

EMPLOYEE RECOGNITION AND AWARDS

- 1. REASON FOR ISSUE:** To revise Department of Veterans Affairs (VA) policy regarding employee recognition and awards.
- 2. SUMMARY OF CONTENTS/MAJOR CHANGES:** This change incorporates updates to employee rights when appealing an order for the recoupment of awards, bonuses, or relocation expenses, in accordance with [5 C.F.R. Part 755](#), Appeal Procedures for Recoupment of Awards, Bonuses, or Relocation Expenses Awarded or Approved for All Employees of the Department of Veterans Affairs, effective July 25, 2025. The pages in this issuance replace the corresponding page numbers in VA Handbook 5017, Employee Recognition and Awards. Revised text is contained in [brackets]. These changes will be incorporated into the electronic version of VA Handbook 5017, maintained on the [Office of Chief Human Capital Officer website](#) and [VA Publications website](#).
- 3. RESPONSIBLE OFFICE:** Office Human Resources and Administration/ Operations, Security, and Preparedness (006), Office of the Chief Human Capital Officer (OCHCO) (05), Employee Relations and Performance Management Service (051).
- 4. RELATED DIRECTIVE:** VA Directive 5017, Employee Recognition and Awards.
- 5. RESCISSIONS:** None.

CERTIFIED BY DIRECTION OF THE SECRETARY OF VETERANS AFFAIRS:

/s/
Mark R. Engelbaum
Assistant Secretary for
Human Resources and Administration

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EMPLOYEE RECOGNITION AND AWARDS

**PART VI. RECOUPMENT OF AWARDS, BONUSES, OR
RELOCATION EXPENSES**

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PART VI. RECOUPMENT OF AWARDS, BONUSES, OR RELOCATION EXPENSES

1. **SCOPE.** This part contains policies, procedures and guidelines governing the recoupment of awards, bonuses, or relocation expenses that are awarded or approved for all employees of the Department of Veterans Affairs (VA).

2. POLICY.

- a. The Secretary, or designee, may issue an order directing a VA employee to repay, in whole or in part, any award or bonus paid to the employee on or after June 23, 2017, under Title 5, including [Chapters 45 or 53](#), or Title 38 if it is determined the employee engaged in misconduct or poor performance prior to payment of the award or bonus, and the award or bonus would not have been paid, in whole or in part, had the misconduct or poor performance been known prior to payment. The misconduct or poor performance that is the basis for recouping an award or bonus must have occurred on or after June 23, 2017.
- b. The Secretary, or designee, may issue an order to a VA employee to repay the amount, or a portion of the amount, paid to or on behalf of, the employee under Title 5 for relocation expenses, including [5 U.S.C. §§ 5724](#) and [5724a](#), or Title 38, if it is determined the relocation expenses were paid on or after June 23, 2017, following an act of fraud or malfeasance that influenced the authorization of the relocation expenses. The act of fraud or malfeasance that is the basis for recouping the relocation expenses must have occurred on or after June 23, 2017.
- c. Due process as described herein must be provided prior to repayment.

3. REFERENCES.

- a. [VA Directive 5017, Employee Recognition and Awards.](#)
[]
- b. [38 U.S.C. § 721, Recoupment of Bonuses or Awards Paid to Employees of Department.](#)
- c. [38 U.S.C. § 723, Recoupment of Relocation Expenses Paid on Behalf of Employees of Department.](#)
- d. [Delegation of Authority for Actions Under 38 U.S.C. §§ 721 and 723, dated April 27, 2022.](#)
- e. [\[5 C.F.R. Part 755.\]](#)

4. **DEFINITIONS.** For this part, the following terms apply:

- a. **Award or Bonus.** Payment given to reward an individual for contributing to an organizational goal or improving the efficiency, effectiveness, and economy of the Government or is otherwise in the public interest, or a recruitment, relocation, or retention incentive. These include but are not limited to employee incentives based on predetermined criteria such as productivity standards, performance goals, measurement systems, award formulas, or payout schedules. (Physician performance pay is not included as it is not considered an award or bonus.) Awards may be performance-rating based or non-rating based. Examples of awards include superior performance awards, individual and group special contribution awards, organizational awards, suggestion awards, etc. Step increases, which are those other than periodic step increases, are also considered an award.
- b. **Business Days.** Weekdays, which are Monday through Friday, except when such a day is designated as a Federal holiday by the Office of Personnel Management (OPM), or the employee's assigned facility is closed for regular business, e.g., inclement weather. For calculation purposes, a business day begins on the first business day after the notice of the proposed order is received by the employee. [For calculation of an appeal, a business day begins on the first business day after issuance of the order of recoupment.]
- c. **Deciding Official for Recoupment of Awards, Bonuses and Relocation Expenses.** The deciding official is the supervisor who is at least one supervisory level above and within the same supervisory line as the proposing official, or other individual who is delegated by the Secretary or Deputy Secretary. If the Secretary was the proposing official, then the Secretary is also the deciding official.
- d. **Employee.** A current or former employee of VA.
- e. **Malfeasance.** An act that is unjustified, harmful, or contrary to law, rule, or regulation. It includes, but is not limited to:
 - (1) Conduct, actions, or inactions that are unbecoming a civil service employee;
 - (2) Conduct, actions, or inactions that negatively impact VA or detract from VA's mission;
 - (3) Intentionally or negligently violating law, regulation, or VA policy; or
 - (4) Insubordination.
- f. **Notice of Proposed Order for Recoupment of an Award or Bonus.** The written document signed by the proposing official notifying the employee of the intent to recoup an award or bonus payment, in whole or in part due to an

after the date of receipt of the notice of proposed order by the employee. For purposes of computing the 15-business-day period, the date of service of the order on the employee will be determined by the date of reception by the employee of the personal delivery, electronic mail, or confirmed delivery of the order, or it will be presumed to be delivered five calendar days after depositing the proposed order in the U.S. mail if confirmation of delivery is unavailable.

- (5) The order will state the:
 - (a) Decision of the deciding official;
 - (b) Basis for the decision, including aggravating and mitigating factors;
 - (c) Amount of award or bonus monies to be recouped, if any; and
 - (d) Right to file an appeal with the Director, Office of Personnel Management (OPM), within seven business days, after issuance of the order by the employee [or file a grievance in accordance with an applicable collective bargaining agreement (CBA), but not both. Whatever venue in which an appeal is filed first, with OPM or a grievance filed under a CBA, will constitute the employee's election.]

e. Appeal.

- (1) The employee may file [either]:
 - (a) An appeal to the Director, OPM, 1900 E St., NW, Washington, DC 20415 [or by email to employeeaccountability@opm.gov], within 7 business days after the date of issuance of the order and submit a copy of the appeal to the deciding official[, or
 - (b) A grievance filed in accordance with an applicable CBA.]
- (2) The appeal [must] include[:
 - (a) A copy of the notice of proposed order;
 - (b) A copy of the employee's response to the proposed order, if any;
 - (c) The order signed by the deciding official;
 - (d) A statement explaining why the employee believes the order is in error;
 - (e) A copy of any grievance filed by the employee under a CBA seeking to reverse a recoupment order, if applicable;

- (f) The name, mailing address, telephone number, and email address of the employee and their representative (if applicable); and
 - (g) The name, mailing address, telephone number and email address of the VA official who issued the order.
- (3) OPM will notify the VA upon receipt of a complete, timely appeal. VA must] provide a copy of the evidence file [to OPM and the employee as soon as possible but no later than five business days. If necessary, OPM may request additional information from VA in addition to the evidence file. Any additional information must be provided to OPM and the employee within five business days. VA's failure to provide the evidence file or any requested additional information to OPM and the employee will result in a finding against the VA.]
 - (4) The OPM Director will make a final decision with respect to the appeal within 30 business days after receiving such appeal and remit notice of the decision to the employee[, employee's representative (if applicable),] and agency.
 - (5) If the deciding official's order is upheld by OPM, in whole or in part, VA will seek repayment of the award or bonus.
 - (6) If the deciding official's order is not upheld by OPM, no repayment of the award or bonus is authorized.
 - (7) [The OPM appeal decision is final; no further administrative review is available within OPM.]
 - (8) If the employee does not file an appeal with OPM, the deciding official will initiate repayment of the award or bonus by the employee.

f. [Record Keeping.

- (1) All records related to the recoupment of awards and bonuses will be maintained in the Automated Labor and Employee Relations Tracker – Human Resources (ALERT-HR), or its successor.
- (2) If an Office of Accountability and Whistleblower Protection (OAWP) report of investigation recommends the recoupment of awards and/or bonuses, a copy of the deciding official's order and OPM's final decision regarding the employee's appeal, if applicable, will be provided to OAWP at OAWPCOD@va.gov.]

6. PROCEDURES FOR RECOUPMENT OF RELOCATION EXPENSES.

a. Initial Determination.

of service of the proposed order on the employee will be determined by the date of receipt by the employee of the personal delivery, electronic mail, or confirmed delivery of the proposed order, or it will be presumed to be delivered five calendar days after depositing the proposed order in the U.S. mail if confirmation of delivery is unavailable.

- (2) The order will state the:
 - (a) Decision of the deciding official;
 - (b) Basis for the decision, including aggravating and mitigating factors;
 - (c) Amount of relocation expense monies to be recouped, if any; and
 - (d) Right to file an appeal with the Director, OPM, within seven business days after issuance of the order by the employee [or file a grievance in accordance with an applicable CBA, but not both. Whatever venue in which an appeal is filed first, with OPM or a grievance filed under a CBA, will constitute the employee's election.]

e. **Appeal.**

- (1) The employee may file [either]:
 - (a) An appeal to the Director, OPM, 1900 E St., NW, Washington, DC 20415 [or by email to employeeaccountability@opm.gov], within 7 business days after the date of issuance of the order and submit a copy of the appeal to the deciding official[, or
 - (b) A grievance filed in accordance with an applicable CBA.]
- (2) The appeal [][must] include[:
 - (a) A copy of the notice of proposed order;
 - (b) A copy of the employee's response to the proposed order, if any;
 - (c) The order signed by the deciding official;
 - (d) A statement explaining why the employee believes the order is in error;
 - (e) A copy of any grievance filed by the employee under a CBA seeking to reverse a recoupment order, if applicable;

- (f) The name, mailing address, telephone number, and email address of the employee and their representative (if applicable); and
 - (g) The name, mailing address, telephone number and email address of the VA official who issued the order.
- (3) OPM will notify the VA upon receipt of a complete, timely appeal. VA must] provide a copy of the evidence file[to OPM and the employee as soon as possible but no later than five business days. If necessary OPM may request additional information from VA in addition to the evidence file. Any additional information must be provided to OPM and the employee within five business days. VA's failure to provide the evidence file or any requested additional information to OPM and the employee will result in a finding against the VA.]
 - (4) The OPM Director will make a final decision with respect to the appeal within 30 calendar days after receiving such appeal and remit notice of the decision to the employee[, employee's representative (if applicable),] and agency.
 - (5) If the deciding official's order is upheld by OPM, in whole or in part, VA will seek recoupment of the relocation expenses.
 - (6) If the deciding official's order is not upheld by OPM, no recoupment of the relocation expenses is authorized.
 - (7) [The OPM appeal decision is final; no further administrative review is available within OPM.]
 - (8) If the employee does not file an appeal with OPM, VA will initiate recoupment of the relocation expenses paid to the employee.
- f. **[Record Keeping.** All records related to the recoupment of awards and bonuses will be maintained in the Automated Labor and Employee Relations Tracker – Human Resources (ALERT-HR), or its successor.]

7. PROPOSING AND DECIDING OFFICIALS.