

## **DFAS MANAGER'S GUIDE FOR ANNUAL PERFORMANCE APPRAISAL RATINGS**

### **2007 ANNUAL PERFORMANCE APPRAISAL RATING CYCLE**

This guide is for use by DFAS supervisors, managers, and others in preparing and submitting annual performance appraisal ratings for their employees.

Specific subject areas addressed in this guide are listed below:

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## Annual Rating Period

The annual performance rating covers the entire rating period and all DFAS positions held by the employee during that rating period on either a permanent, temporary, or detail basis.

The annual rating period for all DFAS employees is May 1, 2006, through April 30, 2007. These are the dates that must be placed in item 4 on DFAS Form 430-2, Civilian Performance Rating. These dates may be different only under the following circumstances:

1. The employee was not employed by DFAS on May 1, 2006. In this case, the *From* date should be the date the employee began work for DFAS.
2. The employee was not employed by DFAS on April 30, 2007. In this case, the *To* date should be the date the employee left employment with DFAS.
3. The employee is receiving an early annual rating or has had his or her rating period extended. The *To* date should be the date on which the rating period for the employee was ended.

### Early Annual Ratings

An early annual rating is a rating of performance for a period that ends before the end of the established rating period. The early annual rating is otherwise no different than any other official performance rating of record for the employee and may be used for awards determinations, etc.

A supervisor prepares an early annual rating for an employee whenever the employee changes permanent positions during the last 90 days of the rating period, i.e., between January 31<sup>st</sup> and April 30<sup>th</sup>, and the employee has had at least 90 days to perform under an approved performance plan. If an employee moves to a **non**-DFAS position with less than 90 days remaining in the rating period, no annual rating is required.

A supervisor would also prepare an early annual rating if the supervisor leaves the work unit during the last 90 days of the rating period and the employee has had at least 90 days to perform under an approved performance plan. Note: An early annual rating is not required when only the reviewing official or approving official leave.

Early annual ratings may be forwarded directly to the DFAS Human Resources Shared Services Center (SSC) for input upon completion by the rater, reviewer, approving official, and employee.

### Extending Rating Periods

Rating periods may be extended for up to 90 days after the end of the established rating period, i.e., April 30. The employee then receives his or her annual rating following the end of the extended rating period. A rating based on an extended rating period is otherwise no different

than any other official performance rating of record for the employee and may be used for awards determinations, etc.

Rating periods may be extended for the following reasons:

1. The employee was not given a performance plan at least 90 days before the end of the established rating period. The period of the extension should be the number of days required for the employee to have 90 days under the performance plan.

**Note:** Rating periods may not be extended because a performance plan has been *revised* less than 90 days before the end of the rating period. Revisions must be implemented at the start of the next rating period.

2. The employee is serving under a performance improvement plan (PIP) at the time the established rating period ends. The period of the extension is the time remaining in the PIP.
3. To provide a new supervisor an opportunity to observe an employee's performance against current performance plan requirements when information concerning the employee's past performance during the rating period is not available.

**Note:** There is no minimum period a supervisor has to have supervised an employee in order to rate him or her. Depending on the variety and complexity of the job, the new supervisor's experience and familiarity with the work and the employee performing the work, enough information may be available from special ratings and documented performance progress reviews from prior supervisors and/or the observations of the new supervisor to enable him or her to fairly and accurately rate the employee after only a few weeks on the job as the employee's supervisor.

#### Minimum Rating Period

The minimum rating period for all DFAS employees is 90 calendar days. Employees must have had at least 90 days during the rating period to perform work under an approved performance plan. The rating periods of employees who have not had at least 90 days under an authorized performance plan may be extended for up to 90 days following the end of the performance appraisal rating period to allow them this opportunity.

In the rare event that it is impossible for an employee to have 90 days in which to work under an authorized performance plan—such as the case with employees with prolonged absences during the rating period—the employee will receive no annual rating. Employees may not carry-over a rating from a prior year nor can they receive a presumed rating.

**Note:** Lack of an annual rating does not affect an employee's retention standing during reduction-in-force (RIF). There are no presumed Fully Successful ratings. Employees receive performance credit for the average of their three most recent ratings received in the last four years. If there are only two such ratings, the average is determined by dividing by two. If the employee has only one rating, he or she receives credit for that rating. If the employee has no

performance ratings within the past four years, he or she receives credit for the “modal” rating of the organization and position in which he or she works at the time of the RIF.

### Determining the Rater/Rating Type

| When...   | Between...  | And the employee has...  | The employee receives...  |
|---|---|--|---|
| The employee changes permanent positions                                    | May 1 <sup>st</sup> and January 30 <sup>th</sup>    | Not had 90 days under an approved performance plan in the old position   | No rating for the old position. The annual rating will be based on performance in the new position.   |
|   |   | Had 90 days under an approved performance plan in the old position   | The previous supervisor prepares a special rating and forwards it to the new supervisor. This rating must be considered by the new supervisor in the annual rating for the new position.  |
|   | January 31 <sup>st</sup> and April 30 <sup>th</sup> | Not had 90 days under an approved performance plan in the old position   | No rating for the old position. The annual rating will be based on performance in the new position. The rating period will require an extension to allow the employee a full 90 days on an approved plan in the new position before an annual rating can be given.  |
|   |   | Had 90 days under an approved performance plan in the old position   | An early annual rating from the previous supervisor based on the old position. The employee will not be rated on the new position until next year.  |
| The supervisor changes jobs   | May 1 <sup>st</sup> and January 30 <sup>th</sup>    | Not had 90 days under an approved performance plan   | No rating. The new supervisor will do all rating assessments.   |
|   |   | Had 90 days under an approved performance plan   | The outgoing supervisor prepares a special rating to leave for the new supervisor. The special rating must be considered by the new supervisor in the annual rating.  |
|   | January 31 <sup>st</sup> and April 30 <sup>th</sup> | Not had 90 days under an approved performance plan   | No rating from the outgoing supervisor. The new supervisor rates at the end of the rating period. Annual rating period will be extended to allow the employee 90 days under an approved performance plan and/or to provide the new supervisor sufficient time to assess the employee's performance.   |
|   |   | Had 90 days under an approved performance plan   | The outgoing supervisor prepares an early annual rating. The new supervisor does not rate until next year.  |
| The employee has been on detail, temporary promotion, or special assignment | May 1 <sup>st</sup> and April 30 <sup>th</sup>      | Not had 90 days under an approved performance plan in the detail, temp promotion, or special assignment position | No rating from the detail, temp promotion, or special assignment supervisor. The employee will be rated based on performance in the permanent position.   |
|   |   | Had 90 days under an approved performance plan in the detail, temp promotion, or special assignment position     | <p>A special rating from the detail, temp promotion, or special assignment supervisor which is then forwarded to the permanent supervisor. The special rating must be considered by the permanent supervisor in the annual rating.</p> <p><b>Note 1:</b> If the employee is on a temp promotion at the end of the rating period, he or she should be rated in that position.</p> <p><b>Note 2:</b> Employees on detail or special assignments at the end of the rating period may receive annual ratings based on their performance in the detail position if they worked for a significant portion of the rating period in the detail position and are expected to continue on the same detail. This is done on a case-by-case basis. Both the detail and the permanent supervisor must coordinate this with each other.</p> |

## **Special Ratings**

Employees who change permanent positions during the rating period or who were on a special assignment, detail, or temporary promotion for 90 days or more during the rating period, shall receive special ratings for their work in those other positions. Additionally, supervisors who leave a work unit more than 90 days before the end of the rating cycle will prepare special ratings on employees in the work unit for the use of the new supervisor when the annual rating period comes to an end.

Special ratings are not official ratings of record. They are intended for the informational purposes of a future rater in preparing the employee's annual rating at the end of the rating cycle. Although they are not official ratings, special ratings are still subject to review and approval by higher-level management officials before the rating can be issued to an employee.

Raters are required to consider all work performed by an employee during the rating period when preparing the employee's annual performance appraisal rating. This includes any special ratings the employee may have received during the rating period.

When considering an employee's special ratings in preparing the annual rating, the rater should give due weight to such factors as length of time in the other position, similarity between performance elements and standards, and explanations of employee strengths or weaknesses. If the performance elements and standards of the special rating position are substantially similar to those of the employee's current performance plan, the rater may use any justifications and information from the special rating to help substantiate the annual rating. Performance elements that are particularly well suited for this include those involving customer service, supervision and leadership, communication, innovation and process improvement, and training and personal development. When the performance elements and standards of the special rating position are dissimilar to those of the position being rated, the special rating information may still be used to help justify upward or downward adjustments to the annual rating and performance-based awards.

If the employee's performance as reflected in the special rating was especially noteworthy and could possibly warrant raising the summary rating level of the employee's annual rating from Fully Successful to Highly Successful, the rating official could request a deviation to the summary rating formula using the [procedures](#) described elsewhere in this guide in order to raise the employee's rating. This would also apply to a downward adjustment in the annual rating.

When the employee's annual rating is prepared, any special ratings the employee received during the rating period should be attached to the rating. Only the annual rating counts as the official rating of record, however.

## Preparing Performance Ratings

At the end of the rating period, the rater prepares the employee's performance rating. If the rater has been diligent in monitoring performance and providing feedback and counseling to the employee throughout the rating period, both the rater and the employee should have a good idea of what the final rating should be.

Performance ratings are recorded on DFAS Form 430-2, Civilian Performance Rating. A copy of the DFAS Form 430-1, Civilian Performance Plan, must be attached.

### Roles of the Rater, Reviewer, and Approving Official

The employee's first-level supervisor is typically the **rater**. The rater communicates organizational goals and objectives to employees; discusses performance plans with employees; evaluates performance of employees on an ongoing basis; and prepares written performance ratings for employees.

The employee's second-level supervisor is typically the **reviewer**. The reviewer ensures that performance plans and ratings are processed by the rater in a timely manner; reviews performance plans and ratings to ensure consistency and equity throughout the organization; and ensures proper justification is provided for performance ratings. The use of a reviewer is optional.

The employee's third-level supervisor is typically the **approving official**. The approving official reviews and approves performance plans; reviews and approves performance ratings, ensures accuracy and conformance with the regulation; ensures that performance ratings are considered in personnel decisions; and resolves disagreements over performance ratings between raters and reviewers. When there is no reviewer, the approving official also fulfills those responsibilities.

### Gathering Performance Data

The rater's first step in preparing the employee's performance rating is to gather data. Only performance occurring during the rating period may be considered in assessing the employee's annual rating. The employee's performance in prior appraisal periods does not count or enter into the assessment of the current rating period.

- Gather all data collected on the employee's performance during the rating period, including production reports, special ratings the employee may have received, performance counseling notes, customer comments, and related material.
- If needed, obtain performance feedback data from customers, team leads, coworkers and others who have interacted with the employee during the rating period and who can provide input on the employee's performance on one or more aspects of the employee's performance elements and standards.

- Hold the final quarterly or semi-annual feedback discussion with the employee. It is often appropriate to solicit the employee’s input on his or her performance on each performance element and standard and to ask the employee for a list of what he or she sees as significant accomplishments during the rating cycle.

### Rate Individual Performance Elements

Once all performance data is gathered, the rater must separately rate each performance element on the performance plan. Performance elements receive one of four possible ratings:

- **Met:** This is assigned when the employee has met the requirements outlined in the performance standard(s) for the element.
- **Exceeds:** This is assigned when the employee exceeds the requirements outlined in the performance standard(s) for the element.
- **Not Met:** This is assigned when the employee fails to meet the requirements outlined in the performance standard(s) for the element.
- **Not Rated:** This is assigned when the employee did not have an opportunity to demonstrate performance under this element, did not have at least 90 days to perform work under this performance element, or the performance element is invalid.

### Element Rating Justifications

Raters must provide justification for any individual performance element rated Exceeded or Not Met. If an element is Not Rated, a brief explanation should be provided, as well.

When writing performance element rating justifications, concentrate on addressing how the employee exceeded/failed the performance standards for the element. Focus on results achieved, not effort, and provide concrete examples from throughout the rating period to show that the employee’s performance was consistent throughout the rating period and not just an occasional flash of brilliance or failure. When giving examples, provide specifics, such as products the employee worked on and how they impacted the mission, production figures, customer feedback, results obtained, etc. Avoid shallow or empty praise devoid of any meaningful data or feedback. For instance:

*“You routinely completed the monthly XYZ accounting reports accurately and completely in well under the 5 days allowed under the standard. Our customers at USSTRANSCOM specifically commented on the timeliness and accuracy of this report in helping them meet deployment schedules for US troops in Iraq.”*

is a far better and more meaningful justification than this:

*“You exceeded this element through the sheer determination to be the best you could be.”*



A common mistake raters make in providing performance element rating justification is repeating back what the performance standard requires. This doesn't justify exceptional or failed performance; it simply states what is considered met performance.

### Calculating Summary Performance Ratings

Once each performance element is rated, the employee's summary performance rating is determined. Any performance element that is Not Rated is not used in determining the summary rating. The element is treated as if it did not exist. Summary ratings are determined as follows:

- If the employee is rated Exceeded on all critical and noncritical performance elements, the employee should be rated **Exceptional**.
- If the employee is rated Exceeded on more than one half of all critical performance elements and at least Met on all other critical and noncritical performance elements, the employee is rated **Highly Successful**. Note: If the employee has only 2 critical elements, he or she must exceed both in order to be considered as having exceeded more than one half of the critical elements. If the employee has four critical elements, he or she must exceed three in order to exceed more than one half of the critical elements.
- If the employee is rated at least Met on all critical and noncritical performance elements, the employee is rated **Fully Successful**.
- If the employee receives a Not Met rating on a noncritical performance element, he or she is rated **Minimally Successful**. Note: This rating applies, even if the employee is rated exceeds on all other performance elements. Please contact your servicing Human Resources representative if you are rating an employee Minimally Successful; additional actions may be needed if the employee is scheduled to receive a within-grade increase during the new rating cycle.
- If the employee receives a Not Met rating on a critical performance element, he or she is rated **Unacceptable**. Note: This rating applies, even if the employee is rated exceeds on all other performance elements. Please contact your servicing Human Resources representative if you are rating an employee Unacceptable. You may not issue such a rating to the employee without having first provided him or her with a formal opportunity to improve; this may require extending the rating period for the employee.

### Exceptions to the Summary Rating Formula

In some cases, such as those described below, an accurate summary rating based on the performance element ratings may not result. In such situations, business line executives and corporate directors, or their authorized designee, may deviate from the criteria for assigning summary ratings. Any deviation from the rating formula must be fully justified in item 8 on the DFAS Form 430-2. The following instances may warrant a deviation from the standard summary rating formula:

1. An employee's individual performance contribution to organizational achievements was such that although the employee was rated Exceeded on all performance elements except one critical element that was rated Met, an Exceptional rating is considered warranted. This raises what would have been a Highly Successful rating to an Exceptional.
2. The overall level of performance of an employee who was rated Exceeded on all critical and noncritical elements only warrants a Highly Successful rather than an Exceptional rating. This lowers what would have been an Exceptional rating to a Highly Successful.
3. Although a Fully Successful performance rating is warranted based on the element ratings, after consideration of the special ratings received by the employee for performance in other positions during the rating period, a Highly Successful rating may be approved. This raises what would have been a Fully Successful rating to Highly Successful.

### Individual Development Plans

The performance rating cycle provides an excellent opportunity for employees and supervisors to identify skills and competencies which need additional development for improved performance in the employee's current job or to prepare the employee for possible future job assignments. The Individual Development Plans (IDP) link on the Growth and Learning [page](#) contains a wealth of information and guidance on this process. Newly revised Career Development Guides are also available on the website. These Guides provide valuable information on competencies which are needed for success in all DFAS career fields and business lines and provide suggested learning experiences for each competency. These suggested learning experiences include classroom training offered by DFAS; other classroom training offered by external vendors; college courses for which tuition assistance may be requested; web-based courses; on-the-job training; and developmental assignments. The Growth and Learning page contains information on many of these opportunities.

Completed IDPs also serve as a primary source of data as annual business line and corporate training plans and priorities are developed. Please use the IDP forms found on the Growth and Learning website and not the IDP section found on the DFAS Form 430-2.

Completed IDPs should be maintained by the employee and the supervisor and should **not** be forwarded to the HR Shared Services Center with the performance rating.

### Obtain Approval of the Rating

Upon completion of the employee's performance rating, the rater makes any award recommendations for the employee and forwards the rating to the reviewing and approving officials for their review and approval. Information on awards can be found [here](#).

Internal practices regarding review and approval of performance ratings may vary. Be sure to follow any specific directions passed down by your organization. As a reminder, the approving official for a rating and the approving official for an award may be different. Any individual performance award recommendation in excess of \$1250 (or group award

recommendation in excess of \$2500) must be sent to the appropriate director, client executive, or corporate director (e.g., Director of Accounting, Director of Integration and Technology) for approval. Any individual award recommendation in excess of \$2500 must be sent to the DFAS Director or a Deputy Director for approval.

### Resolving Internal Management Disputes Over Ratings

There are times when the rater and the reviewer may disagree over what the proper performance rating for an individual employee should be. This often results because of the different roles each manager plays in the appraisal rating process. The rater is primarily concerned with the ratings of the individual employee and the immediate workgroup the rater supervises. The reviewer is primarily concerned with issues of consistency within the organization in the application of the performance elements and standards. The reviewer is responsible for ensuring raters are properly applying the standards and adequately justifying individual performance ratings so that what might be considered routine, met-level performance in one part of the organization is not considered outstanding, exceeds-level performance in another part of the organization.

When there is an internal dispute between a rater and a reviewer, they should try to work together to resolve the differences. In most cases, further development of the substantiation for a rating is all that is required. If the disagreement cannot be resolved, however, the rating should be brought to the approving official with each manager expressing his or her position. After considering both sides, the approving official will decide the matter. The decision of the approving official is final, without recourse to other parties. Any changes that the approving official deems necessary will be made and all officials will take responsibility for and sign the performance appraisal rating.

Employees should never be informed there was an internal disagreement within management over the performance appraisal rating. Informing employees of such disagreements undermines the DFAS Performance Management Program and the chain-of-command and may create false assumptions about a rating “quota” or a discriminatory motive.

### Prohibited Rating Practices

The following practices are prohibited when appraising performance and assigning summary performance appraisal ratings:

1. Forced distribution of summary rating levels. Forced distribution means mandating rating quotas or targets and altering employee summary ratings in order to achieve predetermined summary rating levels;
2. Rank-ordering employees to determine summary rating levels. Rank-ordering means comparing employees against each other and ranking them from best to worst in order to determine their summary ratings;

3. Considering absences of a disabled veteran to seek medical treatment for that disability or employees on approved leave under the Family and Medical Leave Act (FMLA);
4. Considering the veteran's or military status of the employee;
5. Considering the union status of the employee;
6. Considering the race, color, sex, age, religion, national origin, physical or mental disability, or prior EEO-related activity of the employee; and,
7. Considering any other non-merit factor in the assessment of the employee's performance.

Note: Forced distributions and rank ordering employees is permitted when making award determinations.

#### Presenting Appraisals to Employees

Once an employee's performance rating and award (if any) have been approved, the rater may present the rating to the employee. Putting a note saying, "*Please sign and return. Let me know if you have any questions*" on the employee's performance rating and placing the rating into their "in-box" when they are not present is considered poor supervisory form. Raters should schedule a meeting with the employee and personally present the rating to them. The rater should be prepared to discuss the rating with the employee and to answer any questions about it that the employee may have. When the discussion is concluded, the employee should be asked to sign their rating in the appropriate block of the DFAS Form 430-2. Signing the rating indicates that the employee has received it and does not imply the employee agrees with the assessment.

Employees do not have to sign their performance ratings if they choose not to do so. If the employee declines to sign the rating, the rater should simply annotate "*Employee declined to sign*" in the employee's signature block area and indicate the date on which the employee was given the performance rating.

If an employee will not be available to receive his or her performance rating before the rating is due for submission to the DFAS Human Resources SSC, the rating should be annotated *Employee unavailable for signature* and the rating submitted to the SSC on time. The rating should then be given to the employee as soon as possible upon the employee's return to duty.

If the rater will not be available to present the performance rating to the employee before the rating is due for submission to the SSC, the rating should be presented to the employee by the reviewing or approving official.

## Awards

A number of awards are available to employees in recognition of performance accomplishments. Some of these awards may be granted at any time during the rating cycle and some may be granted only in connection with the processing of the annual rating.

Awards are not mandatory and are granted at the discretion of management. Employees should never be told that they have been nominated for an award or that they will receive an award unless that award has been approved by a management official who has the delegated authority to approve such an award. Prematurely advising an employee of an award that has not been approved may create serious morale problems if the award is not approved or the amount or nature of the award is changed.

Managers are reminded that if they establish incentive award committees to review and recommend awards applicable to bargaining unit employees, they should afford the union the opportunity to have a representative participate on that committee. This is a requirement of Article 37 of the Multi-Unit Master Agreement (MUMA). They should also consider including a representative from the Equal Employment Opportunity (EEO) Office to assist in the review of awards.

### Award Approval Authorities

The approving official for an award is not necessarily the same individual as the approving official for the performance rating. All awards submitted to human resources for processing must include approval by the proper management official as designated by the organization and by agency policy. The guidance below establishes general agency policy regarding awards approval.

Any individual award in excess of \$2,500 and any group award in excess of \$5,000 must be approved by the DFAS Director, a Deputy Director, or their designee.

Any individual award in excess of \$1,250 and any group award in excess of \$2,500 must be approved by the organization's appropriate Senior Executive. Within Operations, this approval authority includes the Senior Executive Directors at: Arlington, Cleveland, Columbus, Denver, and Indianapolis. Senior Executives may delegate half of their approval authority to their organizational directors and chiefs.

Any individual award of \$1,250 or less and any group award of \$2,500 or less may be approved by the rating approving official -- unless the director, client executive, or corporate director has established or delegated a different internal approval authority. The Operations Directors of DFAS locations at Kansas City, Limestone, Rome, and the remaining field sites may also approve individual awards up to \$1,250 and group awards of up to \$2,500. Awards exceeding those amounts require approval by the appropriate Senior Executive within the chain of command.

Quality step increases (QSI) and time off awards may be approved by the rating approving official—unless the director, client executive, or corporate director has established or delegated a different internal approval authority.

Those with questions about internal award procedures and approval authorities should consult within their chain-of-command.

### Performance Awards

Performance awards are cash awards directly linked to the annual rating. Performance awards may be awarded only in connection with the annual rating.

To be eligible for a performance award, an employee must have been rated at least Fully Successful on his or her summary rating and rated exceeded on at least one critical performance element. The written substantiation used to support the performance rating is used as the performance award justification. Therefore, if an employee has already received a monetary award for a specific accomplishment described in the performance rating, that accomplishment cannot again be used to justify a performance award.

Nominations for performance awards are made on the DFAS Form 430-2, Civilian Performance Rating. The amount of a performance award may be expressly stated as a fixed dollar amount or made as a percentage of salary, up to 10-percent of base pay.

Performance awards are generally paid within 6 weeks of the DFAS Human Resources SSC receiving the DFAS Form 430-2, Civilian Performance Rating, for processing. The employee copy of the Notification of Personnel Actions (NPA) for all personnel actions including performance awards will be available on the DFAS Portal one week after the award is entered in the Defense Civilian Personnel Data System (DCPDS).

### Quality Step Increases

A quality step increase (QSI) is a faster than normal within-grade pay increase (WIGI) used to reward employees who consistently display high quality performance. A QSI is an important pay-for-performance feature and a valuable tool for managers to use to recognize and reward outstanding performance. A QSI may be awarded only in connection with the annual performance appraisal. An employee cannot receive both a performance award and a QSI.

As with all awards, managers must recognize the cost implications of QSIs so that they can appropriately match the award to the performance and best use of DFAS resources. Because a QSI increases an employee's rate of basic pay, it represents an increased cost to the agency on an ongoing basis, unlike a lump-sum cash award. QSIs increase retirement contributions and Thrift Savings Plan expenses as well. Managers should estimate the costs of a QSI so they can better judge whether the award is appropriate to the circumstances. By using information such as the employee's grade and step level and how long the awarded employee is expected to remain in the Government, managers can project award costs over given periods. For example, the 1-year salary cost of granting a QSI to a GS-9, step 2 employee might be \$1,177, but the compounded salary cost over 5 years could be as much as \$3,674, assuming a 3 percent per year general increase based on the Employment Cost Index (ECI).

To be eligible for a QSI, an employee must:

1. Be employed under the General Schedule (GS);
2. Not be at the top step (Step 10) of the pay grade for their position;
3. Not be on a temporary promotion;
4. Receive an Exceptional summary performance appraisal rating;
5. Not have received a QSI in the preceding 52-week period; and,
6. Demonstrate sustained performance of high quality significantly above that expected at the “Fully Successful” level in the type of position concerned.

Although QSIs do not normally affect the timing of an employee’s next scheduled WIGI, this is not the case when the QSI places the employee at Step 4 or Step 7 of their pay grade. This is because the statutory waiting period for the next step is extended by one additional year at these levels.

QSIs may be granted only in connection with the annual rating. Nominations for QSIs are made on the DFAS Form 430-2, Civilian Performance Rating. The written substantiation used to support the performance rating is used as the QSI justification. Therefore, if an employee has already received a monetary award for a specific accomplishment described in the performance rating, that accomplishment cannot again be used to justify a QSI.

QSIs must be approved within 30 calendar days of the date the employee’s exceptional performance rating was approved. The QSI must be submitted to the DFAS Human Resources SSC for final action no later than 30 calendar days following approval of the QSI by the award approving official. No other delays are permitted. If the QSI does not meet these milestones they will be returned to the approving official.

#### Time Off Awards

Time off awards reward employees for achievements contributing to the DFAS mission by giving employees paid time off from duty without charge to leave. Time off awards may be granted at any time and not just in connection with the annual rating period.

The minimum length of time for which a time off award may be granted is 1-hour; the maximum length of time for an individual time off award is 40-hours. The cumulative total of all time off awards that an employee may receive during a single leave year is 80 hours. Employees use time off awards in the same manner as annual leave and must use their award within 1-year or it will be forfeited. Time off awards may not be converted to cash or paid out as a lump-sum payment for any reason.

As with QSIs, managers should calculate the cost to the agency of granting a time off award to an employee to ensure that the cost of the award is in line with the accomplishment. The time off award is “paid” from the organization’s payroll dollars at the time it is redeemed by the employee. Because of this, it is usually inappropriate to grant a time off award to an employee who is expected to leave the business line shortly after receiving it and it is unrealistic to expect the employee to be able to use the award prior to leaving the organization. The effect of doing so is to transfer the cost of the award to another business line.

Nominations for time off awards in connection with the annual rating may be submitted on DFAS Form 430-2, Civilian Performance Rating. A time off award may be combined with a performance award but not with a QSI. The written substantiation used to support the performance rating may be used as the time off award justification. Therefore, if an employee has already received a monetary award for a specific accomplishment described in the performance rating, that accomplishment cannot again be used to justify a time off award. Nominations for time off awards at all other times should follow the normal awards submission processes for your organization.

#### Other Awards

DFAS has a number of other awards available for use that can be—but are not required to be—used in connection with the end of the annual performance appraisal rating cycle. Included among these are the On-the-Spot Cash Award (maximum \$250), the Exceptional Accomplishment Award (\$250-\$10,000), and the Special Act or Service Award (\$250-\$10,000). For information on these types of awards and how to nominate employees, please contact your servicing Human Resources representative.



### **Procedures for GS-14 and GS-15 Employees**

End of the performance cycle awards for GS-14 and GS-15 employees—regardless of amount or type—must be sent to the DFAS Chief of Staff **no later than Friday, May 25, 2007**.

Processing of awards for GS-14 and GS-15 employees will be accomplished electronically. Organizations should group their GS-14 and GS-15 employees on a separate spreadsheet that will be provided by the DFAS Human Resources SSC. This spreadsheet—with the ratings and award amounts—will be e-mailed to the Chief of Staff.

A copy of the spreadsheet will be sent to the SSC to process the rating and award. It is this award amount that must be placed on the employee's DFAS Form 430-2.

Directors, Client Executives, and Corporate Directors will sign as the award approving official on the hard-copy DFAS Form 430-2. The hard-copy DFAS 430-1, 430-2, and the spreadsheet must be mailed to the following address:

Defense Finance & Accounting Service  
HR Shared Services Center  
DFAS-NHF  
ATTN: 2007 Ratings and Awards  
8899 E. 56<sup>th</sup> Street  
Indianapolis, IN 46249-6400

## Procedures Used to Submit Performance Ratings and Awards to HR

### Quality Control Checklist

Although managers and organizational points of contact (POC) are welcome to ask their servicing Human Resources representatives in Indianapolis questions about any aspect of the performance rating and award process, they are not to submit ratings or awards to them for quality review. Instead, managers are to use the performance rating and award [checklist](#) to ensure that the DFAS Forms 430-2 and any associated awards are properly completed. A separate checklist for each rating is strongly encouraged to help managers avoid common mistakes and errors. Do not attach the checklist to the spreadsheets and appraisal - retain them for your records. The checklist is an internal document for management use and should not be sent to the SSC with the performance ratings.

### Spreadsheets

The SSC has developed a [spreadsheet](#) for use by all organizations in helping them keep track of the ratings and awards associated with the end of the performance appraisal rating cycle.

The spreadsheet is available through the ePortal, Human Resources community, Supervisor Corner page.

Ratings and awards (to include time-off awards) should be input into this spreadsheet. Organizations should not develop any spreadsheet other than the one given to them by Human Resources. **If organizations submit spreadsheets of their own design it will delay the processing of the associated performance appraisals and awards.** The spreadsheet naming convention in the spreadsheet is an important part of the tracking mechanism for ratings used by HR.

The spreadsheet macro automatically saves the input and assigns a spreadsheet file name. **Do not change the name of the spreadsheet.** The name of the POC and a telephone number must also be entered in the space provided. The spreadsheet will be used as a cover sheet to transmit hard copy ratings and awards to the SSC and must account for every hard copy rating and/or award submitted. Please be sure to maintain a copy of the spreadsheet and refer to the spreadsheet file name if you have inquiries. Do not send more than one copy of the spreadsheet to the SSC unless instructed to do so by the SSC staff.

The SSC uses the spreadsheet as a transmittal and locator document. Do not e-mail any spreadsheets to the SSC. They must be mailed with the hard copies of the DFAS Forms 430-2.

The SSC will process ratings and awards in the order they are received. It is now possible for DFAS employees to see their performance appraisals on the Portal Electronic OPF. This information is updated nightly. Therefore, it is important that employees receive their performance appraisals before you forward the rating and award to the SSC for input into the Defense Civilian Personnel Data System.

The SSC will input ratings and awards from the DFAS Forms 430-2, Civilian Performance Rating. Therefore, if there is a discrepancy between a rating or award on the spreadsheet and that indicated on a signed and approved DFAS Form 430-2, the rating and award documented on the DFAS Form 430-2 will control.

An organization does not have to submit all of its ratings and awards on one spreadsheet. When ever possible consolidate spreadsheets so they contain at least 25 or more employees. Organization POCs must ensure that employees do not appear on more than one spreadsheet, and do not submit the same spreadsheet more than once.

### Specific Procedures to Follow

Activity POCs should be assigned responsibility for the performance management process within their organization. The POC will manage the spreadsheets containing performance and award recommendations and will be responsible for mailing hard copy ratings and awards to the SSC.

Completed performance appraisal ratings are due to the SSC by **Friday, June 15, 2007.**

If any rating cannot be submitted by the suspense date because the employee is on an extended rating period or cannot be rated, the activity POC should maintain a list of such employees and be prepared to provide a brief explanation of the situation and/or the extended rating period ending date when follow-up calls for “missing” ratings begin. Do not submit this information until specifically asked.

Reports on the number of ratings and awards processed will be available in HRBID.

Ratings should not be submitted to the SSC until the rating has been signed and approved and any award associated with that rating has also been approved. Human Resources is not responsible for obtaining approvals. To help prevent approval errors, organization POCs should group employees needing the same level of approval for their ratings or awards on the same spreadsheet; for instance, put all of the employees with awards of more than \$2500 on one spreadsheet.

The telephone number for inquiries about the SSC’s processing of ratings and awards is 317-510-6591. Questions about handling specific performance rating situations, determining award types or approval authorities, and related matters should be addressed to the servicing Human Resources representative in Indianapolis.

To submit performance ratings to the SSC, please do the following:

1. Prepare a spreadsheet listing of all performance ratings and awards included in the submission. Use the spreadsheet provided by the SSC.
2. Print a copy of the spreadsheet and attach it to the signed and approved DFAS Forms 430-2, Civilian Performance Rating. The spreadsheet serves as a transmittal document to the SSC.

3. Remove the quality control checklist from the DFAS 430-2 and retain them for your records. The checklist is an internal document for management use and should not be sent to the SSC with the performance ratings.
4. Mail the spreadsheet and DFAS Forms 430-2 to the SSC. Due to the critical and sensitive nature of the rating forms, it is highly recommended that documents be mailed to the SSC via express or certified mail so that they can be more easily tracked. Use the following address for mailing ratings:

Defense Finance & Accounting Service  
HR Shared Services Center  
DFAS-NHF  
ATTN: 2007 Ratings and Awards  
8899 E. 56<sup>th</sup> Street  
Indianapolis, IN 46249-6400

Do not transmit the spreadsheet or any other documents to the SSC electronically.

#### Changing a Rating After it Has Been Submitted to the SSC

Since the SSC is inputting from the hard copy rating form, only the Approving Official may e-mail changes or cancellation of ratings and/or awards already submitted to the SSC. The SSC's email address for changes or a cancellation is [DFAS-IN.2007.Ratings/Awards@DFAS.Mil](mailto:DFAS-IN.2007.Ratings/Awards@DFAS.Mil). The Approving Official should include the file name of the spreadsheet transmitting the hard copy rating form in the email. The email should also include the employee's name and social security number and the nature of the change. If the rating and award have not been processed, the SSC will hold the action until the revised DFAS 430-2 is received. If the rating and award have been processed, the SSC will cancel the rating and adjust the award appropriately. The SSC will not process any changes to rating or awards until the revised DFAS 430-2 is received.

## Grievances Over Ratings

Employees who are dissatisfied with their performance ratings may grieve those ratings (but not awards determinations). Employees should submit their grievances to the management official who **approved** their performance rating. If a rating or reviewing official receives a grievance from an employee over the rating, he or she should return the grievance to the employee without action and advise the employee of the appropriate management official to whom to submit the grievance. Of course, he or she may assist the approving official in answering the employee's grievance. The rating approving official is the lowest level of the management chain with the authority to grant the employee a remedy.

Employees who were rated Fully Successful or better are generally responsible for making the case that their performance warrants a higher rating than the rating assigned. Supervisors are generally entitled to deference in their performance rating assessments and individual ratings should not be changed absent evidence demonstrating the rating is erroneous. In cases where the employee was rated less than Fully Successful, management is responsible for establishing that the employee's rating is appropriate. All arguments should be based on the employee's actual performance during the rating period as measured against the performance elements and standards for the position.

### Administrative Grievances

The Department of Defense (DoD) Administrative Grievance System (AGS) is the grievance procedure used by supervisors, managers, personnel specialists, and other DFAS civilian employees who are not part of a DFAS bargaining unit. Additionally, employees in bargaining units without a current negotiated labor agreement also use the DoD AGS.

The DoD AGS has two steps, an informal step, and a formal step. The informal step is optional with the employee. An employee must raise his or her grievance over the performance rating to the approving official **within 15 calendar days** of receiving the performance rating. The time limit begins on the day after the employee receives the rating. If the 15<sup>th</sup> calendar day is a Saturday, Sunday, or Federal holiday, the time limit is extended to the next business day.

Managers should contact their servicing employee relations specialist in the Human Resources SSC whenever they receive a grievance filed under the DoD AGS. The employee relations specialist is responsible for establishing the agency's official grievance file, advising management, and coordinating all management grievance decisions and responses.

The DoD AGS, with its procedures and requirements, can be accessed [here](#).

### Negotiated Grievances

Employees in bargaining units with current negotiated labor agreements use the negotiated grievance procedures (NGP) found in their labor agreements. The grievance must be filed with the management official who approved the performance rating even if this results in the grievance being filed at a more advanced step in the grievance procedure than step 1

(typically labeled “informal”). Such an advanced step filing does not preclude informal resolution attempts by the parties prior to the filing of the grievance. Informal resolution efforts do not automatically extend grievance filing deadlines, however. Deadlines may be extended only upon mutual consent between management and the union. Once a matter has been made the subject of a formal grievance, nothing prevents the union and the agency from attempting to resolve the grievance informally.

The servicing labor relations specialist must be notified whenever management receives a grievance from an employee. The labor relations specialist is responsible for establishing the agency’s official grievance file, advising management, and coordinating all management grievance decisions and responses.

Bargaining unit employees at the DFAS Central Sites (former Centers) and DFAS HQ use the Multi-Unit Master Agreement found [here](#). The time limit for an employee to file a grievance is **10 workdays** from the employee’s receipt of the performance appraisal rating. The time limit begins on the day after the employee receives the rating.

Bargaining unit employees at the DFAS Field Sites (former OPLOCs) use the Multi-Unit Master Agreement found [here](#). The time limit for an employee to file a grievance is **10 workdays** from the employee’s receipt of the performance appraisal rating. The time limit begins on the day after the employee receives the rating.

Other DFAS bargaining unit employees not covered by either of these two agreements — such as those employed by DFAS Rome and DFAS Red River—should follow the grievance procedures outlined in their local negotiated agreements.

## **Other Resources for Performance Management**

The DFAS Performance Management Regulation, DFAS 1426.3-R, is accessible [here](#).

For additional information on preparing performance plans, check our [DFAS Managers Guide to Preparing Employee Performance Plans](#).

For information on preparing Individual Development Plans, click [here](#).

For information on how to deal with employee performance problems, consult your servicing employee relations specialist in the Human Resources SSC.

## **Milestones for 2006-2007 Performance Appraisal Period**

- May 1, 2006 Performance appraisal period begins.
- May 31, 2006 Deadline for supervisors to put initial performance plans into place.
- July 31, 2006 End of first rating quarter: supervisors should initiate performance feedback discussions for bargaining unit employees who have a quarterly feedback discussion requirement.
- October 31, 2006 End of second rating quarter and midpoint of rating period: supervisors should initiate performance feedback discussions with all employees.
- January 30, 2007 Deadline for supervisors to make any major changes to performance plan requirements.
- End of third rating quarter: supervisors should initiate performance feedback discussions for bargaining unit employees who have a quarterly feedback discussion requirement.
- April 30, 2007 End of fourth rating quarter and end of rating period: supervisors should initiate final performance feedback discussions with all employees and solicit their rating input for use in preparing performance ratings.
- Deadline for supervisors to notify any employee that their appraisal period is being extended.
- June 15, 2007 Completed performance ratings are due to the DFAS Shared Services Center (SSC) for input and payment of performance awards.
- July 28, 2007 Maximum duration of any extended appraisal period.
- August 28, 2007 Latest date on which ratings based on an extended appraisal period may be submitted to the SSC.



QUALITY CONTROL CHECKLIST

**DFAS CIVILIAN PERFORMANCE RATINGS & AWARDS**

May 1, 2006 – April 30, 2007 Annual Performance Appraisal Rating Cycle

Employee Name: \_\_\_\_\_ DFAS Activity: \_\_\_\_\_

| DFAS Form 430-1, Civilian Performance Plan   |  |
|--|--|
| ✓  | <b>Requirement</b>   |
|  | The Civilian Performance Plan is attached to the DFAS Form 430-2, Civilian Performance Rating  |
|  | The employee's name, SSN, and job title, series, and grade are indicated on the Civilian Performance Plan  |
|  | The Civilian Performance Plan contains at least 2 critical and 1 noncritical performance elements ( <i>nonbargaining unit employees</i> ); or,<br>The Civilian Performance Plan contains at least 3 critical and 1 noncritical performance elements ( <i>HQ, Central and Field Site bargaining unit employees</i> )  |
|  | The Civilian Performance Plan is signed and dated by the Approving Official at least 90 days prior to the end of the appraisal rating cycle  |
|  | The Civilian Performance Plan is signed and dated by the employee at least 90 days prior to the end of the appraisal rating cycle  |
|  | The employee has been notified of a decision to extend his or her appraisal rating period  |
| DFAS Form 430-2, Civilian Performance Rating |  |
| ✓  | <b>Requirement</b>   |
|  | The employee's name, SSN, title, series and grade match those on the Civilian Performance Plan   |
|  | <i>Period Covered</i> indicates May 1, 2006, through April 30, 2007. See DFAS Manager's Guide for information on when other dates may be indicated.  |
|  | <i>Type of Rating</i> indicates "Annual"   |
|  | <i>Job Elements</i> match the performance elements from the Civilian Performance Plan  |
|  | <i>Job Elements</i> are marked as critical "Y" or noncritical "N"  |
|  | Each <i>Job Element</i> is rated "Met," "Not Met," "Exceeded," or "Not Rated"  |
|  | Written substantiation is provided for each "Not Met," "Exceeded," or "Not Rated" element  |
|  | The summary performance appraisal rating is calculated correctly: <ul style="list-style-type: none"> <li>• The employee exceeded <u>all elements</u> for an <b>Exceptional</b> rating</li> <li>• The employee exceeded <u>more than one half of the critical elements</u> (e.g. 3 out of 4 critical elements) and met all other elements for a <b>Highly Successful</b> rating</li> <li>• The employee exceeded up to one half of the critical elements (e.g. 2 out of 4 critical elements) and met all other elements for a <b>Fully Successful</b> rating</li> <li>• The employee failed a <u>noncritical element</u> for a <b>Minimally Successful</b> rating</li> <li>• The employee failed a <u>critical element</u> for an <b>Unacceptable</b> rating</li> </ul> |
|  | If the summary rating is based on a deviation to the summary rating formula:<br><u>      </u> The deviation has been approved by the appropriate Business Line Executive, Client Executive, Corporate Director, or their designee<br><u>      </u> The reasons for the deviation are explained in the justification  |
|  | The planned <b>Minimally Successful</b> or <b>Unacceptable</b> performance rating has been coordinated with the servicing employee relations specialist.   |
|  | The Civilian Performance Rating is signed by the Approving Official.   |
|  | A performance appraisal rating discussion was held with the employee.  |
|  | The Civilian Performance Rating is signed by the employee; or, if the employee is unavailable or declines to sign the rating, this fact is noted in the employee's signature block area  |

| <b>Awards and Recognition</b>           |   |
|---|---|
| <input checked="" type="checkbox"/>     | <b>Requirement</b>  |
|   | The employee received a Fully Successful or higher rating   |
|   | The employee exceeded at least one performance element. For a performance award, the employee must have exceeded at least one critical element  |
|   | The employee has not already received recognition for the same accomplishments through a special act, on-the-spot, time off, or other monetary award  |
|   | The award is approved by the approving official   |
|   | The approving official has the delegated authority to approve the amount of the award: <ul style="list-style-type: none"> <li>• Awards over \$2500 must be approved by the DFAS Director or a Deputy;</li> <li>• Awards over \$1250 must be approved by a Director, Client Executive, or Corporate Director</li> </ul>  |
|   | The amount of a Time Off Award does not exceed 40 hours   |
|   | The total amount of all Time Off Awards received by the employee in the current leave year will not exceed 80 hours   |
|   | For Quality Step Increases (QSIs): <ul style="list-style-type: none"> <li><input type="checkbox"/> The employee is in the General Schedule (GS) pay plan</li> <li><input type="checkbox"/> The employee received an Exceptional performance appraisal rating</li> <li><input type="checkbox"/> The employee is not on a temporary promotion</li> <li><input type="checkbox"/> The employee has not received a QSI within the past 52 weeks</li> <li><input type="checkbox"/> The QSI will not place the employee at step 4 or step 7 of their current grade</li> <li><input type="checkbox"/> The employee has demonstrated sustained high quality performance in the type of position concerned</li> </ul> |
| <b>Submission of Rating/Award to HR</b> |   |
| <input checked="" type="checkbox"/>     | <b>Requirement</b>  |
|   | The employee's name and SSN match those found on the DFAS Forms 430-1 and 430-2   |
|   | The summary rating entered onto the organizational rating spreadsheet matches the summary rating on the DFAS Form 430-2   |
|   | The type and amount of the award entered onto the organizational rating spreadsheet matches type and award amount on the DFAS Form 430-2  |
|   | The rating was submitted to the DFAS Human Resources Shared Services Center (SSC) no later than Friday, June 15, 2007   |
|   | If the rating could not be submitted on time, the reasons for the delay have been documented  |