 4239 or equivalent form produced for use with a special award program, along with supporting documentation, must be retained by either the organization's award liaison for the HRM office for a period of 2 years from the approval date. A copy of VA Forms 4659, 4239, or equivalent, may be filed in the employee's Employee Performance File. See the General Records Schedule 1, items 12 and 13, for additional retention requirements related to incentive awards.



## 5. DEFINITIONS

- a. **Special Contribution/Cash Award.** For the purpose of this handbook, a special contribution/cash award refers to a special contribution award, an on-the-spot award, or a productivity/gainsharing/goalsharing award.
- b. **Suggestion.** Employee suggestions are ideas that define a problem or objective, present a solution or plan for improvement and tell how the solution will improve the efficiency, economy or effectiveness of government operations or otherwise benefit the government.
- c. **Time Off Award.** Time Off Awards are time off from 4 to 40 hours (or 1-5 days for VHA full-time physicians, dentists, optometrists, and podiatrists) in recognition of a specific contribution.
- d. **Title 5 Quality Step Increase.** A quality step increase is an increase to an employee's rate of basic pay from one step of the grade to the next step that is granted in recognition of excellence in performance during the last appraisal cycle. The purpose of quality step increases is to recognize, on an individual basis, consistently high achievers by granting faster than normal step increases.

## 6. RESTRICTIONS

### a. Special Contribution Awards

- (1) When approving group special contribution awards, the award amount for any employee within a group cannot exceed the approving official's dollar limit for an individual special contribution award (e.g., a field facility director can approve group special contribution awards up to and including \$16,500 as long as the award amount for any employee within the group does not exceed \$5,000).
- (2) Award amounts must be consistent with the Scales of Awards Based on Tangible and Intangible Benefits located in VA Handbook 5017, Part III, Appendix A.
- (3) Only Field Network and Facility Directors may act as both the recommending and approving official. Otherwise, the approving official must be at a higher management level than the official who recommended the award.
- (4) See VA Handbook 5017, Part I, paragraph 5, for additional award restrictions.

### b. Suggestion Awards

- (1) In order to qualify for a cash award, adopted suggestions must have measurable dollar benefits of at least \$250, or intangible benefits of comparable value, or a combination of both.
- (2) Awards may be in the form of cash or time off. In determining the amount of the award for adopted suggestions, the appropriate scale of awards in [Appendix A to] Part III of VA Handbook 5017 will be used.



## PART II. EMPLOYEE IDEAS AND INVENTIONS

### 1. GENERAL PROVISIONS

a. To be accepted as a suggestion, the idea must be submitted in writing, define a problem or objective, present a solution or plan for improvement and tell how the solution will improve the efficiency, economy or effectiveness of Government operations or otherwise benefit the Government, except:

(1) Ideas that benefit employees such as holidays, leave, and insurance, or those involving services to employees such as working conditions, building and grounds, housekeeping, or routine safety practices generally are excluded from consideration unless there are also significant anticipated benefits to the Government from the idea.

(2) Submissions which are not constructive proposals offering specific means for improving operations or which contain assumptions or unsupported statements will not be accepted for consideration under the suggestion program.

b. Employee suggestions will be processed promptly, normally within 30 days of receipt.

c. Suggestions which are adopted locally but are believed to be useful elsewhere in VA or the Government will be forwarded to VACO for consideration for adoption on a wider scale.

d. Suggestions which cannot be evaluated or adopted locally because they are beyond the scope of local implementation will be forwarded to VACO, along with the facility's evaluation as to the merits or value of the idea.

e. Approval officials are responsible for implementing adopted suggestions and inventions and authorizing payment of cash awards as soon as possible.

f. Local employee recognition liaisons are responsible for circulating information on suggestions adopted for optional use to interested services/divisions and to their VACO awards' liaison.

g. All suggestions processed through the employee suggestion program have a 2-year award entitlement period during which, if the idea is subsequently adopted as a direct result of the employee's suggestion, or if any beneficial action traceable to the suggestion is taken, the suggestion should be reopened for award consideration.

h. Suggesters may request reconsideration of the decision on their suggestions.

i. Participation by employees in the suggestion program is voluntary.

j. Acceptance of a cash award for an employee suggestion or invention constitutes an agreement that the use of the idea, method or device for which the award was paid does not form the basis of a further claim against the Government by the employee. [For information on a further award, see para. 4c(3) of this part.]

- (4) How the gains will be determined;
- (5) Type of award that will be provided (flat amount cash award, cash award based on percent of base pay, time off, or other form of recognition);
- (6) How awards will be calculated based on gains;
- (7) Frequency for distributing the awards;
- (8) How, where and/or when the awards will be presented; and
- (9) Frequency and method of program evaluation.

## **5. ORGANIZATIONAL AWARDS PROGRAMS**

a. Organizations are strongly encouraged to develop special awards programs to use along with other Departmental awards, to support specific organizational goals and objectives. These programs link most forms of recognition (monetary, non-monetary and time off) directly to the achievement of specifically defined organizational initiatives such as improved customer service, innovative practices, quality initiatives, elimination of unnecessary work processes or procedures, etc. These awards can also be used to recognize and reinforce organizationally defined values such as courtesy, employee empowerment, responsiveness to customers, risk taking, etc.

b. In planning and developing a special use awards program, involvement of [unions,] employees and supervisors at all levels is encouraged to create awareness and understanding of the program's goals and objectives, and to facilitate employee acceptance of the program. Employee input is also useful to ensure that the type of recognition being proposed is meaningful to employees and will serve as a motivator.

c. Special awards programs need to be described in writing and approved by a key official or his or her designee. The description of such programs should include:

- (1) The objective of the awards program (what the program is supposed to achieve);
- (2) The types of contributions that will be recognized (describe criteria and provide concrete examples whenever possible);
- (3) The specific information that nominations must contain (a standardized nomination format will simplify the nomination, review and selection process);
- (4) Who is eligible for an award (certain pay plans, occupations, work units, services/divisions, etc.);
- (5) The type of recognition or award item that will be provided (to the extent possible recognition should be both meaningful to the employee and commensurate with the contribution recognized). Organizations may use existing certificates or design their own for use with special awards programs;

(6) The frequency and number of awards that will be granted and the award consideration period (monthly, quarterly, annually, on an as-warranted basis, etc.);

(7) The nomination, screening and approval processes (which should be kept to a minimum to encourage nominations while also ensuring that an accurate description of the contribution justifying the award is provided); and

(8) How, where and/or when the award(s) will be presented.

d. Information about special use awards programs should be announced and publicized to promote awareness among employees of the opportunity for recognition.

e. Many types of award programs are available to reduce costs and further organizational goals and objectives. Imaginative uses of awards which may be used include, but are not limited to awards that recognize:

(1) Employee of the Month, Quarter or Year;

(2) Teamwork and/or cooperation;

(3) Promoting the use of Best Practices;

(4) Promoting exceptional courtesy and responsiveness through written documents (letters, brochures, pamphlets, etc.);

(5) Improved work behaviors such as exemplary courtesy and responsiveness to veterans and the public;

(6) Recruitment efforts for referring candidates for hard-to-fill positions;

(7) Employee participation in the Employee Suggestion Program; and

(8) Suggestion Evaluators who provide prompt and responsive evaluations of employee suggestions.

f. To reinforce the effectiveness of special use awards, it is important to widely publicize the employees recognized under the program. The level at which awards are presented, as well as the involvement of the nominating and approving officials in the presentation of the award, are also important considerations. Newsletters, bulletin boards, articles in local newspapers, etc., can all serve as effective vehicles for the purpose of publicity.

g. To ensure that legal/regulatory requirements [and contractual obligations] are met, organizations should consult with local Human Resources Offices and Finance Offices and obtain necessary concurrences prior to implementation. Additionally, a copy of the approved special awards program should be maintained by the Human Resources Office as documentation for the program and to expedite processing of requests for recognition to support these programs.

**3. EXCLUSIONS.** Employees in the Senior Executive Service and equivalents appointed under title 5 or title 38.

#### **4. DETERMINING TIME OFF AWARDS**

a. Time off awards may be used in conjunction with special use award programs. The time off award may be granted in addition to any monetary or honorary award already provided for in the design of the program. [T]ime off may be [combined with other awards in accordance with Part I, para. 4 of this handbook].

b. When using time off to supplement a cash award, care should be taken to ensure that total recognition is commensurate with the contribution.

c. In determining the amount of time off to grant in recognition of a single contribution or for sustained high-level achievement, use the scale at the end of this appendix.

#### **5. ADDITIONAL RESPONSIBILITIES**

a. To the extent possible, management should ensure that time off granted as an incentive is used promptly both to reinforce the motivational value of this form of recognition and to ensure that the employee does not have to forfeit his or her time off award.

b. In granting this form of recognition, management should weigh organizational priorities to ensure that the employee will have an opportunity to use the number of hours of time off being awarded within the period available for its use.

#### **6. SCHEDULING, RECORDING AND ACCOUNTING FOR TIME OFF**

a. Although time off is not a category of leave, current procedures for requesting and scheduling use of discretionary leave (i.e., annual leave, leave without pay) will apply to time off awards. At a minimum, employees must request time off and obtain supervisory approval for absence in advance of its use. Action on each request will be made in consideration of factors which are normally considered in granting discretionary leave.

b. Each time off award granted must be recorded and tracked separately to ensure use by its expiration date. Under the direction of supervisors, timekeepers will be responsible for tracking time off accumulated and used as a subsidiary record to the electronic timecard for employees in their organization in accordance with instructions in MP-6, part V, supplement 2.2



(3) **Research and Publication.** Research or other contributions to the advancement of physical therapy and patient care worthy of publication in a recognized professional journal.

(4) **Other Reasons.** Election to an office in a national professional society.

g. **Certified Respiratory Therapists and Registered Respiratory Therapists.** Certified respiratory therapists and registered respiratory therapists may be advanced within the grade from one to three steps on the basis of professional achievement above that expected for the grade level or assignment provided they have demonstrated excellence in performance and potential for assumption of greater responsibility. Such achievement may be evidenced by:

(1) Completion of significant research in either biomedical science or health care delivery and publication of these results in a recognized journal.

(2) Recognition of outstanding and exceptional achievement by receipt of an official award from a professional or academic organization.

(3) Academic achievement by completion of a postgraduate degree in a related health care field.

i. **Licensed Practical/Vocational Nurses.** Licensed practical/vocational nurses may be advanced within the grade one step provided they have excellence in performance and show potential for assumption of greater responsibility. Examples of such achievement are:

(1) An outstanding achievement or award which results from significant contribution(s) to the delivery of patient care and recognizes exceptional competence as an LPN/LVN.

(2) Completion of an academic degree, normally in a related health care field, which would enhance the employee's ability to provide better patient care.

(3) Election to an office in a national practical/vocational nursing society.

**5. PROCESSING AND DOCUMENTING SPECIAL ADVANCEMENTS FOR ACHIEVEMENT (INCLUDING USE OF STANDARDS BOARDS).** See appendices B and C of this part.

## **6. CRITERIA FOR SPECIAL ADVANCEMENT FOR PERFORMANCE (SAP)**

a. **Consideration.** Full-time, part-time and intermittent podiatrists, optometrists, and chiropractors in Executive grade and below and registered nurses, nurse anesthetists, physician assistants, and expanded-function dental auxiliaries who have demonstrated a sustained high level of performance and professional competence over and above that normally expected of employees in the particular grade and profession, or who have made noted contributions in some phase of their profession, may be considered for Special Advancements for Performance (SAP). Pharmacists, occupational therapists, physical therapists, certified respiratory therapists, registered respiratory therapists, and licensed practical or vocational nurses may be considered in accordance with paragraph f. **NOTE:** Physicians and dentists will receive a performance pay lump sum payment per Part IX of VA Handbook 5007.

[NOTE: SAP's for supervisors and managers should be considered only at the end of the rating cycle.]