Standard Operating Procedure (SOP)

Assistant Commandant for Human Resources-
Civilian Human Resources, Workforce Relations Division

Management of Civilian Pay and Benefits

Civilian Cash Awards SOP

14 JANUARY 2013

1.0 Overview

1.1 Procedure Summary

1.1.1 Cash awards are an important management tool for recognizing and encouraging high performance. Awards eligibility, and funds available for cash awards, are promulgated by law as well as Office of Management and Budget (OMB) and Agency regulations. Cash awards are generally classified into two groups: Ratings-based awards are conducted at the conclusion of the 12 month performance appraisal period (April 1 – March 31 annually); Special Act and On the Spot awards are initiated outside the performance awards process and can occur at any point throughout the year.

1.1.2 Ratings-based awards make up a significant majority of Coast Guard civilian cash awards. Annually, the schedule for processing Ratings-based awards and accompanying guidance is issued via official message traffic. This message is typically released by CG-121 with coordination from CG-833.

1.1.3 Employees on an approved performance plan on the last day of the appraisal period whose ratings are at least "Meets" (under EARS) and at least "Achieved Expectations" (under DHS/PMS) are eligible for a performance award. Departing employees may be considered for receiving a Ratings-based award if recommended by their supervisors and their departure date is in alignment with the performance awards processing schedule. Eligibility criteria for Special Act and On-the-Spot awards are contained in Reference 2.3.

1.1.4 Delayed Ratings are issued to employees whose rating periods have been extended to meet the mandatory 90-day minimum evaluation period, who are eligible and recommended to receive performance cash awards. Performance cash awards for delayed ratings are paid from a CG-833 central awards pool containing funds estimated to cover each pool's anticipated number of delayed ratings.

1.1.5 Cash awards of $5,001--$5,999 must be approved by the Commandant; award amounts exceeding $5,999 must be approved by the Secretary, Department of Homeland Security (DHS).

1.2 Inputs

1.2.1 Employee Validation Roster (CG-121)

1.2.2 Annual Awards Allocation (CG-833)

1.2.3 Spend-down Directives (CG-833)

1.2.4 Supervisor Ratings of Records (Supervisor)

1.2.5 SF-52 for manual award changes (PIPO)

1.3 **Outputs**

1.3.1 Close-out Activity Memo (PIPO)

1.3.2 Award Recommendations Spreadsheet (PIPO)

1.3.3 Validated Cash Awards Roster (CG-121)

1.3.4 PIPO Monthly Awards Report (CG-833)

1.4 **Applications**

1.4.1 PAL

1.4.2 Microsoft Excel

1.4.3 Access Database

1.5 **Financial Statement Assertions**

1.5.1 Accuracy

1.5.2 Validity

1.5.3 Completeness

2.0 References

2.1 COMDTINST M12430.6; Excellence, Achievement and Recognition System

2.2 DHS Performance Management Program Guide; OPM Memo dated 10JUN11 "Guidance on Awards for Fiscal Years 2011 and 2012; ALCGCIV 003/12

2.3 COMDTINST M12451.1B; Coast Guard Civilian Awards Manual

3.0 Document Retention

3.1 All documentation referenced in 1.2 (Inputs) and 1.3 (Outputs) shall be maintained for a minimum of three years.

4.0 Responsibilities

4.1 CG-121 is responsible for preparing and distributing the employee validation rosters as well as an ALCGCIV outlining Performance Appraisal Closeout Guidance for PIPO Officials, CRCs, and HR Specialists at the beginning of Performance Appraisal Closeout period. CG-121 is also responsible for reviewing and validating the Ratings-based award submissions upon completion and then consolidating all of the submissions into a single document of validated submissions and forwarding to CG-833 for review and verification that the PIPOs are within their funding limits. CG-121 maintains the source documentation for batch processing of awards once the awards processing commences.

CG-121 HR Specialists and CSA's also review and process Special Act and On-the-Spot Awards. Awards must be funds-certified by the appropriate CRC prior to being processed.

4.2 CG-121 is responsible for distributing the employee validation rosters to the regional Performance Incentive Pay Officials (PIPOs) with the verification instructions at the

beginning of the delayed rating cycle (July). CG-121 is also responsible for reviewing and validating the Ratings-based award submissions upon completion and then consolidating all of the submissions into a single document of validated submissions and forwarding to CG-833 for review and verification that the PIPOs are within their funding limits. CG-121 maintains the source documentation for batch processing of awards once the awards processing commences.
Awards must be funds-certified by the appropriate CRC prior to being processed.

4.3 CG-833 is responsible for providing the PIPOs with their annual award allocation and spend-down directives at the beginning of the fiscal year. CG-833 is also responsible for notifying the PIPOs of any adjustments to their award funds allocation, including adjustments, based on the mid-year employee roster validation.

For Ratings-based awards, CG-833 reviews and validates the consolidated submission from CG-121 to ensure PIPOs are within their total award funding allocation. Upon completion of their review, CG-833 notifies CG-121 that sufficient funds exist and awards processing commences.

4.4 For Delayed ratings CG-833 reviews and validates the consolidated submission from CG-121 to ensure PIPOs are within their total award funding allocation. Upon completion of their review, CG-833 notifies CG-121 that sufficient funds exist and awards processing commences.

4.5 On a monthly basis, CG-833 provides CRCs a Comprehensive PIPO Awards Report for each PIPO, showing the PIPO's funding allocation, paid awards, and award balance.

4.6 For Ratings-based and delayed rating awards, PIPOs are responsible for completing award recommendations by compiling a spreadsheet, in an approved CG-121 format, that lists the employees in the performance pool along with the recommended award amount for each employee.

For Special Act and On the Spot awards, the PIPO must approve the proposed award, and forward to the CRC for funds certification.

In executing their duties, PIPOs must ensure that an appropriate amount of their total awards budget is allocated to cover Ratings-based as well as Special Act and On–the-Spot cash awards. Upon completion of their awards allocation, PIPOs submit a memorandum summarizing their annual closeout activities to CG-121 and CG-833, along with the employee rosters reflecting ratings and recommended awards. Additionally, PIPOs coordinate with the Command Staff Advisor (CSA) or Servicing HR Specialist to forward signed employee performance appraisals and award justifications to their Service Center for filing in the employee's performance file.

4.7 Civilian Resource Coordinators (CRCs) are responsible for performing a review of the employee rosters distributed by CG-121 for Ratings-based and delayed rating awards and reporting any discrepancies back to CG-121 for resolution. The CRCs

are also responsible for reconciling the monthly PIPO Awards Report distributed by CG-833 to ensure awards payments are valid, and to reconcile any funds certified awards pending payment ("pipeline awards"). CRCs review all cash awards submitted by the PIPO and funds certify that there is sufficient allocation remaining to pay them prior to forwarding the award to the CG-121 HR specialist for processing. CRCs positively acknowledge they received and reconciled the monthly report, and advise CG-833 of any corrections required.

5.0 Procedure

5.1. CG-833 provides PIPOs with their annual award allocation and spend-down directives at the beginning of the fiscal year. This allocation is meant to cover both rating-based and non-rating based awards for employees within the PIPO area of responsibility. The initial allocation is based off the PAL as of 01 Oct. A mid-year adjustment to the allocation occurs in conjunction with the annual rating of record and the performance awards process. If under a continuing resolution or similar budget uncertainty exists, CG-833 will provide interim award allocations at the beginning the fiscal year and update accordingly.

5.2. CG-121 distributes employee rosters to the CRCs with verification instructions (e.g. employee roster validation). Rosters are based on the authorized Personnel Allowance list (PAL) maintained by CG-833; deviations from the PAL require concurrence from CG-833.

CRCs perform a review their employee rosters and report any discrepancies to CG-121 for resolution.

5.3. After the mid-year validation of the employee rosters is complete, CG-833 notifies PIPOs of any adjustments to their award funds allocation based on the employee roster validation (e.g. adjustments based on personnel allocation). Award funds are allocated in compliance with OPM/OMB budgetary limitations. Additionally, award funds not spent in the current performance year may not be carried forward to the next performance year. PIPOs must ensure that an appropriate amount of their total awards budget is allocated to cover Ratings-based awards as well as Special Act and On–the-Spot cash awards that may occur throughout the year.

5.4. Rating-based awards: Using the Ratings of Record submitted by the supervisors, PIPOs complete award recommendations by compiling a spreadsheet, in an approved CG-121 format, that lists the employees in the performance pool, along with the recommended award amount for each employee. PIPOs are responsible for ensuring that employee award amounts are consistent with employee performance ratings (*i.e.,* the award amount for a rating of "*Exceeds*" or "*Achieved Excellence*" is larger than the award amount for a rating of "*Meets*" or "*Achieved Expectations*" (I/C) for employees in the same grade and performance pool).

5.5. Rating-based awards: PIPOs submit a memorandum summarizing their annual closeout activities to CG-121 and CG-833. Their employee rosters reflecting ratings and awards are returned to CG-121 for consolidation and processing (I/C). Additionally, PIPOs shall coordinate with the Command Staff Advisor or Servicing HR Specialist to forward signed employee performance appraisals and award justifications to their Service Center for filing in the employee's performance file.

5.6. Rating-based awards: CG-121 reviews PIPO award submissions and compares the submitted roster to the signed memorandum (I/C). If the employee counts, award counts, and total dollar figures align, then CG-121 consolidates the submissions into a single document (e.g. validated submissions). If the submission does not align, it is returned to the CRC for correction and re-submission. When all submissions are consolidated, CG-121 forwards a roster of rating-based cash awards at transactional detailed level to CG-833 for review, assignment of proper chargeable accounts, and verification that PIPOs are within their funding limits, certify availability of funds at the time to cover obligations. CG-833 then notifies CG-121 that sufficient funds exist and awards processing commences (I/C). The award processing is done via batch process (e.g. a single document is used to generate awards vice manually processing of each award). The source document for this batch process is maintained by CG-121 (I/C).

5.7. Rating-based awards: The documentation used to support the disbursement of funds is maintained by the Civilian Pay Manager in CG-83, at transactional detail level. The Civilian Pay Manager ensures that payments processed by NFC at transactional levels actually occurred and they are complete and accurate. The Civilian Pay Manager works with CRCs and CG-121 to resolve any discrepancies. These discrepancies must be recorded and documented to ensure proper reconciliation is complete in accordance with regulatory guidance. CG-121 policy division retains all rating information for further reporting to DHS/OPM as appropriate. In rare circumstances, a PIPO may change award submissions after funds certification is completed. If the PIPO is changing a submission from a cash award to time-off award, the change is made unilaterally by CG-121. If the PIPO is requesting the addition of a cash award, they are required to submit a signed SF-52 documenting the rating-based award through CG-833 for funds certification. These exceptions are manually processed by CG-121.

5.8. Delayed rating awards. CG-121 in coordination with CG-833, will provide a separate correspondence outlining timelines, and acceptance of delayed rating nominations. The annual Delayed Ratings process conducted during the months of July and August will be handled in a similar fashion as the end of year performance ratings based awards, listed under 5.0 Procedures.

5.9. CG-121 HR Specialists and CSA's shall not process an award unless funds certified by CG-833 (Rating Awards and end of year award fallout), or the appropriate CRC supporting the PIPO. Annually CG-833 promulgates a revised list of authorized CRCs, and updates CG-121 of CRC changes. CG-833 also copies a designated CG-121 representative for all correspondence passed to CRCs to ensure appropriate information is forwarded to HR specialists.

5.10. On a monthly basis, CG-833 provides an Awards Report for each PIPO to the CRC. ONLY THE APPROVED CG-833 AWARDS REPORT IS AUTHORIZED FOR CRC USE. The report shows the PIPO's funding summary, detailed paid awards, awards submitted pending payment ("pipeline"), and award balance. CRCs are required to reconcile the spreadsheet to ensure awards payments are valid, and insert pipeline awards. CRCs positively acknowledge they received and reconciled the report, and advise CG-833 of any corrections required within five business days of report receipt. Specific Reconciliation Steps are as follows:

5.10.1 CRC confirms all paid awards are for persons that belong to the PIPO, and were funds certified by the CRC.

5.10.2 CRC confirms any adjusted funding that came into their PIPO allocation coincides with awards provided to personnel that were initiated by a different PIPO.

5.10.2 CRC confirms all pending awards ("pipeline") are put into the Awards Report to ensure an accurate balance of the allocation. This includes pending Rating Awards that have yet to be processed per paragraph 5.8.

5.11. CG-833 will typically sweep remaining PIPO award allocations the **first** Friday of the last full pay period in August. PIPOs must submit all awards, funds certified by CRCs, to the requisite CSA or HR Specialist by that date in order to expense any remaining award allocation. HR Specialists/CSAs are required to process funds certified and otherwise eligible awards prior to the **last** Friday of the last full pay period in August.

5.12. Assuming there are no higher priority Civilian Pay needs, award balances swept by CG-833 will be made available for additional award "fallout" funding in September. Prospective awards will be submitted to CG-833 Civilian Pay Team for centralized funds certification. Funds-certified awards will be sent to each HR Specialist and CSA for review and processing.

6.0 Acronyms

CRC	Civilian Resource Coordinators
DHS	Department of Homeland Security
I/C	Internal Control
OMB	Office of Management and Budget
PAL	Personnel Allowance List
PMS	Performance Management System
PIPO	Performance Incentive Pay Official

7.0 Approval

Approved Date: 1/25/13 Signature:

Joanne L. Turner
Chief, Workforce Relations Division
U.S. Coast Guard (CG-1214) Office of Human Resources
Workforce Relations Division