

NB_360_11_29, Processing Performance Appraisals and Awards for Fiscal Year 2011

National Bulletin: 360-11-29 **Date:** July 27, 2011
Subject: PER - Processing Performance Appraisals and Awards for Fiscal Year 2011

Action Required By: October 30, 2011

Purpose. To provide guidance for the closeout of fiscal year (FY) 2011 Ratings of Record (year-end summary performance appraisals) for General Schedule employees. Ratings of Record for General Schedule employees must be completed by **October 30, 2011**. To meet this deadline, all persons (rater, reviewer, and employee) must have reviewed the rating and completed EmpowHR processing by checking off in the appropriate box by the due date.

Expiration Date. March 31, 2012

Background. Performance management is the systematic process of **planning, monitoring, developing, rating and rewarding** performance. This national bulletin provides supplemental and procedural guidance to Part 409 of the General Manual. Included below are highlights of the performance rating components of the performance management policy, performance management updates based on [USDA Departmental Regulation 4040-430, Performance Management](#) and clarification of policy contained in the General Manual.

More information on this process can be found on OPM’s Performance Management website at: <http://www.opm.gov/perform/overview.asp>.

Policy for the Performance Management System can be found in the [General Manual, Title 360, Part 409, Performance Management System](#), in the eDirectives System at <http://directives.sc.egov.usda.gov/>.

Performance Appraisal Period

The performance appraisal period for all employees is **October 1, 2010 through September 30, 2011**. Performance standards must have been effective for at least 90 days in order for employees to be rated against the standards.

Rating Official

The rating official is the employee’s supervisor of record or acting supervisor at the end of the performance appraisal period. There is no minimum time period for the supervisor to have been in the position before becoming the rating official. If the rating official has not supervised the employee for the full appraisal period, the rating official should assign a Rating of Record that takes into consideration interim reviews, mid-year progress reviews and feedback from previous supervisor(s) for the appropriate time period. The supervisor of record is responsible for preparing the final rating of record.

See table below for changes in supervisor during the rating period and for guidance when there are details and/or temporary promotions.

Changes in Supervisors	<p>Departing Supervisor - Discuss the employee’s performance with the employee, prepare feedback comments on the employee's performance in an interim appraisal with an advisory rating, and forward them to the new supervisor and local Human Resources servicing office.</p> <p>Current Supervisor - Prepare the rating of</p>
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	record; collect and include input on the employee from previous supervisors, including interim performance appraisals. The current supervisor should make every effort possible to obtain input from the departing supervisor for inclusion in the Rating of Record.
Employee Position Change	When an employee changes position but retains the same supervisor (e.g., the employee was promoted or reassigned within the same organization), the supervisor must prepare written documentation of the employee's performance in an interim appraisal with an advisory rating. This information must be considered in the employee's Rating of Record. Performance and rating discussions should occur when a position change occurs if the employee has served under standards for the minimum 90 day period. An interim performance appraisal must be provided to the gaining supervisor to be considered for the Rating of Record.
Details and/or Temporary Promotions	For an employee on a detail and/or a temporary promotion at the end of the appraisal period, the supervisor of record is responsible for the Rating of Record, with input and consideration from interim performance appraisals, mid-year progress reviews, and other persons who have supervised the employee during the appraisal period.

Conducting Year-End Summary Appraisals and Processing

The year-end summary appraisal process should include a discussion of the employee's accomplishments against the objectives and standards documented in the employee's performance plan. **A written narrative outlining the employee's accomplishments against the standards must be prepared and documented in EmpowHR for each element.** Each element should be rated using the following element ratings levels:

Element Rating Level	Description of Performance
Exceeds Fully Successful	Performance exceeds the performance standards established for the Meets Fully Successful level.
Meets Fully Successful	Performance meets the performance standards established for the Meets Fully Successful level.
Does Not Meet Fully Successful	Performance is below the performance standards established for the Meets Fully Successful level.

Rating should be based on work performed during an entire appraisal period

Documentation for each element in which the employee receives a rating of "Exceeds Fully Successful" or "Does Not Meet Fully Successful" must further show how the employee's performance exceeded or failed to meet the fully successful standard. **Feedback on performance should be objective and fact-based.** When providing feedback, avoid making judgments that inhibit impartiality, such as the use of subjective criteria and rater bias.

To close out the 2011 Performance Appraisal Cycle, rating officials will need to process ratings of record by entering results into the National Finance Center (NFC) system via EmpowHR no later than October 30, 2011. Ratings must be entered into the EmpowHR system by rating officials and approved by reviewing officials. Ratings may not be communicated to employees prior to approval by the reviewing official. Employees will review the summary rating, add comments, if desired, and check the Viewed/Discussed box in EmpowHR.

Rating-based Awards- Targets (NEW)

In a Memorandum for Heads of Executive Departments and Agencies, dated June 10, 2011, OPM and OMB established certain targets on granting awards for FY 2011 and FY 2012. These are:

- Agencies must reduce award spending for non-SES/SL/ST performance awards and individual contribution awards (e.g., special act) for all employees to no more than one percent of their aggregate salaries.
- Other awards and incentives are frozen at the FY 2010 spending levels, except travel savings and foreign language awards.
- Quality Step Increases (QSI) are another rating-based payment although they do not constitute an award. **These payments are not covered by the one percent budgetary limit; however, agencies may not exceed their FY 2010 spending levels on QSIs granted during FY 2011 and FY 2012.**

To comply with the memorandum, for FY 2011, organizations (defined as Staff Offices in the Office of the Chief and Deputy Chief areas in NHQ, and states elsewhere):

- May not spend more than one percent of their aggregate employee salaries on performance and individual contribution awards and must restrict their spending to their FY 2010 level.
- Must restrict their spending on other awards to their FY 2010 level.
- Must restrict their spending on QSIs to their FY 2010 level.

Note: Guidance will be provided for processing FY 2012 awards at a later date.

Rating-based Awards - Processing

Rating-based Awards, including Performance Bonus Awards and QSIs, should be processed through EmpowHR using the Awards Task.

Performance Bonus Awards are lump-sum cash payments for recognition of accomplishments that exceed expectations as documented in the employee's annual performance plan and are based on the employee's most recent Rating of Record. **Performance Bonus Awards**

are intended to recognize individual performance and may not be given for group contributions.

Employees who have one or more elements rated at "Marginal" or lower are not eligible for any **Performance Bonus Awards**. Employees who have all elements rated at "Fully Successful" or higher may be eligible for a Performance Bonus Award, but are not automatically entitled to awards. Rating Officials are responsible for requesting Performance Bonus Awards for staff.

The following ranges may be used as a guide when deciding potential Performance Bonus Award amounts. When granting an award paid as a percentage of basic pay, the rate of basic pay must include any applicable locality payment.

Performance Bonus Awards for Employees with a Rating of Record of "Outstanding" may range up to a maximum of 10 percent of the employee's pay (inclusive of applicable locality pay).

Performance Bonus Awards for Employees with a Rating of Record of "Superior" may range up to a maximum of 5 percent of the employee's pay (inclusive of applicable locality pay).

Performance Bonus Awards for Employees with a Rating of Record of "Fully Successful" may range up to a maximum of 3 percent of pay (inclusive of applicable locality pay).

When determining the amount of a Performance Bonus Award, consider the employee's rating for each element, consistency of awards given to other employees with similar ratings, and the scope and complexity of the position. Employees who have exceeded the standards for all elements (critical and non-critical) should receive a larger bonus than employees who have exceeded the standards for several of their elements. Another factor to consider is the inherent difficulty of the position. If two employees are rated the same and one employee occupies a position that is inherently more difficult and complex than the position occupied by the second employee, then the employee with the more complex position should receive a larger bonus award.

Since Performance Bonus Awards are based on the employee's rating of record, employees may receive only one Performance Bonus Award within a 52-week period, and not in conjunction with a QSI. All employees (except for SES non-career employees) are eligible for Performance Bonus Awards.

QSIs may be granted when an employee's rating of record is "Outstanding." Rating Officials should consider whether a QSI is appropriate or advantageous to the employee. A QSI may not be appropriate or advantageous to an employee if the employee is about to receive a promotion or vacate his or her position. Employees may receive only one QSI during a 52-week period, and not in conjunction with a Performance Bonus Award.

Tools and Resources

The following information on the appraisal process may be found on the [NRCS People Share Point site](#) .

- Checklist for Completing the Rating of Record
- Conducting, Determining and Processing the Rating of Record
- Step by Step Instructions on the EmpowHR Rating of Record Process
- Steps for Conducting the Rating of Record
- Steps for Preparing for the Rating of Record
- Tips for Giving Effective Feedback
- Tips for Processing the Rating of Record in EmpowHR
- Tips for Recognizing Rater Bias
- Tips for Writing Performance Narratives

Performance Management Training

Available performance management training includes:

"Performance Management in USDA" - An online course available in AgLearn covering all aspects of performance management (Course number DA- PerformanceManagement-01)

"USDA NRCS Giving and Receiving Feedback" - An online course available in AgLearn on feedback (Course number NRCS- NEDC-000261)

"Performance Discussion Guide" – USDA guidance on performance discussions. This resource may found at:

http://www.dm.usda.gov/hrsd/perform_mgmt.htm

Human Resources Tracking

The local Human Resources Servicing Office is responsible for monitoring the status of Ratings of Record and submitting weekly management reports beginning Monday, October 3, 2011.

Weekly status should be reported on the [NRCS People Share Point site](#).

Contact. If you have any questions regarding the year-end summary performance appraisal, contact Stephen Crisp, Human Resources Strategy and Accountability Division, at (202) 720-2631 or by e-mail at stephen.crisp@wdc.usda.gov. For questions regarding EmpowHR, contact your local Human Resources Servicing Office.

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