



DEPARTMENT OF THE NAVY
BUREAU OF MEDICINE AND SURGERY
7700 ARLINGTON BOULEVARD
FALLS CHURCH, VA 22042

IN REPLY REFER TO
BUMEDINST 12451.4C
BUMED-M09B14
27 May 2014

BUMED INSTRUCTION 12451.4C

From: Chief, Bureau of Medicine and Surgery

Subj: INCENTIVE AWARDS PROGRAM

Ref: (a) DON Civilian Human Resources Manual, Subchapter 451.1
(b) DON HR Implementation Guide 451-02
(c) DOD 1400.25-M, Subchapter (SC) 1930.9.2 of 10 Jun 2008
(d) Title 5 CFR 451
(e) Interim Performance Management System Policy Guide – Version 2.0 -
September 2010
(f) Interim Performance Management System Handbook – Version 2.0 –
September 2010

Encl: (1) Frequently Asked Questions
(2) Scale of Award Amounts Based on Tangible Benefits
(3) Scale of Award Amounts Based on Intangible Benefits
(4) Scale of Time Off Awards
(5) Sample Format for Submitting Department of the Navy (DON) Honorary Awards
(6) Sample Summary of Achievements
(7) Sample Citation

1. Purpose. With the return to the General Schedule (GS) Pay Plan from the National Security Personnel System there have been changes that affect the Civilian Incentive Awards Program. This revision implements guidance on submitting awards. References (a) through (e) provide additional guidance. Enclosure (1) answers frequently asked questions, enclosures (2) through (4) are the award scales to calculate award amounts. Enclosures (5) through (7) provide samples.

2. Cancellation. BUMEDINST 12451.4B.

3. Applicability. This instruction applies to all Navy Medicine commands and activities with civilian personnel assigned.

4. Coverage. References (a) through (d) apply for employees under the Performance Awards Review System (PARS). References (a) through (f) apply for employees under the Interim Performance Management System (IPMS).

5. Policy

a. Activities shall develop an internal civilian awards program based on reference (b), Department of the Navy (DON)'s comprehensive awards program guidance. Per reference (e), a

Performance Awards Review Board (PARB) should be established for employees covered by IPMS at each command to review and approve performance awards for consistency, appropriateness, and adherence to merit system principles.

b. Navy Medicine activities will budget 1% of their aggregate federal civilian salary base for awards and Quality Step Increases (QSIs) annually. Awards include performance-based awards (e.g., based on end-of-cycle ratings) and incentive-type awards (e.g., on-the-spot, special act, etc.). Navy Medicine activities should ensure annual awards funding is appropriately distributed between the (IPMS) and other performance management systems where applicable (e.g., the PARS) and for discretionary Chapter 45 incentive awards, e.g., special act and on-the-spot awards. It is a local command decision to determine an appropriate allocation between IPMS, PARS, and any other applicable performance management system for both performance-based awards and incentive-type awards. However, the total amount available for all types of awards for all performance management systems must not exceed the 1% cap.

c. The employee base salary aggregate is determined by taking a snapshot of the number of federal civilians who were on the activity's rolls as of 30 September and their annual salaries at that time. The annual salaries of all employees are added together and the resulting sum total is multiplied by 1% (0.01) to determine the total funding available for paying out awards and QSIs. For computational purposes, annual salaries include both base pay and locality/market pay. Generally speaking, QSIs should only be granted in extraordinary circumstances and must not have been awarded to the same individual within the preceding 52 consecutive calendar weeks.

d. Performance Cash Awards. Under the current DON two-level performance system, justification is required that supports how the individual employee exceeded expectations established for the "Acceptable" level of performance at the employee's grade and position. Performance recognition is appropriate when an employee performs substantially beyond these expectations on a regular and continuing basis. The significant contributions being recognized must be specifically identified. Accomplishments may include, but are not limited to;

(1) Exceptional program or program management;

(2) Individual work that results in a high-quality product or service to a customer, or

(3) Other high quality performance significantly above what is expected at the "Acceptable" level and consistently sustained over a period of time. Performance awards should be submitted at the end of the performance rating period and be reviewed by the PARB.

e. On-the-Spot Award. "Special Act" or "Service" awards that, through streamlined procedures, are designed to quickly recognize and provide immediate reinforcement of one-time achievements by employees that have resulted in service of an exceptionally high quality or quantity. On-the-Spot awards range from \$25 to \$750, commensurate with the nature of the service or act being recognized. The appropriate award amount is determined based on the tangible and intangible benefits scales in enclosures (2) and (3).

f. Special Act Award. This award may be used to recognize a group or individual effort for one-time, non-recurring contributions, and may be given at any time. Special Act Awards range to a maximum of \$25,000. Activity Heads have approval authority up to \$5,000 per individual cash award, Chief, Bureau of Medicine and Surgery (BUMED) is approval authority up to \$10,000 per individual cash award, Secretary of the Navy (SECNAV) is the approval authority for individual cash awards from \$10,001 to \$25,000, and individual cash awards for more than \$25,000 are approved/endorsed by SECNAV, the Department of Defense (DoD), and Office of Personnel Management (OPM.)

g. Time-Off Award. Time-Off awards are an alternate and/or additional means of recognizing the superior accomplishments or achievements of employees with other than cash or honorary awards.

(1) Criteria. Decisions to grant time-off awards shall be based upon the same criteria or circumstances for any other incentive award. Supervisors and managers shall fully consider wage costs and productivity loss when recommending time-off awards and shall ensure that the amount of time-off recommended as an award is commensurate with the individual's contribution or accomplishment. Enclosure (4) contains an award scale for determining time-off awards. Examples of achievements that may be considered for a time-off award:

- (a) High-level performance.
- (b) Making a high-quality contribution involving a difficult or important project or assignment.
- (c) Displaying special initiative and skill in completing an assignment or project before the deadline.
- (d) Using initiative and creativity in making improvements in a product, activity, program, or service.
- (e) Ensuring the mission of the unit is accomplished during a difficult period by successfully completing additional work or a project assignment while maintaining the employee's own workload.
- (f) Accomplishing a specific, one-time or special assignment that required extra effort or resulted in the organization receiving recognition for responsiveness to unprogrammed requirements.

(2) Limitations on Time-Off Awards

(a) The total amount of time-off that may be granted to any one individual in any one leave-year is 80 hours. For part-time employees or those with an uncommon tour of duty, the total time that may be granted during any calendar year is the average number of hours of work generally worked during a pay period.

(b) The maximum amount of time-off that may be granted to an individual for a single contribution is 40 hours. For part-time employees or those with an uncommon tour of duty, the maximum award for a single contribution is one-half the maximum amount of time that would be granted during the year.

(c) Time-off granted as an award must be scheduled and used within 1 year after the effective date of the award. Any unused amount remaining after that time will be forfeited without further compensation to the employee.

(d) A time-off award does not convert to cash under any circumstances.

(e) Time-off awards shall not be granted to create the effect of a holiday or treated as administrative excusals or leave.

(f) To ensure equity and fairness, time-off awards granted to employees on flexible, compressed, or alternative work schedules may determine "1 workday" to be greater than 8 hours.

(g) Portability. A time-off award shall not be transferred between DoD components. If an employee is transferring to another DoD activity or outside DoD, the employee should be allowed to use the award prior to the transfer. Managers and supervisors should make every effort to ensure the employee is able to use the time-off award before he or she leaves the component. A time-off award can be transferred within the DON; however, it must be scheduled and used within 1 year after the effective date of the award.

h. GS QSI. QSIs affect a person's base salary and have cost implications beyond the year in which they are granted. QSIs should be granted carefully and only for contributions which merit extraordinary levels of recognition.

i. Honorary Awards. Honorary awards provide additional means to recognize an employee's overall value to the organization. They provide an opportunity to acknowledge valuable contributions made, and may reflect contributions made over a period of months or years. Honorary recognition may be in addition to or instead of monetary or time off recognition. Honorary awards are **not** to be used as a retirement award or because a member is leaving an organization. Honorary awards are meant to recognize sustained performance and should be given throughout an employee's career. If a significant accomplishment occurs close to retirement, it may be acceptable to present it at retirement.

(1) Distinguished Civilian Service Award. This award is the highest honorary award the SECNAV can confer on a DON civilian employee. The award is granted only to those employees who have given distinguished and/or extraordinary service to the DON. Approved nominations will be forwarded to the Department of Navy Awards Review Panel (DARP) for final review and approval. The achievements or service must be truly exceptional when measured against the position requirements of the individual, and should far exceed the contributions and service of others with comparable responsibilities. This award should be reserved for contributions that are so unusual and/or significant that recognition at the SECNAV level is deserved. Additional indicators include using:

(a) A pattern of long-term, sustained high performance as evidenced by the nominee having previously received high honorary awards (e.g., DON Superior Civilian Service Award and/or DON Meritorious Civilian Service Award, or similar awards or honors).

(b) Career achievements that are recognized throughout DON.

(c) Indications of innovative leadership of highly successful programs or projects that have impacted beyond the nominee's activity or Command.

(d) Accomplishments/achievements that have had, at a minimum, DON-wide impact.

(e) Scientific or technical advances or suggestions of significant value.

(f) Accomplishments that show unusual management abilities, innovative thinking, and/or outstanding leadership that benefits the DON.

(g) Responsibility for major cost savings, reductions, or avoidance.

(h) Exceptional cooperative efforts with other Navy offices, Federal agencies, or the private sector.

(i) Unusual acts of heroism beyond the call of duty.

(2) Superior Civilian Service Award. This award is the second highest honorary award in the DON. The same criteria in paragraph 5i(1)(a) through (i) will be used for granting this award, however, the contribution, while exceptional in value, would be narrower in scope or impact (e.g., accomplishment that is significant and has far-reaching major Command-wide/Navy Medicine wide impact.) ***This award should not be used as a retirement award.***

(3) Meritorious Civilian Service Award. This award is the third highest honorary award in the DON. The same criteria in paragraph 5i(1)(a) through (i) will be used for granting this award, however, the contributions, while high in value, are more limited in scope/impact (e.g., accomplishment should be significant and have far-reaching impact, but less than the Superior Civilian Service Award). ***This award should not be used as a retirement award.***

(4) Distinguished Civilian Medal for Valor. This award is the highest honorary award the SECNAV can confer upon DON civilian employees for valor. Approved nominations are reviewed by the DARP. No more than one medal per person may be authorized for multiple acts of heroism resulting from the same incident. The award may be granted posthumously and, when so awarded, may be presented to a representative to be determined by the deceased member's family. Eligible employees are those whose unselfish acts meet all of the following criteria:

(a) Distinguished, extraordinary, and unusual acts of heroism beyond the call of duty.

(b) The individual must have exhibited extreme courage and conscious acts of sacrifice, risk to personal safety, or determination in facing significant and grave danger in a perilous situation.

(c) The act of valor must be related to his or her Government employment (e.g., act occurs on the job or while employee is in a duty status; involves a military member or civilian DON employee, is related to the mission of the DON; the reputation of the DON is enhanced).

(d) The public interest is served.

(e) Nominations must be well documented. Newspaper reports, police reports, or other contemporaneous accounts of the acts must be submitted where possible.

(5) Superior Civilian Medal of Valor. This award is the second highest honorary award for valor and recognizes acts of valor that do not meet the criteria in paragraph 5i(4)(a) through (e). This award may be granted posthumously and, when so awarded, may be presented to a representative to be determined by the deceased member's family. It may be granted for:

(a) Unusual acts of heroism beyond the call of duty.

(b) The individual must have exhibited courage, sacrifice, and risk or clear presence of mind in assisting others in an emergency situation.

(c) While the individual voluntarily places himself or herself in danger, the level and degree of danger or risk is not as extreme as the Distinguished Civilian Medal for Valor.

(d) The act of heroism may be related to his or her Government employment, but this is not a requirement.

(e) As a result of the act, the reputation of the DON is enhanced or the public interest is served.

(f) The employee may be in a duty status or non-duty status when the heroic action is performed.

6. Awards Authority. BUMED activity heads have approval authority for individual cash awards up to \$5,000 and can approve the DON Meritorious Civilian Service award. Appendices A and B of reference (a) contain additional guidance on the delegation of authority to approve awards.

7. Collective Bargaining Agreements. All activities with exclusive bargaining units are reminded of the requirement for notification to allow for collective bargaining before the implementation of changes to established award program practices. The servicing Human Resources Office will be able to assist in fulfilling obligations under collective bargaining agreements and in designing an awards program which meets local needs.

8. Reporting Requirements. There is no standing BUMED reporting requirement, however, there may be the need for occasional ad-hoc reports. Most reporting is handled electronically based on information contained in the Defense Civilian Personnel Data System. Innovative and creative use of awards can significantly improve both performance and morale, therefore, BUMED activity heads are encouraged to share their successes with other activities through their respective Navy Medicine Echelon 3 activity.

9. Point of Contact. BUMED point of contact for awards for military and civilian is BUMED-M09B14.



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FREQUENTLY ASKED QUESTIONS

Question 1: How do I calculate an appropriate amount for the overall command awards budget? I have 100 civilian employees with an aggregate salary base of \$6 million.

Answer: The target goal for all Navy Medicine activities with civilian personnel assigned is to reach a budgeted amount for awards of 1 percent of aggregate base salary, which in this case would be \$60,000.

Question 2: What award is appropriate to give at retirement?

Answer: Career Service and Retirement Certificates are appropriate to use at retirement. The signature of the Secretary of the Navy may be obtained on career service and retirement certificates for 40 or more years of service. Please refer to reference (b) for additional guidance.

Question 3: What is the format for preparing a Department of the Navy (DON) Honorary Award?

Answer: Please refer to the sample in enclosure (5). Please remember that DON Honorary Awards are not to be used as retirement awards they should be used to recognize outstanding achievements at the time the significant accomplishment occurs. However, if a significant accomplishment occurs close to retirement, it may be acceptable to present it at retirement.

Question 4: What are the timelines for submitting DON Honorary Awards to higher authority?

Answer: Awards should be submitted as soon as the accomplishment occurs. If the award has to go to higher authority for approval allow a minimum processing time of 60 days to process after the higher authority receives it. If the award has to go through multiple intermediate levels add an additional 30 days for processing.

Question 5: What is the appropriate level of DON Honorary Award to award?

Answer: There is no definitive answer; however, a good reference would be as follows:

Meritorious Civilian Service Award – Command-wide impact

Superior Civilian Service Award – Navy Medicine-wide impact

Distinguished Civilian Service Award – DON-wide impact (minimum)

SCALE OF AWARD AMOUNTS BASED ON TANGIBLE BENEFITS

BENEFITS Estimated First-Year Benefits	AWARD Amount of Award to Employee
Up to \$10,000 in benefits	10% of the benefits
Between \$10,001 and \$100,000 in benefits	\$1,000 Plus 3% to 10% of benefits over \$10,000
More than \$100,000 in benefits	\$3,700 to \$10,000 for the first \$100,000 in benefits. Plus 0.5% to 1.0% of benefits above \$100,000
	For all individual awards of more than \$25,000, Presidential approval is required. Recommendation is reviewed and concurrence required by the DARP, the SECNAV, the SECDEF, and the OPM.

SCALE OF AWARD AMOUNTS BASED ON INTANGIBLE BENEFITS

VALUE OF BENEFIT	EXTENT OF APPLICATION			
	<u>LIMITED</u>	<u>EXTENDED</u>	<u>BROAD</u>	<u>GENERAL</u>
<p><u>MODERATE</u></p> <p>Change or modification of an operating principle or procedure with limited use or impact.</p>	<p>\$25 - \$500</p>	<p>\$501 - \$750</p>	<p>\$751 - \$1,000</p>	<p>\$1,001 - \$1,500</p>
<p><u>SUBSTANTIAL</u></p> <p>Substantial change or modification of procedures. Important improvements to the value of a product, activity, program, or service to the public.</p>	<p>\$501 - \$750</p>	<p>\$751 - \$1,000</p>	<p>\$1,001 - 1,500</p>	<p>\$1,501 - \$3,150</p>
<p><u>HIGH</u></p> <p>Complete revision of a basic principle or procedure; a highly significant improvement to the value of a product or service.</p>	<p>\$751 - \$1,000</p>	<p>\$1,001 - \$1,500</p>	<p>\$1,501 - \$3,150</p>	<p>\$3,151 - \$6,300</p>
<p><u>EXCEPTIONAL</u></p> <p>Initiation of a new principle or major procedure; a superior improvement to the quality of a critical product, activity, program, or service to the public.</p>	<p>\$1,001 - \$1,500</p>	<p>\$1,501 - \$3,150</p>	<p>\$3,151 - \$6,300</p>	<p>\$6,301 - \$10,000</p>

SCALE OF TIME-OFF AWARDS

1. Moderate Value to Organization: 1 to 10 hours

- a. A contribution to a product, activity, program or service to the public, which is of sufficient value to merit formal recognition.
- b. Beneficial change or modification of operating principles or procedures.

2. Substantial Value to Organization: 11 to 20 Hours

- a. An important contribution to the value of a product, activity, program or service to the public.
- b. Significant change or modification of operating principles or procedures.

3. High Value to Organization: 21 to 30 Hours

- a. A highly significant contribution to the value of a product, activity, program or service to the public.
- b. Complete revision of operating principles or procedures, with considerable impact.

4. Exceptional Value to Organization: 31 to 40 Hours

- a. A superior contribution to the quality of a critical product, activity, program or service to the public.
- b. Initiation of a new principle or major procedure, with significant impact.

**SAMPLE FORMAT FOR SUBMITTING
DEPARTMENT OF THE NAVY HONORARY AWARDS**

(Meritorious Civilian, Superior Civilian, etc.)

Nomination of
(Name)
for the
Department of the Navy
Meritorious Civilian Service Award

I. Biographical Data

A. General Information

Name
Date of Birth
Job Title, Pay Plan, & Occupation Code
Organization and Location

B. Education

Year
Degree
School
Major Field

C. Significant Employment – (List in reverse chronological order beginning with present).

D. Significant Prior Awards – (List in reverse chronological order beginning with most recent).

E. Significant Publications – during past 10 years (List in reverse chronological order beginning with the most recent publication).

F. Current Membership – in professional or scientific societies, civic organizations, etc.

II. Basis for Nomination (not to exceed 3 pages)

A. Summary of Achievement – must only include achievements during the meritorious period of the award submission. List achievements in bullet format. When writing the bullets for an award you want to convey to the reader what an outstanding employee you have. The reader needs to understand the value this employee brings to the command and that their performance is above and beyond their normal duties. Many times the writer falls short because they have not conveyed this to the reader. Do not write for the sake of volume. Be direct and concise and provide pertinent details i.e., dollars saved etc.

B. Additional Facts – and consideration pertinent to the nomination (include examples of personal qualities of the nominee which made the achievement possible). If these achievements were not adequately described in the Summary of Achievement.

III. Citation

Prepare a proposed citation in Times Roman font, 12 pitch, no longer than 22 lines, highlighting the significance of the individual's achievements.

SAMPLE SUMMARY OF ACHIEVEMENTS

Mr. John Doe is strongly recommended for the _____ Award for his exceptional performance while serving as Director, Financial Division, Bureau of Medicine and Surgery, Falls Church, VA, from March 2000 to May 2004. Mr. Doe performed all duties and responsibilities of his position with outstanding professionalism, diligence, and total dedication to excellence. He consistently performed at a superior level and made significant contributions to the successful accomplishment of Navy Medicine's mission, goals, and objectives. His many noteworthy achievements include the following:

- Guided the transition of medical resources from the Navy Department accounts to the Defense Health Program appropriation. His efforts were instrumental in establishing policies, procedures, and fiduciary controls for this major initiative.
- Spearheaded the creation of budget substructures that aligned Navy subactivity groups to program elements and budget activity groups in the Defense Health Program. This initiative greatly improved the comparability of Navy Medicine's budget and financial data with Army, Air Force, and Department of Defense organizations.
- Designed, developed, and implemented innovative automated system solutions for budget formulation and financial planning. His efforts enabled Navy Medicine to move from a hard-wired interface system to a web-based thin client application, preserving full capability and expanded functionality.
- Instrumental in developing new methods of managing private sector care resources. Provided significant input to the development of policy and guidance to institutionalize the Next Generation of TRICARE Contracts financial process, incentives for cost control, and to simplify the determination of contract financial outcomes.
- Successfully created organizational balance by effectively using civilian, military, and contractor human resources to accomplish the mission. His leadership enhanced professional competencies by recruiting and staffing the best managers available and carefully structuring individual development plans for all staff.
- Successfully mentored new financial managers both personally and in formal training programs. Sponsored high potential employees in the Secretary of the Navy Fellowship Program, Defense Leadership and Management Program, and other graduate-level educational programs. The results of his efforts were evident in the fact that many of these employees now occupy senior leadership positions throughout Navy Medicine, the Department of the Navy, the Department of Defense, and other non-defense Federal agencies.

Mr. Doe's contributions to the successful mission accomplishment of Navy Medicine are truly outstanding. His achievements and dedication to duty reflect credit upon himself and are in keeping with the highest standards of the Civil Service. He is most deserving to be recognized with the _____ Award.

SAMPLE CITATION

(No Acronyms)

Times Roman – 12 pitch

22 lines maximum – full justification

Meritorious Civilian Service Award – 1st sentence For “meritorious” service...

Superior Civilian Service Award – 1st sentence For “superior” service...

Distinguished Civilian Service Award – 1st sentence For “distinguished” service...

The Commanding Officer, Naval Health Clinic, _____ takes pleasure
in presenting the _____ Award to

MR. JOHN R. DOE

for services as set forth in the following
CITATION:

For _____ service while serving as Lead Contract Surveillance Representative, Materiel Management Department, Office of Administration, Naval Health Clinic, _____, from October 2009 to February 2014. Mr. Doe was directly responsible for the largest emergency and acute care contract in the Navy, overseeing more than one third of the personnel at the Command, never missing an issue that could impede patient care. He continually ensured the Command received the services needed through persistence and skillful negotiations. He was the catalyst for an indepth analysis of health care contracting initiatives that identified available dollars to support our fiscally constrained resources. He was solely responsible for opening the Family Medicine Clinic which provided convenient care for beneficiaries living in outlying areas of Onslow County. He negotiated the lease, was responsible for supplies and equipment, and ensured proper staffing with the old clinic closing one day and the new clinic opening the next. He was extremely instrumental in the department receiving zero discrepancies for all Joint Commission and Inspector General Inspections throughout his tenure. His guidance and assistance in the procurement of health care services set the foundation for technically sound and financially viable contracts. Mr. Doe is considered the subject matter expert on health care services contracts. On behalf of the Command, the Navy Medical Department, and the United States Department of the Navy, I extend my sincere appreciation for a job well done.

A. M. DOE
Captain, Medical Corps
United States Navy
Commanding Officer
Naval Health Clinic