

December 1, 2004

SUBJECT: 2004 Performance Appraisal and Awards Process

TO: Kate Muir, OA
Maxine Cooke, OA
Lisha Douglas, FRED/ISD
Jennifer Myers, MTED
Lori McPherson, RED

FROM: Theresa Bailey
Performance and Awards Staff, HRD

Action Required - Due Date March 1, 2005

This memo describes the procedures to be used for finalizing performance appraisals and awards for the January 1, 2004 - December 31, 2004 performance cycle.

Upon receipt of this memo, rating officials should develop reasonable due dates for receipt of employee accomplishment reports and should prepare to schedule performance reviews. Planning for this process in advance facilitates the timely initiation and processing of performance appraisals and awards.

** Policy and procedures have changed effective this rating cycle. Please pay particular attention to the information pertaining to 1) Quality Step Increase (QSI) eligibility, 2) documentation to be sent to the Human Resources Division (HRD), 3) the due date for receipt of appraisals and awards, and 4) the processing of awards and QSIs.

Completion of Performance Appraisal Forms (AD-435P)

The Performance Appraisal form (AD-435P) is located on the HRD Home Page at: <http://www.afm.ars.usda.gov/divisions/hrd/hrdhomepage/webforms/wpforms.htm>. Please save the form in Word before using. Employee listings for each organization will be sent electronically to each Division. These listings will identify those employees who require ratings this cycle and will provide the employee information necessary to complete the upper section of each AD-435P.

After the rating and reviewing official have signed the AD-435P, the performance discussion has taken place, and the employee has signed their AD-435P, a copy of the form should be made for the employee and a copy should be retained in the supervisor's records. Required documentation to be sent to HRD is discussed later in this memo.

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.

Please remember that the rating official should discuss the tentative rating with the reviewing official and receive approval **before** discussing it with the employee, and that the rating supervisor and the reviewing official cannot be the same person.

Also remember that 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 refused to sign."

In order to effectively assist an employee who receives a "less than fully successful" summary rating within established time frames, supervisors should contact their servicing Employee Relations Specialist immediately upon making that determination.

A written narrative justification providing details concerning the employee's performance must accompany the AD-435P to HRD if:

- 1) Any one element is rated "Does Not Meet Fully Successful" or,
- 2) The rating of record is "Outstanding."

Narrative justifications may be documented on the Performance Appraisal Worksheets (Forms AD-435A and 435B), or described in a separate memo. If the rating of record is "Outstanding," an employee's accomplishment report will suffice as written justification.

Completion of Award Forms (AD-287-2)

A "Recommendation and Approval of Awards" (Form AD-287-2) must be prepared for each award nomination.

- Cash awards over \$500 and Time Off awards over 10 hours require a written justification. If you provide a written justification for the performance rating as indicated above, you need not provide one for the award. HRD is requiring one justification for the performance rating/award package as indicated in "Documentation to HRD" below. An award justification may be a narrative description (achievement, role, and impact), or an employee's accomplishment report.
- Cash awards of \$500 or less, require no written justification.
- A QSI may be recommended only for those employees who receive an "Outstanding" rating, who have not received a QSI within the last 52 weeks, and who have not been promoted or

reassigned to a different position near the end of the performance cycle. QSIs are given in the position and at the grade level for which performance was assessed.

- A copy of the justification provided for the “Outstanding” rating will be sufficient documentation for the QSI. 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 or to this office.

Since performance awards and QSIs are based upon the annual performance rating, an employee may not be recommended for more than one award in this category. This does not preclude a recommendation for other monetary or non-monetary award categories (such as Extra Effort, Time Off, etc.) during this time period.

Consider giving a Time Off award to an employee in lieu of a performance award or QSI. This option may be appealing to those employees with low leave balances.

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

"This award is based upon an official performance appraisal rating of (*Superior or Outstanding*) for the rating period January 1, 2004 through December 31, 2004."

Documentation to HRD

Please follow these instructions carefully as procedures have changed.

One package, to include the appraisal and award, is to be sent to HRD for each employee. Each should contain the following and be stapled together in the following order:

- 1) Original AD-287-2
- 2) Original AD-435P
- 3) Performance Rating/Award Justification
- 4) Performance Plan Cover Sheet, if used
- 5) AD-435A/B or Performance Plan

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.

All appraisal/award packages are to be sent to the following address. Please contact me to alert me that the package is coming:

Theresa Bailey
USDA/ARS/Human Resources Division
Performance and Awards Staff
5601 Sunnyside Avenue, Room 3-1148B
Beltsville, MD 20705-5107

Due Date/Processing

Performance appraisals and award recognition should be timely if they are to be meaningful to employees. Timely appraisal and recognition of employees are also Human Capital initiatives of which USDA agencies will be held accountable through the scorecard process. As a result, HRD will be monitoring the appraisal of employees closely. HRD requests your assistance in meeting the following due date by preparing early for the appraisal process.

- Appraisal/Award packages are to be received in HRD **no later than March 1, 2005.**
- Awards received by this date will be processed within two pay periods.
- QSIs received after this date will be changed to performance awards.
- QSIs will not be held more than one pay period for a Within Grade Increase (WGI) to be effective.
- In cases where an employee's QSI will affect their next WGI, HRD will contact the AO to discuss whether a QSI or performance award would be beneficial to the employee.

Supervisors should consult with employees regarding recognition choices. Once an award decision has been made and the AD-287-2 for that award has been processed in the National Finance Center system, HR Assistants will not be able to cancel an award to process another.

Other Reminders

Performance plans for performance cycle beginning January 1, 2005, must be established and communicated to employees.

It is strongly suggested that supervisors use Enclosure 1, "Checklist for Preparing Performance Plans" when establishing new performance plans for their employees. This checklist serves as a tool to ensure that performance elements and standards set for employees are done so in accordance with performance management policy.

At least one progress review must be completed and documented on the AD-435A, during the performance cycle.

Contacts

Questions may be referred to Theresa Bailey on 301-504-1452 or to your servicing Human Resources Assistant. Performance problems which may result in a “less than fully successful” rating should be referred to your servicing Employee Relations Specialist.

Enclosure

cc:

Philip Fulton, OA

Betsey Kuhn, FRED

Paul Gibson, ISD

Neilson Conklin, MTED

Katherine Smith, RED

Metropolitan Services Branch, HRD

Employee Relations Branch, HRD

Performance and Awards Staff, HRD

CHECKLIST FOR PREPARING PERFORMANCE PLANS

Performance plans should be developed for each employee within 30 days of the beginning of the appraisal period. It is important to note that an employee who receives an unacceptable rating should not be placed under new standards until they receive the opportunity to improve their current performance. Supervisors must contact their servicing Employee Relations Specialist for immediate assistance. The following are some reminders for establishing a performance plan.

1. Check the employee's position description for accuracy; the major duties in the position description should be included in the performance plan as critical elements. Accomplishment of organizational objective and goals can be included in performance plans.
2. Employee participation in developing the plan is desirable. However, the rating and reviewing officials have the final responsibility for establishing the performance plan.
3. Each plan must have at least three, but no more than ten elements.
4. At least one element must be critical; at least one element must be non-critical.
5. Standards should be accurate, objective, measurable, attainable and understandable.
6. Plans must be aligned to organization goals and reflect expected results.
7. Each employee whose position is classified as a "supervisor" must have a critical element that addresses supervisory responsibility AND a separate critical element that addresses the Equal Opportunity/Civil Rights (EO/CR). (Positions classified as supervisor usually include Supervisory, Supervisor, Manager, Officer, or Administrator in the title).
8. In performance plans for non-supervisory employees, language outlining responsibility for demonstrating a commitment to EO/CR must be included in at least one critical element.
9. The performance plan must be signed by the employee, supervisor, and reviewing official (normally, the second-level supervisor). The employee should then receive a copy of the approved plan.

In addition:

There must be at least one documented mid-year or progress review during the appraisal period. The performance plan should be initiated by the rating official and the employee. This shows that such a review took place.

If deficiencies are noted in an employee's performance at any time during the rating period, supervisors should contact their servicing Employee Relations Specialist to discuss the appropriate procedures to handle such circumstances.