

**ARTICLE 31
INCENTIVE AWARDS PROGRAM**

Section 31.01 - General. The parties agree that substantial benefits and enhanced productivity accrue to the Department when an Incentive Awards Program is developed and maintained to recognize the achievements of Departmental employees. The Department shall conduct an Incentive Awards Program, in accordance with this Agreement and HUD Handbook 2195.1, dated May, 2007. The purpose of the program is to recognize those employees whose performance or contribution is in excess of normal expectations for the positions that they occupy. Where the provisions of the Handbook conflict with this Agreement, this Agreement shall prevail.

Section 31.02 - Incentive Awards. Performance awards (that are monetary awards earned as a result of an employee's annual performance rating); Quality Step Increases (QSI); Time Off Awards; Special Act Awards, Spot (monetary and informal) Awards, Honorary Awards; and Peer to Peer Awards are granted by the Department on the basis of merit, and within applicable budget limitations, to individuals or groups.

- (1) Each year the Department establishes budgets for employee awards, it will allocate the determined amount for bargaining unit employees. The Department will notify the Union once a decision is made on the budgets and the amounts to be allocated.
- (2) The Department will proactively seek to recognize achievements of bargaining unit employees throughout the year using all available means.

Section 31.03 - Awards for Overall Performance.

- (1) Each year Management shall determine whether said awards including time off awards shall be granted and the amount thereof. The Parties agree that performance awards are a valuable tool toward building morale. Following this stated philosophy, it is agreed that when the Department determines the award amounts for non-bargaining unit employees, the Department will provide the Union with this information. Then, the Department and the Union shall meet to discuss the award amounts for bargaining unit employees. The Union can use the non-bargaining unit award determinations as a basis for discussion. The Department shall formulate the annual performance awards for employees fairly. Fairly does not guarantee, nor does it preclude, equality of awards among employees.
- (2) Management shall process the award granted within three (3) pay periods of the date of the decision to make the awards or the appraisal, whichever is later.
- (3) All employees who have received a summary Level 5/Outstanding performance rating for the year shall be eligible for the following. Management shall consider employee preference in selecting the award method. Final determination of the award type is made by Management.
 - (a) A quality step increase; or a cash award as referenced in 31.02 above.
 - (b) A time off award may be granted in lieu of (a) above. The time off award does not have to be equivalent to the amount of cash award that would have been received.

- (c) The Department shall identify the number of hours of the time off award or the amount of the proposed cash award.
- (4) All employees who have received a summary Level 4/Excellent performance rating for the year may be eligible for:
 - (a) A cash award as referenced in 31.02 above.
 - (b) A time off award may be granted in lieu of (a) above. The time off award does not have to be equivalent to the amount of cash award that would have been received.
 - (c) The Department shall identify the number of hours of the time off award and the amount of the proposed cash award.
- (5) All employees who have received a summary Level 3/Fully Satisfactory performance rating for the year may be eligible for (no critical element marginal ratings):
 - (a) A cash award as referenced in 31.02 above.

Section 31.04 - Awards of an Honorary Nature. Honorary Awards are non-monetary awards intended to recognize contributions of lesser scope or significance that might otherwise go unrecognized. A specific contribution must form the basis for the recognition. The award may be given to recognize an individual team or group accomplishment. The value of the award shall be commensurate with the contribution being recognized. The award should also symbolize the employer/employee relationship (e.g. by affixing the agency seal to the award).

Section 31.05 - Time Off Awards. Time off awards are excused absence from the office, in recognition of an employee's superior accomplishment or other personal efforts that contribute to the quality, efficiency, or economy of government operations.

- (1) The minimum time off award is one workday based on the work schedule of the employee when the award is made.
- (2) Time off awards shall be used within 12 months of posting the award in the employee's WebTA page.
- (3) With appropriate justification on a case-by-case basis, the Department agrees to extend the one-year restriction on the use of Time Off awards for a period not to exceed six (6) months.
- (4) Time off awards that are granted for group activities, e.g. safety, CFC, shall be granted across program lines.
- (5) Time off awards may be used in quarter hour increments.
- (6) Time off awards may not exceed 80 hours in a calendar year.

Section 31.06 - Special Acts or Service Awards.

- (1) The Special Acts or Service Award is intended to recognize an individual or group accomplishment in the form of a suggestion, invention or special act or service which contributes to the efficiency, economy, or other improvement to the Departments operation. This includes a special project, assignment, act or task, or who have done a superior job with regard to the quality or quantity of the work performed, may be considered by Management for an award for special acts of service.
- (2) Each award shall be a minimum of \$250.00.

Section 31.07 - Monetary - Spot Awards ("Spot Awards").

- (1) Spot awards provide immediate feedback and special recognition of employees who make an extra effort to perform their duties in an exemplary manner. (Spot Awards are not a substitute for performance awards.)
- (2) An employee or group may be recognized with a Spot Award within two (2) weeks of the achievement
- (3) Individual employees and group awards may be granted ranging from \$50.00 to \$300.00 per employee,
- (4) An employee may not receive more than three (3) spot awards in the same fiscal year.

Section 31.08 - Awards for Employees with Bilingual Skills. Employees may receive an on-the-spot, special act or time off award for utilizing bilingual skills on a regular basis or for a special project. In lieu of issuing an on-the-spot, special act or time off award, management may utilize other methods of recognition such as emails, certificates, etc.

Section 31.09 - Peer-To-Peer Awards. Peer to Peer awards are intended to recognize employees for outstanding short-term achievements related to the Department's goals. The award may be given for fostering teamwork between or within the Department, and for promoting or demonstrating exemplary customer service. The awards may be honorary in nature, time off awards, or range from \$100.00 to \$500.00. The nominations shall be submitted to the immediate supervisor of the nominated employee.

Section 31.10 - Employee of the Month Award. Employee of the Month Awards may be made at the Local or National level to recognize excellence or extraordinary achievements that are key to the Department's goals. The awards may be honorary in nature, time off awards or range from \$100.00 to \$500.00.

Section 31.11 - Methodology for Granting Awards. The methodology used by Management to establish and give awards under this Article shall be developed and applied in a fair and equitable manner. The Department's Awards Policies will be published on HUD's internal webpage. Use of annual or sick leave shall not be a consideration in assessing employee qualifications for an award.

Section 31.12 - Prompt Presentation of Award. Recognizing that awards are most effective when presented as promptly as possible after the performance or act that is being recognized, the Department agrees to make awards as promptly as possible after the decision is made by the Department to grant an award. The Department does not use gift cards or gift certificates as part of the awards process.

Section 31.13 - Information.

- (1) Upon request, the Union shall be provided with statistical data and budget information that management routinely prepares and maintains concerning the awards program and additional information that is reasonably available and the disclosure of which is not prohibited by law. Such information shall include data on awards made to bargaining unit employees, other non-supervisory employees, and supervisory employees.
- (2) Union officials at the local level shall be notified when employee recognition events occur.

Section 31.14 - Publicity. In order to recognize the value and importance of the awards, offices are encouraged to hold annual special recognition events at which awards shall be distributed.

An SF-50 or certificate of award shall document the award. Management agrees to publicize the recipients of Departmental awards in each local office by posting on bulletin boards and/or through Management memoranda or notices to all employees. Employees who do not want their awards posted on the bulletin boards or the electronic equivalent must notify their supervisor of their choice on an annual basis. The notification shall be done not less than semiannually and shall include the names of the award recipients and a description of each award.

Section 31.15 - Awards Committee. If the Secretary appoints a Departmental Awards Committee for the review of award recommendations for bargaining unit employees, Management agrees to include a member of AFGE Council of HUD Locals 222 on that committee.

- (1) If an Awards Committee is appointed, the Awards Committee will be responsible for evaluating and voting on nominees for incentive awards and will serve the interests of both the Department and the employees by functioning as a continuing link regarding matters involving incentive awards.
- (2) The roles and responsibilities of the Committee may include but are not limited to:
 - (a) identifying and bringing to the Department's attention any trends, problems, issues or circumstances regarding the incentive awards program;
 - (b) focusing the Department's attention on any management practices or problems with the incentive awards program that could produce dissension and dissatisfaction among employees; and
 - (c) promoting and communicating the efforts of the Department to achieve and maintain an effective incentive awards program.

Section 31.16 - Consistent Criteria for Awards.

- (1) The Department will make a good faith effort to ensure consistent criteria for approval of all awards.
- (2) The fact that an employee is the subject of a conduct investigation or has been the subject of a disciplinary action during the rating period will not preclude a performance award that would otherwise be granted unless such preclusion is necessary to protect the integrity of the Federal service.