

PERFORMANCE MANAGEMENT SYSTEMS

- 1. REASON FOR ISSUE:** To issue Department of Veterans Affairs (VA) policy regarding performance management systems.
- 2. SUMMARY OF CONTENTS/MAJOR CHANGES:** This directive provides Department-wide policy on VA's title 5 performance appraisal program and title 38 proficiency rating system. The title 5 performance appraisal policy discussed in this directive was approved by the Office of Personnel Management on May 6, 1996.
- 3. RESPONSIBLE OFFICE:** The Human Resources Management Employee Relations and Performance Management Service (051), Office of the Deputy Assistant Secretary for Human Resources Management and Labor Relations.
- 4. RELATED HANDBOOK:** VA Handbook 5013, "Performance Management Systems."
- 5. RESCISSIONS:** Refer to the Transmittal Sheet for VA Directive 5001, "General Introduction and Administration."

CERTIFIED BY:

**BY DIRECTION OF THE SECRETARY
OF VETERANS AFFAIRS:**

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PERFORMANCE MANAGEMENT SYSTEMS

1. PURPOSE. This directive establishes VA's performance appraisal policy for both title 5 and title 38 employees. Procedures for implementing the policies in this directive are located in VA Handbook 5013. VA's performance management system (appendix I-A of this handbook) was approved by the Office of Personnel Management on May 6, 1996. It provides the framework for developing separate title 5 intra-agency performance management programs. The performance appraisal policy for employees in the Senior Executive Service is covered in VA Directive and Handbook 5027.

2. POLICY

a. Title 5 Performance Appraisal Program

(1) Performance appraisal will be effectively used in achieving the mission of VA to serve America's veterans and their families. In supporting a results-based and customer-oriented environment, performance appraisal provides an ideal mechanism for communicating and clarifying [VA's overall strategic goals as well as] organizational goals to employees and linking individual appraisal and performance to achievement of [VA's overall strategic goals as well as] organizational goals. A decentralized, flexible appraisal system will be used to improve individual and organizational performance and improve and enhance the quality of service delivered to veterans and their families.

(2) Through a strategic management process, goals will be established, measured, and monitored in a systematic manner. This permits VA organizations to design specific appraisal programs and procedures that meet their respective needs and cultures. The results of performance appraisal may be used as the basis for recognizing and rewarding accomplishments, identifying developmental needs, and recommending appropriate personnel actions.

(3) VA's appraisal system supports achievement of [VA's overall strategic goals as well as] organizational goals. To that end, managers and employees, at all levels, must be held accountable for achieving desired outcomes. The success of this system and each organization's performance appraisal program established under it will be judged by the extent to which they:

(a) Link employee performance to the achievement of VA's [overall strategic goals as well as] organizational goals and objectives.

(b) Encourage employee and employee representative participation in the development and operation of the system and programs.

(c) Ensure the inclusion of customer service goals and standards in all individual performance appraisal plans.

(d) Provide for the continued performance improvement of the organization and its employees and assistance to employees in improving unacceptable performance.

(e) Recognize and reward organizational/team and individual performance accomplishments.

(f) Continuously improve the performance appraisal, feedback, and recognition policies and processes through systematic and periodic evaluations.

b. Title 38 Proficiency Rating System

(1) **Scope.** The provisions of this paragraph apply to the proficiency evaluation of physicians, dentists, podiatrists, optometrists, chiropractors, nurses, nurse anesthetists, physician assistants and expanded-function dental auxiliaries appointed under authority of 38 U.S.C., chapter 73 or 74. The above categories of individuals are included in the term employee(s) as used in this paragraph unless otherwise specified. The term "Under Secretary for Health or designee" as used in this paragraph means the Under Secretary for Health or a designee in VACO.

(2) Exclusions

(a) The Under Secretary for Health

(b) Health care facility directors appointed under 38 U.S.C. 7401(1); directors, Veterans Integrated Service Network (VISN) and VISN clinical managers; and health care executives appointed under 38 U.S.C. 7306 will be evaluated using the Senior Executive Service performance appraisal system.

(c) [Hybrid Title 38 employees] appointed under 38 U.S.C. 7401(3) or 7405[(a)(1)(B)].

(d) Title 38 employees [whose performance is appraised under the Veterans Health Administration Executive Career Field Performance Plan on VA Form 3482e].

(3) General

(a) The proficiency rating system is designed to assure the effective and efficient utilization of the covered employees and to furnish bases for assistance and guidance to them in the performance of their assignments and the development of their skills and abilities.

(b) The proficiency rating system will provide for planned, continuous, and systematic review, analysis and evaluation by all supervisors of the effectiveness of employees in their assignments.

(c) The proficiency rating of supervisors will include an evaluation of their performance in furthering equal employment opportunity, including employment of disabled veterans and other disabled individuals, minority groups, and women.

3. RESPONSIBILITIES

a. Title 5 Performance Appraisal Program

(1) Under Secretaries, Assistant Secretaries, and Other Key Officials will:

(a) Develop and manage performance appraisal programs for their respective organizations.

(b) Determine the linkage, if any, between the results of performance appraisal under any program developed and awards.

(c) Provide training with technical assistance for Raters, group and team leaders and employees on relevant parts of the appraisal program.

(d) Periodically evaluate the effectiveness of performance appraisal programs developed under this system within their respective organizations.

(e) Encourage participation of employees and employee representatives in full partnership in the development and implementation of organizational performance appraisal programs.

(2) The Deputy Assistant Secretary for Human Resources Management [] will:

(a) Provide guidance on and assistance in developing performance appraisal programs.

(b) Analyze and evaluate the effectiveness of the performance appraisal system periodically and recommend modifications, as needed.

(c) Develop core training on performance appraisal and VA's appraisal system.

(3) Raters and group and team leaders will:

(a) Encourage involvement by employees and their representatives in the development of performance plans.

(b) Ensure that employees receive and have an understanding of the performance expectations contained in their performance plan.

(c) Communicate with employees on a continuing basis regarding their achievements and areas in which they could improve.

(4) Employees are strongly encouraged to:

(a) Participate in the development of their performance plan.

(b) Communicate with the Rater on a continuing basis about their performance and its relationship to organizational goals and objectives.

b. **Title 38 Proficiency Rating System.** The Under Secretary for Health and designees will prescribe instructions for periodic counseling of employees, for regular annual proficiency ratings, for delays of these ratings, and for special ratings to be made as administratively required. (See part II of VA Handbook 5013, Performance Management Systems.)

4. REFERENCES

- a. 5 U.S.C., chapter 43
- b. 5 CFR, part 430
- c. 38 U.S.C., chapters 73 and 74.
- d. 38 U.S.C. 305 and 501 (a)

PERFORMANCE MANAGEMENT SYSTEMS

- 1. REASON FOR ISSUE:** To issue Department of Veterans Affairs (VA) procedures regarding performance management systems.
- 2. SUMMARY OF CONTENTS/MAJOR CHANGES:** This handbook sets forth mandatory procedures previously contained in numerous other issuances. No substantive changes have been made.
- 3. RESPONSIBLE OFFICE:** The Human Resources Management Employee Relations and Performance Management Service (051), Office of the Deputy Assistant Secretary for Human Resources and Labor Relations.
- 4. RELATED DIRECTIVE:** VA Directive 5013, "Performance Management Systems."
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PART I. TITLE 5 PERFORMANCE APPRAISAL PROGRAM

1. COVERAGE. This part applies to the process used to appraise the performance of the following Department of Veterans Affairs employees: (**NOTE:** This policy applies to bargaining unit employees, unless negotiated provisions in National Agreements and Memoranda of Understanding provide otherwise):

- a. General Schedule employees, including employees covered by the Performance Management and Recognition System Termination Act of 1993.
- b. Federal Wage System employees.
- c. Scientific and Technical (Senior Level) employees paid under 5 U.S.C. 5376.
- d. Full-time, part-time and intermittent hybrid Title 38 employees appointed under 38 U.S.C. 7401(3) or 7405(a)(1)(B).
- e. Veterans Canteen Service employees appointed under 38 U.S.C., chapter 78.
- f. Temporary and Term employees, except as specifically excluded.
- g. All Veterans Health Administration (VHA) employees [under the Executive Career Field Performance Appraisal Program fall under the provisions of Appendix F of this part. However, for matters not specifically covered by Appendix F, the provisions of this part shall apply].

2. EXCLUSIONS. This part excludes the following:

- a. Officers appointed by the President, by and with the advice and consent of the Senate, or by the President alone, to positions for which rates of basic compensation may exceed the maximum rate provided in the General Schedule.
- b. Employees in the Senior Executive Service.
- c. Full-time, part-time, and intermittent physicians, dentists, chiropractors, nurses, nurse anesthetists, optometrists, podiatrists, physician assistants, expanded-function dental auxiliaries appointed under 38 U.S.C. 7401(1), 7405(a)(1)(A), or 7406, and individuals appointed under 38 U.S.C. 7306 in the Office of the Under Secretary for Health.
- d. Non-U.S. citizens employed at the VA Regional Office, Manila, Republic of the Philippines, who are paid according to local prevailing wage rates.
- e. Temporary employees in the excepted service for which employment is not reasonably expected to exceed 90 days in a 12-month period.
- f. Members of the Board of Veterans' Appeals and the Board of Contract Appeals.
- g. Veterans Benefits Administration (VBA) non-executive directors.
- h. Veterans Health Administration (VHA) Associated Health Trainees..

3. GENERAL PROVISIONS

- a. Performance will be rated for each element as Exceptional, Fully Successful, or Unacceptable, Successfully, and at a summary level as Outstanding, Excellent, Fully Successful, Minimally Satisfactory, or Unacceptable, which correspond to Levels 1 through 5--Pattern H. (See VA Handbook 5013, Part I, Appendix A, subparagraph 5d.)
- b. The results of the performance appraisal are used as the basis for granting within-grade and quality step increases, and for determining performance awards, as well as training, rewarding, reassigning, promoting, reducing in grade, retaining and removing employees.
- c. The appraisal period is the one-year period that begins on October 1 and ends on September 30 unless otherwise designated by an Under Secretary, Assistant Secretary, or Other Key Official. In the case where a change in rating cycle is being made, notification will be issued establishing and defining an alternative appraisal cycle.
- d. The performance management program for VBA non-executive directors is contained in VA Handbook 5013, Part I, Appendices D and E.
- e. [The performance appraisal program for VHA supervisors and managers in the Executive Career Field is contained in VA Handbook 5013, Part I, Appendix F.
- f.] Performance plans will be documented on VA Form 0750 or VA Form 3482, as appropriate.

4. EVALUATION. Administration Heads, Assistant Secretaries and Other Key Officials will periodically evaluate the effectiveness of performance management within their respective organizations. The Deputy Assistant Secretary for Human Resources Management will analyze and evaluate the overall effectiveness of VA's performance appraisal program and recommend modifications as necessary.

5. DEFINITIONS

a. **Achievement Level.** The overall level of accomplishment for each element as measured against the pre-established performance standards. Achievement levels are defined as follows:

(1) **Exceptional.** All Fully Successful performance standards for the element are significantly surpassed. This level is reserved for employees whose performance in the element far exceeds normal expectations and results in significant contributions to the organization.

(2) **Fully Successful.** Performance standards for the particular element when taken as a whole are being met. This level is a positive indication of employee performance and means the employee is effectively meeting performance demands for this component of the job.

(3) **Unacceptable.** A level of performance that does not meet a standard established for the Fully Successful level. Assignment of this achievement level means that performance of the element is not acceptable.

b. **Appraisal.** The process under which performance is reviewed and evaluated.

c. **Appraisal Cycle.** The specific dates that mark the beginning and ending of an appraisal period.

d. **Appraisal Period.** The established period of time for which performance will be reviewed and a rating of record will be prepared.

e. **Approval Official.** The designated official at a higher management level than the Rater who reviews and approves at least all Minimally Satisfactory and [Unacceptable] ratings at the end of the appraisal period. Organizations may decide to have some or all ratings above Minimally Satisfactory subject to review by Approval Officials. The Secretary and the Inspector General are the only officials who can serve as both the Rater and Approval Official.

f. **Days.** Calendar days, unless otherwise specified.

g. **Element.** A component of a position sufficiently important to warrant appraisal. The element may be either critical or noncritical and is defined as follows:

(1) **Critical Element.** Any element that contributes toward the accomplishment of organizational goals and objectives, and is of such importance that [Unacceptable] performance of it would result in unacceptable performance in the position.

(2) **Noncritical Element.** Any element that does not meet the definition of critical element but is still of sufficient importance to warrant written appraisal.

NOTE: *The term “noncritical” does not imply that the goals and/or functions described in these elements are of an unimportant nature. The makers of policy for the VHA Performance Appraisal Program would prefer to refer to these elements as “other elements.”*

(3) **Additional Element.** A dimension or aspect of individual, team or organizational performance that is not used in assigning a summary level but, like critical and noncritical elements, is useful for purposes such as communicating performance expectations and serving as the basis for granting awards. Such elements could be used as a means of communicating expected performance where the performance threshold is beyond the employee’s immediate control in areas such as attainment of organizational goals, work plans, work objectives or program plans.

h. **Minimum Appraisal Period.** The 90-day period during which an employee must have performed under communicated performance elements and standards that may result in a performance rating.

i. **Performance Plan.** All written or otherwise recorded critical, and noncritical and additional performance elements and standards that identify expected performance.

j. **Performance Standard.** The management approved expression of the performance threshold(s), requirement(s) or expectation(s) that must be met to be appraised at a particular level of performance. A performance standard may include, but is not limited to, factors such as quality, quantity, timeliness and manner of performance. They shall also include specific recurring and nonrecurring goals, program plans, priority programs, etc., since accomplishment of organizational objectives should be reflected in performance plans when appropriate.

k. **Progress Review.** Communication with employees, at least once during the appraisal period, about their performance.

l. **Rater.** The official, usually the immediate supervisor, who is responsible for developing performance plans, providing feedback and progress reviews, appraising employee performance, and recommending a performance rating.

m. **Rating of Record.** The performance rating prepared at the end of an appraisal period for performance over the entire period and the assignment of a summary level. This constitutes the official rating of record.

n. **Summary Rating.** The record of the appraisal of all critical and noncritical elements and the assignment of an overall rating. These ratings will be assigned in accordance with the following criteria:

(1) **Outstanding.** The achievement levels for all elements are designated as Exceptional.

(2) **Excellent.** The achievement levels for all critical elements are designated as Exceptional. Achievement levels for noncritical elements are designated as at least Fully Successful. Some, but not all, noncritical elements may be designated as Exceptional.

(3) **Fully Successful.** The achievement level for at least one critical element is designated as Fully Successful. Achievement levels for other critical and noncritical elements are designated as at least Fully Successful or higher.

(4) **Minimally Satisfactory.** The achievement levels for all critical elements are designated as at least Fully Successful. However, the achievement level(s) for one (or more) noncritical element(s) is (are) designated as [Unacceptable].

(5) **[Unacceptable].** The achievement level(s) for one (or more) critical elements is (are) designated as [Unacceptable].

6. PLANNING PERFORMANCE

a. A performance plan will be developed to measure the performance requirements of each employee's position.

(1) Solicitation of input from employees and employee representatives in the development and revision of performance plans is encouraged.

(2) Performance plan input may be sought from multiple sources, including customers, peers and others involved in the supervision of the employee. Unless an employee is working more than one position, he/she will normally not have more than one supervisor.

(3) Performance plans shall be established in conjunction with the creation of and classification of new positions.

- (4) Each performance plan must include all elements that will be used in assigning a summary level.
- b. Performance plans must contain at least one critical element and one non-critical element that address individual performance.
 - c. Performance plans may include additional elements.
 - d. Performance plans must support [VA's overall strategic goals as well as] organizational goals and objectives and be linked to overall program results.
 - e. The performance plans of supervisors and managers with hiring responsibility must include standards for recruiting and hiring qualified employees; appraising and rewarding employees; and addressing performance and conduct deficiencies.
 - f. The performance plans of supervisors must include a standard requiring them to ensure that subordinates complete all mandatory training on a timely basis.
 - g. Performance plans must include standard(s) that address customer service.
 - h. Performance standards are required to be written only at the Fully Successful achievement level.
 - i. Performance standards must be understandable, challenging, realistic and attainable, and sufficient to permit accurate measurement of the employee's performance. They shall be expressed in terms that promote an understanding of how the employee's individual performance links to [VA's overall strategic goals as well as] organizational [] goals.
 - j. While standards must, to the maximum extent possible, permit appraisals purely on the basis of objective criteria, they are not intended to replace supervisory judgment. A standard shall be sufficiently precise and specific so as to invoke a general consensus as to the meaning and content; however, there is no requirement that standards contain numerical measurements. Raters shall also consider the quality of work, efficiency, productivity, timeliness, and the accomplishment of goals as viable performance measures.
 - k. The appraisal process consists of assigning one achievement level for each element. While each element usually contains three to five performance standards, it is the overall performance for all these standards that establishes the one achievement level for each element. Supervisors may give added weight to some performance standards versus others. Employees shall be made aware of weighting differences up front.
 - l. When a performance plan needs to be changed during the appraisal period due to changes in work assignments, achievement of group or team objectives, or other circumstances that render standards inappropriate, the employee and employee representative shall be involved in revising and/or redefining element(s) and standard(s) by providing input for consideration as appropriate.

[m.] Raters will ensure each employee receives a performance plan each rating cycle and will obtain the employee's signature verifying receipt as soon as practical, but not later than 60 days from either the beginning of the appraisal period, appointment to a new position or when a performance plan is changed.

[n.] Each Rater will use VA Form 0750 or VA Form 3482e, as appropriate for documenting the approved performance plan. Additional documentation may be attached to the form.

7. MONITORING PERFORMANCE

a. The minimum appraisal period is 90 calendar days under a performance plan.

b. Each employee must receive and have documented at least one progress review during the appraisal period. This progress review will be documented on VA Form 0750 or VA Form 3482e, as appropriate. Additional informal communication about an employee's progress in meeting performance standards is encouraged and may be conducted as appropriate.

c. Employees whose performance is [Unacceptable] in one or more critical elements must be notified in writing and be given a reasonable opportunity to improve their performance to the Fully Successful level. See VA Handbook 5013, Part I, Appendix C for a sample performance improvement plan.

(1) Employees who improve their performance to the Fully Successful level during the opportunity period must sustain Fully Successful performance for 1 year in the critical element(s) on which they were provided an opportunity to improve. The 1-year time period starts from the beginning of their opportunity period. If, during that 1-year period, the employee's performance become [Unacceptable] again in the same critical elements, a performance-based adverse action may be proposed without the benefit of an additional opportunity to improve.

(2) Unless reassigned, employees whose performance is determined Unacceptable at the conclusion of the opportunity period may be reduced in grade or removed. Sample letters may be found in VA Handbook 5021, Employee/Management Relations.

8. APPRAISING PERFORMANCE

a. Employees will be appraised at the end of the appraisal period using VA Form 0750 or VA Form 3482e, as appropriate.

b. Raters must consider improvements in efficiency, productivity, timeliness, quality of work or service, accomplishment of goals, as well as any other relevant information in appraising performance. They shall also consider feedback from multiple sources, including customers, peers or other appropriate sources, and encourage employees to keep records and notes related to their accomplishments during the appraisal period for the purpose of submitting voluntary self-assessments that will also be considered in developing ratings.

c. Employees must receive a written or otherwise recorded rating of record no later than 60 days following the end of the appraisal period.

d. Performance may be determined to be at the levels other than Fully Successful even though standards are not established at those levels.

e. Within 10 workdays after the conclusion of the appraisal period, employees may submit to the Rater a self-assessment or other information related to their performance during the appraisal period. Such information will generally relate to the established performance plan. The Rater will consider this information, if submitted, and all other information relevant to the employee's performance that is available and assign one achievement level for each element.

f. An achievement level must be assigned for each critical and noncritical element of the performance plan on which the employee has had a chance to perform. If an employee submits a self-assessment and the Rater can verify its accuracy and completeness, the self-assessment can be used as the justification for an assigned rating. Otherwise, if an achievement level other than Fully Successful is assigned, specific examples supporting that level must be documented in the portion of the rating form provided for this purpose. When an achievement level of Fully Successful is assigned, a description or documentation of performance is not required.

g. Ratings of record will be assigned in accordance with the following criteria:

(1) **Outstanding.** The achievement levels for all elements are designated as Exceptional.

(2) **Excellent.** The achievement levels for all critical elements are designated as Exceptional. Achievement levels for noncritical elements are designated as at least Fully Successful. Some, but not all, noncritical elements may be designated as Exceptional.

(3) **Fully Successful.** The achievement level for at least one critical element is designated as Fully Successful. Achievement levels for other critical and noncritical elements are designated as at least Fully Successful or higher.

(4) **Minimally Satisfactory.** The achievement levels for all critical elements are designated as at least Fully Successful. However, the achievement level(s) for one (or more) noncritical element(s) is (are) designated as [Unacceptable].

(5) **[Unacceptable].** The achievement level(s) for one (or more) critical elements is (are) designated as [Unacceptable].

h. Following the assignment of performance ratings, the Rater will forward all appraisal forms to the Approval Official. A list of all Fully Successful and above ratings and recommendations for performance awards shall be forwarded at the same time. Ratings and award recommendations will not be communicated to employees prior to final approval by the official with the authority to approve awards. The Approval Official will review all [Unacceptable], Minimally Satisfactory and other ratings as appropriate, and either concur with those ratings or assign a different rating. He/she may discuss with or request additional justification for the recommended performance rating from the Rater. If a different rating is assigned by the Approval Official, the performance-based reason for the change must be explained on the form. This explanation shall specify which achievement levels for which elements were changed and why. The appropriate ratings will be signed by the Approval Official and documented on the rating form no later than 4 weeks following completion of the appraisal period. This time requirement will be met if possible, but may be extended for mission critical reasons].

i. Within 5 weeks from the end of the rating period, the Approval Official is responsible for forwarding rating information and award recommendations on a VA Performance Management Certification Form, through appropriate channels, to the Performance Awards budget official. This time requirement may be extended for good reasons.

j. Approval Officials will be informed when the final review and approval process for ratings and awards has been completed and certified. At this point, the Approval Officials and Raters will ensure that all ratings documented on the original rating form are forwarded to the servicing Human Resources (HR) office and/or fiscal office for processing. The Approval Official is responsible for ensuring that the Rater provides the employee with a copy of the completed rating form no later than 60 days following the end of the appraisal period, and discusses the basis for the rating with the employee. If the employee is dissatisfied with the appraisal/rating, he/she may informally discuss the matter with the Rater and/or Approval Official. If still dissatisfied, the employee may formally grieve the rating under the appropriate negotiated procedure, if applicable, or paragraph 12 of this part.

k. The servicing HR office will code approved performance ratings and awards into the PAID system as soon as possible but not later 90 days following the end of the rating period.

l. Performance under critical and noncritical elements will be used in deriving a summary level.

m. The performance appraisal and rating of a disabled veteran may not be lowered because the veteran has been absent from work to seek medical treatment as provided in Executive Order 5396.

n. The method for deriving and assigning a summary level may not limit or require the use of particular summary levels. Forced distribution of performance ratings is prohibited.

9. [PROCEDURES FOR ADDRESSING UNACCEPTABLE PERFORMANCE]

a. **Determining Unacceptable Performance.** The supervisor is responsible for monitoring and evaluating performance throughout the appraisal period. When deficiencies arise, the supervisor must determine if the deficiencies are performance-based or whether they result from other causes such as technological barriers, negligence, or misconduct. To determine this, the supervisor should consider:

(1) Whether the employee possesses the knowledge, skill or ability to perform the duties of the position at a satisfactory level;

(2) Whether the employee is able to do the job or has demonstrated this ability in the past; and

(3) Whether the performance deficiencies appear to be a matter of the employee's inability to perform versus a matter of the employee's unwillingness to appropriately perform the assigned duties (e.g. performance versus conduct issue).

b. **Applicable Regulations and Policies**

(1) **Employees covered under VHA's Executive Career Field (ECF).** Title 5 and Hybrid Title 38 employees covered under VHA's ECF performance system fall under the provisions of Appendix F of this part. However, for matters not specifically covered by Appendix F, the provisions of this part shall apply. Title 38 employees covered under VHA's ECF performance system fall under the provisions of this part for purposes of planning, monitoring, and evaluating performance; performance deficiencies are to be addressed under the applicable provisions of Part II of this handbook and the counseling program requirements contained therein.

(2) **Title 5 and Hybrid Employees Serving a Probationary or Trial Period.** Employees serving a probationary period or trial period may normally be terminated due to work performance anytime during the probationary period. (For those employees serving a supervisory probationary period, refer to paragraphs 15 and 16 of this part.) Termination is usually appropriate when the employee fails to demonstrate fitness and qualifications for continued employment. The provisions of VA Handbook 5005, Part II, Chapter 2, paragraphs 9 and 10 also apply to employees serving a probationary or trial period. While supervisors should make every effort to monitor performance during the probationary period and provide feedback and corrective measures to employees, the requirements for a formal performance improvement plan (PIP) do not apply to employees serving a probationary or trial period (unless the employee otherwise meets the coverage outlined in 5 CFR 432.102). These employees may be terminated in accordance with the procedures outlined in 5 CFR, part 315 and/or VA Handbook 5021, Part III.

NOTE: *Some employees serving a probationary or trial period have obtained the rights and protections of non-probationary employees based on prior Federal service and are entitled to the procedures outlined below prior to effecting a reduction in grade or a removal from Federal service based on unacceptable performance under either Chapter 43 or Chapter 75 of Title 5 of the United States Code (U.S.C.). Therefore, you must refer to the definitions and coverage under 5 U.S.C. 7511(a)(1), 5 CFR 432.102 and 5 CFR 752.401 in determining applicable procedures.*

(3) **Title 5 and Hybrid Employees Who Have Completed a Probationary or Trial Period**

(a) The procedural requirements for responding to unacceptable performance for those employees who have completed a probationary or trial period are contained in either Chapter 75 or Chapter 43 of Title 5 of the U.S.C. While a performance-based adverse action, i.e. reduction in grade/pay, or removal from Federal service, may be taken under either authority, normally, such actions are taken under the authority of Chapter 43, which requires application of the procedural requirements contained in its implementing regulations found in 5 CFR, part 432. These requirements include, but are not limited to providing the employee a reasonable opportunity to improve (a performance improvement period or PIP) prior to proposing a performance-based adverse action for unacceptable performance in a critical element. The procedures outlined in subparagraphs c-g must be followed prior to proposing a performance-based adverse action under the authority of Chapter 43.

(b) Supervisors and managers are not precluded from proposing a reduction in grade/pay or removal based on unacceptable performance under the authority and procedures of Chapter 75 and 5 CFR, part 752, which do not require a PIP. However, failure to provide the reasonable opportunity to improve, as outlined in subparagraphs c-g, when effecting an adverse action under Chapter 75 will most likely be considered a mitigating factor by the Merit Systems Protection Board (MPSB) in determining if the reduction in grade/pay or removal was warranted. Your servicing Regional Counsel or the Office of Human Resources Management, Employee Relations and Performance Management Service should be consulted prior to a decision to propose a reduction in grade/pay or removal under Chapter 75 based on unacceptable performance.

(4) **Bargaining Unit Employees.** In addition to any procedural requirements outlined in this paragraph, all applicable provisions of collective bargaining agreements must be followed when addressing the unacceptable performance of covered employees. In some instances,

bargaining unit employees may be entitled to a reasonable opportunity to improve or other process prior to the assignment of an unsatisfactory rating, even if not required in policy or regulation.

c. Steps to Responding to Unacceptable Performance. If at any time it is determined that an employee for whom these procedures apply (see paragraph 9b) is not performing at least at the Fully Successful level in one or more performance elements, the supervisor shall initiate one of the following courses of action as appropriate:

(1) When Unacceptable Performance Directly Corresponds with the Employee's Performance Standards, and:

(a) Performance is Unacceptable in One or More Critical Elements. The supervisor must afford the employee a reasonable opportunity to improve by placing the employee on a PIP before the employee can be removed from the position involuntarily through a reduction in grade/pay or removal from Federal service. **NOTE:** *The PIP shall include an opportunity to demonstrate acceptable performance in each critical element in which the employee's performance is unacceptable.* Under Chapter 43 of Title 5 of the U.S.C., the reasonable opportunity to demonstrate acceptable performance is required prior to proposing an adverse action based on unacceptable performance (and an Unacceptable rating).

(b) Performance is Unacceptable in One or More Non-Critical Elements. The supervisor must give written notice to an employee whose performance is unacceptable in one or more non-critical elements. While a formal PIP is not required, the memorandum must explain how the employee's performance is unacceptable in the non-critical element, and what specific assistance will be provided to assist the employee in improving his or her performance. The employee may be assigned an overall Minimally Satisfactory rating as the rating of record. While a Minimally Satisfactory rating cannot serve as the sole basis for an adverse action, it may serve as a basis to reassign the employee to another position without a reduction in grade or rate of basic pay.

(2) When Performance Does Not Directly Correspond with the Employee's Performance Standards. Circumstances may arise in which it may be more appropriate to propose an action for unacceptable performance under Chapter 75 of Title 5 of the U.S.C. Such action may be taken for failure to satisfactorily perform certain aspects of an employee's position that may fall outside of the employee's performance elements and standards. While there is no requirement that an employee be provided a reasonable opportunity to improve prior to proposing an action, the action must be supported by a preponderance of the evidence (e.g. it is more likely than not that the conclusion reached was correct.) Examples of the appropriate evidence includes that the work expectations were communicated to the employee; the employee was aware of the consequences of failure to perform at the expected level; the employee failed to perform; and there is a nexus between the failure to perform and the efficiency of the service. These procedures should not be used to hold the employee to a higher standard of performance than that required in the employee's performance standards, or to circumvent the procedural requirements of taking a performance-based action under the authority of Chapter 43 of Title 5 of the U.S.C.

(a) In cases where a performance-based action is being proposed under the authority of Chapter 75 of Title 5 of the U.S.C., the employee is provided the procedural entitlements under VA Handbook 5021, Part II, and 5 CFR, part 752.

(b) Such actions should be taken in consultation with your Regional Counsel or the Office of Human Resources Management, Employee Relations and Performance Management Service.

d. Developing the PIP. Once it has been determined that an opportunity to improve is required or warranted due to poor performance in a critical element, the supervisor must provide the employee with a copy of the PIP notice. The notice must:

- (1) Identify the element(s) for which performance is unacceptable;
- (2) Provide specific examples of the performance deficiencies for each element/standard for which performance has been determined to be unacceptable;
- (3) Clarify performance expectations;
- (4) Indicate the length of the PIP to include the beginning and ending date. (Unless otherwise indicated in a collective bargaining agreement, the supervisor shall afford a reasonable opportunity not to exceed 90 calendar days). The length of the PIP may depend on the position of the employee, the nature of work, and the deficiencies involved, but is normally 90 days;
- (5) Identify what the employee must do to achieve the Fully Successful level for each element and successfully complete the PIP;
- (6) Identify how the employee's work will be monitored;
- (7) Establish a time, place, and degree of frequency for meetings to be held with the supervisor and the employee to discuss the employee's progress;
- (8) Identify who will be available (e.g. the supervisor, or another individual) to provide assistance if needed (e.g. answer questions, provide guidance); and,
- (9) Describe other assistance that may be made available to the employee, if applicable. Examples of assistance that may be provided, but are not required, include:
 - (a) Assignment of a mentor;
 - (b) Classroom training;
 - (c) Closer supervision;
 - (d) Increased interaction with subject matter experts;
 - (e) Self-study; and/or
 - (f) Research assignments.

e. **Successful Performance at the End of the PIP.** If the employee's performance has reached the Fully Successful level at the completion of the PIP, the employee will be allowed to resume duties and responsibilities as assigned by the supervisor with normal supervision.

f. **Successful Performance at the End of the PIP and Faltering after 12 Months.** If the employee performed at a Fully Successful level for the 12 months following the issuance of the PIP, and the employee's performance again becomes unacceptable in a critical element, the supervisor must afford the employee a new opportunity to demonstrate acceptable performance. Only if the performance becomes unacceptable within the 12 months from the issuance of the PIP *and* in the same critical element for which a PIP was provided, can a performance-based adverse action be proposed without a new opportunity period. An employee may be reassigned (with no reduction in grade/pay) at any time as long as applicable collective bargaining procedures are followed.

g. **Unsuccessful at the End of the PIP or Within 12 Months.** If at any time during or within 12 months from the issuance of the PIP, the employee fails to perform at the Fully Successful level in the critical element(s) for which the employee was given an opportunity to improve, the supervisor must take action to remove the employee from the position. The employee may be reassigned to another position or issued a proposed reduction in grade/pay or removal from Federal service, as outlined in paragraph i. below, without the benefit of an additional opportunity period. While reassignment to another position without a reduction in grade/pay may be effected immediately and without adverse action procedures, any applicable collective bargaining requirements must be met.

h. **Less than Fully Successful Performance in a Non-Critical Element at Any Time.** If the employee's performance is unacceptable in a non-critical element at any time, the provisions of paragraph c(1)(b) above apply.

i. **Proposing a Performance-Based Adverse Action.** Performance-based adverse actions include involuntary reductions in grade, reductions in the rate of basic pay, and removals from Federal service based on a rating of record of Unacceptable. An employee is determined to be unacceptable if he or she performs at an unacceptable level in one or more critical elements.

(1) If the employee was provided with an opportunity to improve performance (i.e., PIP) for each critical element for which his or her performance was unacceptable, and he or she failed to improve to a Fully Successful level, the supervisor must initiate action to remove the employee from the position. The appropriate management official (as identified in (2) below) may propose to demote the employee to a lower graded position or propose to remove the employee from Federal service. **NOTE:** *If a supervisor determines that an employee should be reassigned to another position without a reduction in grade/pay, based on the employee's unacceptable performance, a proposed notice is not required. However, effecting such a reassignment must be done in accordance with applicable negotiated agreements or local policy.*

(2) Authority to propose and decide performance-based adverse actions is delegated to officials as outlined in VA Handbook 5021, Part I, Chapter 1.

(3) In instances where it is decided that an employee should be demoted or removed from service, the employee is entitled to 30-day written advance notice of the proposed action that identifies both the

critical element(s) of the employee's position that are considered unacceptable and the specific deficiencies or instances of unacceptable performance. The notice of proposed action should include:

- (a) The action being proposed (i.e., demotion or removal), whether the action is being taken under the authority of Chapter 43 or Chapter 75 of Title 5 of the U.S.C., and when the action, if taken, will be effected (i.e., no earlier than 30 days from the date of the notice);
- (b) Each critical element(s) that is determined to be unacceptable;
- (c) For each of the critical elements identified, specific deficiencies or examples of unacceptable performance during the opportunity period that formed the basis for the determination of unacceptable performance and the proposed action. (You may also cite deficiencies or unacceptable performance that occurred during the one-year period that preceded the proposal notice. However, there must be sufficient deficiencies during the opportunity period to warrant the determination of unacceptable performance.)
- (d) A detailed summary of any counseling or assistance provided as well as the notice of poor performance and PIP, including any assistance that was provided;
- (e) The employee's right to review the record, obtain representation, have a reasonable amount of time to make an oral or written response, and receive a written decision: and
- (f) A place for the employee to acknowledge receipt of the Notice of Proposed Action.

j. Extending the 30-Day Advance Notice Period

(1) A written final decision shall be made within 30 days after expiration of the initial advance notice period. However, this notice period may be extended not to exceed an additional 30 days in the following instances without prior approval from the Office of Personnel Management (OPM):

(a) To obtain and/or evaluate medical information when the employee has raised a medical issue in his or her reply. In this instance, the supervisor shall allow an employee who wishes to raise a medical condition which may have contributed to his or her unacceptable performance to furnish medical documentation (as defined in 5 CFR 339.104) of the condition for management's consideration. Whenever possible, the employee shall supply this documentation following the organization's notification of unacceptable performance. If the employee offers such documentation after management has proposed a reduction in grade or removal, he or she shall supply this information in accordance with **5 CFR 432.105**. In considering documentation submitted in connection with the employee's claim of a medical condition, the organization may require or offer a medical examination in accordance with the criteria and procedures of 5 CFR, part 339, and shall be aware of the affirmative obligations of 29 CFR 1613.704. If the employee who raises a medical condition has the requisite years of service under the Civil Service Retirement System or the Federal Employees Retirement System, management shall provide information concerning application for disability retirement. As provided at 5 CFR 831.501(d), an employee's application for disability retirement shall not preclude or delay any other appropriate organizational decision or personnel action. (See 5 CFR 432.105);

(b) To arrange for the employee's travel to make an oral reply;

- (c) To arrange for the deciding official's travel to hear the employee's oral reply;
 - (d) To consider the employee's request for an extension for his or her reply due to an illness or incapacitation;
 - (e) To consider reasonable accommodation of a handicapping condition;
 - (f) To consider positions to which the employee might be reassigned or demoted; or
 - (g) To comply with a stay ordered by the Merit System Protection Board under 5.U.S.C. 1208(b).
- (2) If an extension is needed for reasons other than identified above, the extension must be requested and approved by OPM, and an informational copy must be sent to OHRM Employee Relations and Performance Management Service.
- (a) Send the extension request to Chief, Family Programs and Employee Relations Division, Office of Labor Relations and Workforce Performance, Personnel Systems and Oversight Group, Office of Personnel Management, 1900 E. Street NW., Washington, DC 20415.
 - (b) Send an informational copy to Office of Human Resources Management, Employee Relations and Performance Management Service (051), 810 Vermont Avenue N.W., Washington, DC 20420.
- k. **Employee Reply.** The supervisor will afford the employee a reasonable opportunity to respond to the proposed notice orally or in writing.
- (1) A response period should not exceed 14 days except in rare and unusual circumstances. **NOTE:** *Most collective bargaining agreements provide a minimum reply period.*
 - (2) The employee will be allowed to be represented by an attorney or other representative. A representative may be disallowed in instances where there is a conflict of interest or where an employee whose release from his or her official position would give rise to unreasonable costs to the government or whose priority work assignment precludes his or her release from official duties.

1. **Final Decision**

- (1) Unless the action was proposed by the Secretary, the decision shall be issued, or concurred in, by a management official who is in a higher position than the proposing official.
- (2) In arriving at a final decision, the deciding official should take into consideration the employee's reply. The final decision will normally be issued to the employee prior to the effective date.
- (3) The decision shall specify the instances of unacceptable performance by the employee on which the action is based, and shall inform the employee of any applicable appeal and/or grievance rights.

m. Appeal and Grievance Rights

(1) **Reassignment.** An employee who has been reassigned as a result of unacceptable performance and who has not suffered a reduction in grade or reduction in rate of basic pay may file a grievance under the agency grievance procedures outlined in VA Handbook 5021, Part IV, or under the applicable negotiated grievance procedures, if covered.

(2) Adverse Action

(a) **Bargaining Unit Employees.** A bargaining unit employee who has been involuntarily reduced in grade or removed from Federal service as a result of unacceptable performance, and who otherwise meets the coverage described under 5 CFR 432.106 may either appeal to MSPB or file a grievance under the applicable negotiated grievance procedures, if otherwise covered. However, the employee cannot file both and must elect whether to appeal to MSPB or file a grievance.

NOTE: *Bargaining unit employees who are non-preference eligibles in the excepted service who have completed one year of current continuous service in the same or similar position are covered under the procedures outlined in this paragraph, i.e. reasonable opportunity to perform, proposed notice of performance-based adverse action, etc. However, such employees do not have the right to appeal an adverse action to MSPB until they have completed 2 years of current and continuous service in the same or similar position under other than a temporary appointment limited to 2 years or less. Therefore, these employees are entitled to file a negotiated grievance if otherwise covered.*

(b) **Non-Bargaining Unit Employees.** A non-bargaining unit employee, who has been involuntarily reduced in grade or removed from Federal service as a result of unacceptable performance, and who otherwise meets the coverage described under 5 CFR 432.106 may appeal to MSPB.

10.] PROCEDURES FOR DETAILS, TRANSFERS AND OTHER CIRCUMSTANCES. The intent of the performance appraisal is to appraise an employee's performance covering an entire rating period. To do so, the following procedures will be used to assure continuity throughout the appraisal process:

a. **Employee Position Changes.** When an employee changes positions within VA, a performance (summary) rating will be prepared by the Rater, shared with the employee and forwarded to the servicing human resources office or to the gaining organization.

b. **Rater Leaves or Changes Positions.** Before a Rater leaves or changes positions, he/she will prepare a summary rating for each employee under his/her supervision, provide a copy of the rating to his/her employees and will forward the completed rating form to the servicing human resources office or higher level management official within the organization.

c. **Employee Transfers to Another Agency.** Before an employee transfers to another Federal agency, the Rater will complete a performance (summary) rating and forward it to the servicing human resources office for inclusion in the employee's Employee Performance File.

d. **Employee Not Under Performance Plan for Minimum Appraisal Period.** When an employee has not served under a performance plan for his/her position of record for 90 days by the end of the appraisal period because of a position change, career promotion, appointment or any other reason, either:

(1) The appraisal period will be extended to provide for the minimum appraisal period and a rating of record will be prepared at that time. The Rater may take into consideration any summary ratings provided by the employee's previous Rater(s) in determining the rating of record; or

(2) The Rater may utilize any performance rating prepared by a previous Rater as the rating of record by concurring with it.

e. **Employee Changes Performance Appraisal Programs in VHA.** When an employee changes performance appraisal programs in VHA, e.g., Executive Career Field (ECF), a performance (summary) rating will be prepared by the Rater, shared with employee and forwarded to the servicing human resources office.

f. **Rater Not in Position for Minimum Appraisal Period.** As long as sufficient information is available on which to appraise an employee's performance that covers a 90-day minimum period, there is no requirement that a Rater occupy his/her position for a specific length of time. However, if a performance rating is not available or is not sufficiently developed to permit an appraisal, the appraisal period will be extended to provide for performance under the Rater for the minimum appraisal period.

g. **Employee Detailed or Temporarily Promoted.** When an employee is detailed or temporarily promoted, a performance plan will be provided for the position to which he or she is detailed or promoted. If the detail or temporary promotion lasts for 120 days or more, a performance rating will be prepared at the conclusion of the detail or temporary promotion that appraises the employee's performance while in the temporary position. A copy of this rating shall be shared with the employee and then forwarded to the servicing human resources management office or employing organization for consideration at the end of the appraisal period. For employees temporarily assigned outside VA, every effort will be made to obtain similar information about the employee's performance.

h. **Employee Service on a PIP.** Employees who have been given a notice of unacceptable performance and an opportunity to improve performance, will have their ratings of record postponed until the performance improvement period expires.

[11.] REWARDING PERFORMANCE. Eligibility for performance awards and quality step increases will be based on annual ratings of record. These awards are described in VA Handbook 5017, employee Recognition and Awards.

a. Performance appraisal information will be considered in merit promotions, reassignments, or other placement actions, to the extent that performance elements are related to the knowledge, skills, abilities and other characteristics of the position being filled.

b. Performance appraisal information can assist in the identification of specific training needs that, if met, can improve and enhance employee work skills. It can also be used by supervisors in formulating individual development plans for their employees.

c. Annual performance ratings of record are one of several factors that determine retention standing in an employee's competitive level in reduction in force (RIF). (See 5 CFR 351.504.) Additional service

credit is granted for ratings of Fully Successful or better. Only ratings of record are creditable for the RIF process. Special ratings of record prepared in connection with an acceptable level of competence determination, and for other special circumstances, are not creditable for this purpose. No rating of record will be assigned for the sole purpose of affecting an employee's RIF retention standing (see 5 CFR 351.504).

[12.] PERFORMANCE RATING GRIEVANCES AND APPEALS. These procedures apply to performance appraisals or overall ratings that are not covered by a negotiated grievance procedure. An employee who is dissatisfied with a performance appraisal or overall rating may grieve the rating, justification and/or elements at issue using this procedure or a locally established alternative dispute resolution process. Negotiated grievance procedures are outlined in the grievance articles of appropriate collective bargaining agreements.

NOTE: *In order to reduce the administrative burden associated with the grievance process and to minimize the loss of staff productivity while participating in that process, the utilization of existing ADR programs as a means to streamline appeals is highly encouraged.*

a. Informal Grievance Procedure

(1) Consistent with the principle that grievances shall be resolved at the lowest level possible, an employee who is dissatisfied with an assigned performance rating may grieve the rating and/or elements at issue to the Approval Official (if used), otherwise to the Rater, within 15 calendar days after receipt of the rating. The employee and the employee representative, if any, will be provided the opportunity to explain the grievance.

(2) After exploring the grievance, the official to whom the matter was grieved shall provide a written answer to the employee, through his/her representative, if any, within 10 calendar days. The response will include the decision on the grievance, supporting reasons and will include the employee's right to present a formal grievance.

b. Formal Grievance Procedure

(1) If the employee is not satisfied with the answer at the informal stage, within 10 calendar days from the receipt of the informal response, the employee may present the grievance in writing, through supervisory channels, to the management official at the next higher level in the organization.

(a) The formal grievance will contain the date of the performance rating, the elements at issue and the reasons for seeking reconsideration for each element at issue, the performance rating desired and the decision at the informal stage.

(b) A grievance file will be established that will contain a copy of the performance rating, a copy of the formal grievance, a copy of the informal decision and related documentation, and any additional information that is appropriate for consideration in making a decision based on the record. Do not keep items in the file that would not be otherwise reviewable by the employee and/or the employee's representative.

(2) The grievance file will be forwarded to the appropriate Approval Official to consider the grievance for a decision based on the record. A written decision will be forwarded through channels to the employee, through his/her representative, if any, usually within 10 work days. This is the final administrative appeal for performance appraisal disagreements.

(3) If the performance rating or narrative justification on the appraisal is changed as a result of the decision, all official records and personnel actions (e.g., within grades) will be changed, as applicable, with the employee being notified.

[13.] WITHIN-GRADE INCREASES – GENERAL SCHEDULE

a. Definitions

(1) **Acceptable Level of Competence.** Successful performance by an employee of the duties and responsibilities of his or her assigned position as evaluated against his or her performance plan which warrants advancement of the employee's rate of basic pay to the next higher step or the grade of his or her position, subject to the requirements in VA Handbook 5013, Part I, subparagraph [13b(2)].

(2) **Equivalent Increase.** Unless otherwise excepted, increase or increases in an employee's rate of basic pay equal to or greater than the difference between the rate of pay for the General Schedule grade and step rate occupied by an employee and the rate of pay for the next higher step rate of that grade.

(3) **Permanent Position.** A position filled by an employee whose appointment does not have a definite time limitation of 1 year or less. Permanent position includes competitive or excepted service term appointments of more than 1 year (5 CFR 316.305) and positions to which employees are promoted on a temporary or term basis of at least 1 year.

b. General Policies and Principles

(1) To be awarded a within-grade increase, an employee must meet all the following requirements established by 5 U.S.C. 5335:

(a) The employee must have completed the required waiting period of advancement to the next higher step rate of the grade of his or her position;

(b) The employee must not have received an equivalent increase during the waiting period;

(c) The employee's performance of the duties and responsibilities of his or her assigned position must be at an acceptable level of competence. To be determined at an acceptable level of competence, the employee's most recent rating of record must be at least "Fully Successful" (See VA Handbook 5013, Part I, subparagraph [13c].)

(2) Employees shall be informed of the specific performance requirements that constitute an acceptable level of competence by means of performance plans developed in accordance with the general procedures described in [VA Handbook 5013, Part I,] paragraph 6, which require written performance standards at the "[Fully Successful]" level of achievement.

(3) The effective date of within-grade increases will be as provided in VA Handbook 5007.

c. Acceptable Level of Competence Determinations

(1) **Responsibility.** Generally the rater is responsible for determining if the employee is performing at an acceptable level of competence. However, if the determination is negative or requires a special rating of record, the [appropriate] Approval Official is responsible for the determination.

(2) Basis for Determination

(a) An acceptable level of competence determination shall be based on the current rating of record. The rating of record used as the basis for an acceptable level of competence determination must have been assigned no earlier than at the end of the most recently completed annual appraisal period. If the most recent rating of record is more than 90 days old, the rater will review current performance to assure that the rating of record reflects current performance.

(b) When it is determined that current performance is not consistent with the employee's most recent rating of record, a special rating of record must be prepared to document current performance. Special ratings of record must be approved by the [appropriate] approval official.

(c) If an employee has been reduced in grade because of unacceptable performance and has served in one position at the lower grade under written performance standards for at least the minimum appraisal period, a special rating of record at the lower grade shall be prepared and used as the basis for an acceptable level of competence determination.

(3) Delay of Determination

(a) An acceptable level of competence determination must be delayed when either of the following applies:

1. When an employee has not had at least the minimum appraisal period to demonstrate acceptable performance because he or she was not given written performance standards, as required by b(2) above, and the employee has not been given a performance rating in any position within 90 days before the end of the waiting period; or

2. An employee is reduced in grade because of unacceptable performance to a position in which he or she is eligible for a within-grade increase or will become eligible within (in less than) the minimum appraisal period.

(b) When an acceptable level of competence determination has been delayed, the following actions will be taken:

1. The employee shall be informed that his or her determination is postponed to allow for minimum appraisal period. The employee shall be given written performance standards, which comply with the requirements in b(2) above.

2. An acceptable level of competence determination shall then be made upon completion of the minimum appraisal period and shall be based on the special rating of record prepared for the employee at the end of the minimum appraisal period.

3. If, following the delay, the employee's performance is determined to be at an acceptable level of competence, the within-grade increase will be granted retroactively to the beginning of the pay period following completion of the applicable waiting period.

4. If following the delay, the employee's performance is not at an acceptable level of competence, the procedures in d(3) below will be followed.

(4) Waiver of Determination

(a) An acceptable level of competence determination shall be waived and a within-grade increase granted when an employee has not served in any position for the minimum appraisal period under an applicable agency appraisal system during the final 52 weeks of the waiting period for one or more of the following reasons:

1. Because of absences, which are considered creditable service for within-grade increase purposes; e.g., paid leave, military service, absence for job--related illness or injury, and service credit received under the Back Pay Act.

2. Because of details to another agency or employer for which no rating has been prepared.

3. Because the employee has had insufficient time to demonstrate an acceptable level of competence due to authorized activities of official interest to the agency not subject to appraisal under this handbook (including, but not limited to, labor-management partnership activities under section 2 of Executive Order 12871 and serving as a representative of a labor organization under chapter 71 of title 5, United States Code); or

4. Because of long-term training.

(b) In such a situation, there shall be a presumption that the employee would have performed at an acceptable level of competence had the employee performed the duties of his or her position of record for the minimum appraisal period (see 5 CFR 531.409(d)(2)).

d. Notice of Determination

(1) **Timing of Notice.** An acceptable level of competence determination shall be communicated to the employee in writing as soon as possible after completion of the waiting period or other period upon which it was based.

(2) **Favorable Determination**

(a) The Standard Form (SF) 50-B, Notification of Personnel Action, shall be used to advise employees that they have achieved an acceptable level of competence.

(b) When a special rating of record was required to document current "successful" performance in support of a favorable decision, the employee will be given a copy of the special rating of record in addition to the SF 50-B.

(3) **Negative Determination**

(a) When it is determined that the employee's performance is not at an acceptable level of competence, a negative determination shall be communicated to the employee in writing as soon as possible after completion of the waiting period or the period upon which it was based.

(b) In addition to an SF 50-B, Notification of Personnel Action, the employee shall be given a written notice, which shall:

1. Set forth in writing the reasons for the negative determination and the respects in which the employee must improve his or her performance in order to be granted a within-grade increase;

2. Inform the employee of his or her right to request reconsideration, the 15-day limit, and the title of the deciding official:

3. Advise the employee that the within-grade may be awarded whenever it has been documented on a subsequent annual or special rating of record that he or she has demonstrated sustained performance at the acceptable level of competence (successful level).

(c) When a special rating of record was required to support the negative determination, the employee will be given a copy of the special rating or record (see c(2)(b) above) with the notice.

e. **Reconsideration of Negative Determination**

(1) **Requesting Reconsideration**

(a) An employee, or his or her personal representative, may request reconsideration by the deciding official (see par. f below) of a negative determination not more than 15 calendar days after receipt of the negative determination. The 15-day time limit may be extended only when:

1. The employee shows that he or she was not notified of the 15-day time limit and was not otherwise made aware of it; or

2. The employee was prevented from requesting reconsideration within the time limits for reasons beyond his or her control. This does not include delays to seek representation or delays caused by the employee's representative.

(b) The request for reconsideration must be in writing to the deciding official and must contain a statement setting forth the reasons that the decision should be reconsidered.

(c) The employee will designate in writing to the deciding official the name of any personal representative selected. An employee's personal representative may be disallowed only for the reasons contained in 5 CFR 531.410(c).

(2) **Processing Requests for Reconsideration.** When a request for reconsideration is received by the deciding official, the Human Resources Management Officer will be promptly notified. The Human Resources Management Officer will establish a reconsideration file separate from the employee's personnel folder, which will contain copies of the following:

(a) The written negative determination (see d(3) above);

(b) The rating of record and performance plan upon which the negative determination was based;

(c) The employee's written request for reconsideration including any designation of personal representative;

(d) Any other records which supported the basis for the negative determination (e.g., documented evidence of performance deficiencies, such as applicable production reports, samples of work products, etc.; counseling memorandums; training records; etc.);

(e) The report of investigation, if management determines that an investigation is warranted;

(f) The written summary or a copy of the verbatim transcript of any personal presentation made by the employee including the employee's written comments on the summary; and

(g) The final decision, in writing, on the employee's request for reconsideration, including a specific response to any other issues raised by the employee in the course of the reconsideration process.

(3) **Other Processing Requirements**

(a) The reconsideration file shall not contain any document or information that has not been made available to the employee or his or her personal representative.

(b) An employee in a duty status shall be granted a reasonable amount of official time to review the material relied on to support the negative determination and to prepare a response to the determination.

(c) The employee and his or her representative shall be permitted, if he or she desires, to make a personal presentation in support of the reconsideration request. The official who receives the presentation shall make a written summary, unless management determines that a verbatim transcript would be more appropriate and the employee consents.

(d) The employee shall be given the opportunity to comment on the written summary of any personal presentation made under (c) above.

(e) Employees requesting reconsideration shall be given a prompt written decision (see f below).

f. Reconsideration Decision

(1) **Deciding Official.** The official designated below will act as the deciding official on reconsideration requests:

(a) The facility director or designee will be the deciding official on reconsideration requests from employees under his or her jurisdiction. The Administration Head, Assistant Secretary, Deputy Assistant Secretary, or Other Key Official, as appropriate, or designee will be the deciding official on reconsideration requests from employees in the field occupying centralized positions under their jurisdiction. The individuals designated to reconsider negative determinations may be any official in the supervisory line over the employee, no lower than the approval official.

(b) The Administration Head, Assistant Secretary, Deputy Assistant Secretary, or Other Key Official, as appropriate, or designee will be the deciding official on reconsideration requests from employees in Central Office or employees in the field who are not under the jurisdiction of the facility director. The individual designated to reconsider negative determinations may be any official in the supervisory line over the employee, no lower than the approval official.

(c) The Secretary and Deputy Secretary may designate an appropriate official to reconsider negative determinations from employees for whom they are the approval official.

(2) **Written Decision.** The written decision will be made promptly, normally within 10 calendar days of receipt of the employee's response (including any personal presentation made).

(3) Results of Decision

(a) If the negative determination is sustained:

1. The written decision will inform the employee of the reasons.

2. The written decision will include specific responses to any other issues raised by the employee in connection with the reconsideration request.

3. The decision letter will inform the employee of his or her right to appeal (see g below).

(b) If a negative determination is overturned on reconsideration:

1. The decision letter will inform the employee of the basis for the decision.

2. If the negative determination was based on a special rating of record, all copies of the rating will be removed from official files and destroyed.

3. If the negative determination was consistent with the most recent annual rating of record, a special rating of record will be prepared to document the reconsideration decision and a copy will be given to the employee with the written decision.

4. The decision letter will inform the employee that the within-grade increase will be effective retroactive to the original due date.

5. The supervisor will prepare and forward [SF-52], Request for Personnel Action, to the servicing Human Resources Management Office for processing the within-grade increase.

g. Appeal of Reconsideration Decision

(1) If a negative determination is sustained after reconsideration, the employee, if not covered by a bargaining agreement, may appeal the decision to the Merit Systems Protection Board (MSPB). However, for an employee covered by a collective bargaining agreement, a reconsideration decision that sustains a negative determination is only reviewable in accordance with the terms of the agreement.

(2) For employees who may appeal to the MSPB, the following information must be included in the decision notice:

(a) Notice of the time limits for appeal to the MSPB (i.e., within 30 calendar days of receipt of the negative reconsideration decision)[;

(b) The address of the appropriate MSPB office for filing the appeal (based on the employee's duty station at the time of the action);

(c) An explanation of how to access the appeal form via the [MSPB website](#), or that a copy of the form will be available from the Human Resources Management Office by request; and

(d) A statement advising the employee that a further explanation of his/her appeal rights may be obtained by consulting the Human Resources Management Office.]

h. **Continuing Evaluation After Withholding a Within-Grade Increase.** When a within-grade increase has been withheld, it may be awarded whenever a subsequent rating of record (annual or special) indicates that the employee has demonstrated sustained performance at the successful level. Generally, a new determination will be made no sooner than 90 days from the original eligibility date of the within-grade increase. For as long as the within-grade continues to be denied, each subsequent progress review and annual rating of record will be considered to be a new determination and an appropriate notice will be prepared to inform the employee in accordance with paragraph d above. If the progress review indicates that the employee is performing at the successful level, a special rating of record must be prepared to support granting the within-grade increase. Any time the within-grade is subsequently granted, the supervisor must prepare SF-52 and forward it to the servicing personnel office for processing. The effective date of the within-grade increase will be the first pay period on or after the last date of the performance period upon which the favorable determination is based.

[14.] WITHIN-GRADE INCREASES - PREVAILING RATE

a. Eligibility Criteria

(1) Employees covered by this paragraph will be advanced to the next higher rate of their grades at the beginning of the first applicable pay period following completion of the required waiting period, provided their performance is satisfactory and they have not received an equivalent increase in pay during their waiting period.

(2) Waiting periods, creditable service, equivalent increases and effective dates will be determined in accordance with VA Handbook 5007.

(3) An employee's performance is satisfactory when he or she achieves or maintains a performance rating of record of successful based on a performance plan established in accordance with paragraph 6.

b. General Procedures

(1) Raters will receive advance notice from the PAID system when a within-grade increase is due for an employee under their supervision.

(2) Determinations concerning whether a prevailing rate employee has achieved and maintained a performance rating of record of successful and should be advanced to the next higher step of his or her grade are similar to acceptable level of competence determinations for General Schedule employees. These determinations will, therefore, be made using the procedures established in [13c] for acceptable level of competence determinations.

(3) Anytime a special rating of record is prepared to support a determination on a within-grade increase which is inconsistent with the last annual rating of record, the supervisor must prepare and forward SF-52 to the servicing Human Resources Management Officer for processing.

(4) The notice of determination will be as provided in [13d].

(5) Prevailing rate employees may request reconsideration of a negative determination under the procedures established in [13e]. The decision will be made in accordance with the procedures established in [13f].

(6) If a negative determination is sustained after reconsideration, the employee, if covered by a bargaining agreement, may grieve the decision under the negotiated procedure. If not covered by a bargaining agreement, the employee may grieve the decision under the agency grievance procedure in VA Handbook 5021.

c. **Special Procedures for Probationary Employees.** At least 1 month before the within-grade from step 1 to step 2 is due, the Rater shall review the performance of a probationary employee to assure that he or she is performing satisfactorily. If performance is not satisfactory and if employment is not being terminated before the within-grade increase is due, a special rating of record shall be prepared to document performance deficiencies. At least 2 weeks before the due date, SF-52 will be prepared to withhold the within-grade increase and the special rating of record will be forwarded to the servicing human resources office for processing and filing. The employee will be given the SF 50-B, a copy of the special rating of record, and a written notice of the negative determination as provided in [13d(3)].

d. **Continuing Evaluation After Withholding a Within-Grade Increase.** When a within-grade increase has been withheld, it may be awarded whenever a subsequent rating of record (annual or special) indicates that the employee has achieved and maintained performance at the successful level. New determinations will be made in accordance with [13h].

[15.] FAILURE TO COMPLETE A SUPERVISORY PROBATIONARY PERIOD SATISFACTORILY

a. Initiating Action

(1) If, after a reasonable trial during the probationary period, the new supervisor's or manager's performance demonstrates supervisory or managerial deficiencies which make him or her unsuitable for continued employment in the position, action must be taken to remove the employee from the position. Such action shall be taken as soon as these facts become apparent and in sufficient time for the probationer to be notified and removed from the position before the probationary period expires.

(2) When an employee serving under both 5 CFR, part 315, subparts H and I, procedures fails to complete the subpart H probationary period satisfactorily, action must be taken to separate the person under the subpart H procedures [and in accordance with VA Handbook 5021, Part III].

(3) Employees who fail to complete the subpart I probationary period required under 5 U.S.C. 3321 and are returned to nonsupervisory or nonmanagerial positions of no lower grade and pay than that previously held before the supervisory or managerial assignment do not become entitled to grade and pay retention as a result of these placements. However, employees who entered a supervisory or managerial position with grade and/or pay retention due to a previous personnel action do not lose the retention as a result of failure to complete the probationary period. For example, an employee who formerly held a GS-13 position is placed through reduction-in-force (RIF) procedures in a GS-11 position with grade and pay retention. Three months later the employee is placed in a GS-12 supervisory position. After 6 months in the GS-12 position, the employee fails the probationary period and is placed in a GS-11 position. The employee is still entitled to the 15-month balance of his 2 years of GS-13 grade retention.

(4) RIF procedures will not be used for assigning affected probationary employees to other positions.

(5) The return of an employee to a nonsupervisory or nonmanagerial position is not a basis for denying the employee consideration for subsequent assignment to other such positions.

b. Initiating and Approving Officials. The decision to remove an employee from a supervisory or managerial position will be initiated by the employee's immediate supervisor and approved by the next higher level supervisor.

c. Assignment Rights

(1) A nonsupervisory or nonmanagerial employee who is demoted into a position for which probation is required under subpart I and who, for reasons of supervisory or managerial performance, does not satisfactorily complete the probationary period is entitled to be assigned to a position at the same grade and pay as the position in which he or she was serving probation. Such employees may also be considered for positions at or above their supervisory/managerial grade level under merit promotion procedures.

(2) Employees not covered in preceding paragraphs who do not satisfactorily complete the probationary period are entitled to be placed in a properly classified nonmanagerial or nonsupervisory probationary position of no higher grade and pay than that held before entry into the supervisory or managerial position.

(3) Normally, field facility employees will be returned to positions at their current facilities; Central Office employees, to positions in their present administration or staff office. When there is no suitable placement at his/her current facility for an employee occupying a centralized position, the employee will be relocated, at government expense, to another facility. Receiving facilities will pay for the transfers to centralized positions; losing facilities, for transfers to noncentralized positions.

d. Notice to Employees

(1) The written employee notice must include the following:

(a) The position to which the employee is to be assigned;

(b) The authority, 5 CFR 315.907, for the assignment;

(c) The performance-based reason(s) for the assignment;

(e) The employee's right to request reconsideration of the decision (see par. 15 below).

(2) As a general rule, the probationer will be given from 15 to 30 days advance notice. However, the assignment must be effected before the completion date of the 1-year probationary period.

e. **Effecting the Personnel Action.** An action to reassign or demote an employee for not satisfactorily completing the probationary period must be documented in accordance with the requirements in OPM’s Guide to Processing Personnel Actions.

[f. **Reconsideration Request**

(1) An employee being returned to a nonmanagerial or nonsupervisory position may request a reconsideration, based on the record, of the decision, and a review of the decision, and a review of the return action. The reconsideration will be done by the next higher supervisor or managerial official within the facility, staff office or Administration, above the person who made the determination under paragraph [15b]. If there is no "next higher" official, then the reconsideration will be done by the person making the paragraph [15b] determination. The affected employee may also request a meeting with the reconsideration official to discuss the matter in person if both are at the same location. If at different locations, the employee may discuss his/her request with the reconsideration official by telephone. The reconsideration request, citing the specific reasons the employee believes the action should not be taken, must be submitted within 10 calendar days following the written decision of the return action. The reviewing official will make the decision based on a complete review of the record, including any discussions with the employee, and notify the employee in writing within 30 calendar days following receipt of the employee’s reconsideration request.

(2) This reconsideration request will not postpone the effective date of the return action unless the higher level reviewing official grants an extension. In no case will an extension serve to retain such an employee in a position beyond the completion date of the probationary period. The proposed return action must be completed prior to the end of the probationary period.

(3). Per 5 CFR 315.908, an action to return or reassign a supervisory/managerial probationary employee to a nonsupervisory or nonmanagerial position is not appealable.

(4) Employees alleging discrimination due to race, color, religion, sex, national origin, physical handicap or age in connection with such a return action may file a complaint in accordance with agency discrimination complaints procedures. Final agency action on such complaints is appealable to the Equal Employment Opportunity Commission.]

[]

[16. APPEALING REQUIREMENT TO SERVE SUPERVISORY PROBATIONARY PERIOD].

Applicability of the probationary period requirements will be determined by management. Employees who believe that they have served in a supervisory or managerial position as defined in VA Handbook 5005, appendix III-A, and who wish to contest a determination that a probationary period is required by appendix III-A may grieve management’s determination under the provisions of VA Handbook 5021, part IV, chapter 2. There is, however, no right to appeal such determination to the MSPB.

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APPENDIX A. PERFORMANCE APPRAISAL SYSTEM APPROVED BY OPM

1. PURPOSE. This appendix contains mandatory requirements for VA's performance appraisal policy, as approved by OPM (see appendix B), including the framework and parameters under which separate organizational performance appraisal programs may be developed. This appendix should only be referenced by VA Administrations and Staff Officials attempting to secure approval for deviations from part I of this handbook.

2. DEFINITIONS

- a. **Appraisal.** The process under which performance is reviewed and evaluated.
- b. **Appraisal Cycle.** The specific dates that mark the beginning and ending of an appraisal period. Appraisal cycles may be either fixed or staggered.
- c. **Appraisal Period.** The established period of time for which performance will be reviewed and a rating of record will be prepared.
- d. **Appraisal Program.** The specific procedures and requirements established under the policies and parameters of the Department's appraisal system.
- e. **Appraisal System.** The Department-wide framework of policies and parameters established for the administration of appraisal programs under 5 U.S.C. chapter 43, subchapter 1, and 5 CFR, part 430.
- f. **Approval Official.** The official at a higher management level than the Rater who may review and approve recommended ratings of record at the end of the appraisal period and is required to do so when the recommended rating of record is Unacceptable. The Secretary is the only official who can serve as both the rater and approval official for an Unacceptable rating of record.
- g. **Days.** Calendar days, unless otherwise specified.
- h. **Element.** A component of a position sufficiently important to warrant appraisal.
 - (1) **Critical Element.** A work assignment or responsibility of such importance that unacceptable performance on the element would result in a determination that an employee's overall performance is unacceptable. Critical elements must be used in assigning a summary level.
 - (2) **Noncritical Element.** A dimension or aspect of individual, team or organizational performance, exclusive of a critical element, that is used in assigning a summary level. Such elements may include, but are not limited to, objectives, goals, program plans, work plans, and other means of expressing expected performance. If the plan contains noncritical elements, they must be used in deriving a summary level.

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(3) **Additional Element.** A dimension or aspect of individual, team or organizational performance that is not used in assigning a summary level but, like critical and noncritical elements, is useful for purposes such as communicating performance expectations and serving as the basis for granting awards. Such elements could be used as a means of communicating expected performance where the performance threshold is beyond the employee's immediate control in areas such as attainment of organizational goals, work plans, work objectives or program plans. Such elements may also be used to provide developmental feedback to an employee or in assessing progress in completing an Individual Development Plan.

i. **Minimum Appraisal Period.** The 90 or more calendar day period of time during which an employee must have operated under performance elements and standards and for which the employee may receive a performance rating.

j. **Performance Plan.** All of the written or otherwise recorded performance elements that set forth expected performance. A plan must include all critical and noncritical (if used) elements and their performance standards and may also include additional elements.

k. **Performance Rating.** The written or otherwise recorded appraisal of the performance compared to the performance standard(s) for each critical and noncritical element on which there has been an opportunity to perform for the minimum period. A performance rating may include assignment of a summary level.

l. **Performance Standard.** The management-approved expression of the performance threshold(s), requirement(s) or expectation(s) that must be met to be appraised at a particular level of performance. A performance standard may include, but is not limited to, quality, quantity, timeliness and manner of performance.

m. **Progress Review.** Communication with the employee one or more times during the appraisal period about performance compared to the performance standards of critical and noncritical elements.

n. **Rater.** The individual(s) responsible for developing performance plans, appraising performance, recommending performance ratings, and approving performance ratings that are above Unacceptable and that -are not otherwise subject to review by an approval official.

o. **Rating of Record.** The performance rating prepared at the end of an appraisal period for performance over the entire period and the assignment of a summary level. This constitutes the official rating of record.

p. **Summary Level.** The record of the appraisal of each critical and noncritical element and the assignment of an overall rating level.

3. COVERAGE. This policy applies to the following VA employees:

- a. General Schedule employees, including employees covered by the Performance Management and Recognition System Termination Act of 1993.
- b. Federal Wage System employees.
- c. Scientific and Technical (Senior Level) employees paid under 5 U.S.C.5376.
- d. Full-time, part-time and intermittent hybrid Title 38 employees appointed under 38 U.S.C. 7401(3) or 7405(a)(1)(B).
- e. Nonappropriated fund Veterans Canteen Service employees appointed under 38 U.S.C., chapter 78.
- f. Temporary and term employees, except as specifically excluded.

4. EXCLUSIONS

- a. Officers appointed by the President, by and with the advice and consent of the Senate, or by the President alone, to positions for which rates of basic compensation may exceed the maximum rate provided in the General Schedule.
- b. Employees in the Senior Executive Service.
- c. Physicians, dentists, nurses, and other employees in the Veterans Health Administration whose pay is fixed under 38 U.S.C., chapter 74. (See part II of this handbook.)
- d. Employees in the Veterans Health Administration appointed under 38 U.S.C., chapter 73.
- e. Non-U.S. citizens employed at the VA Regional Office, Manila, Republic of the Philippines, who are paid according to local prevailing wage rates.
- f. Temporary employees in the excepted service for which employment is not reasonably expected to exceed 90 days in a 12-month period.
- g. Members of the Board of Veterans' Appeals.
- h. Members of the Board of Contract Appeals.

[Title 38 employees whose performance is appraised using VA Form 3482e.]

5. GENERAL PROVISIONS

a. This appendix contains the requirements of VA's performance appraisal system as well as the policies and parameters for the administration of performance appraisal in VA. Under this system,

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authority is delegated to Administration Heads, Assistant Secretaries and Other Key Officials to establish separate performance appraisal programs that contain specific procedures and requirements under which employees may be appraised. This authority may be redelegated.

b. Performance appraisal programs developed under this system must conform to statutory, regulatory and system provisions.

c. Summary levels shall be used to provide consistency in describing ratings of record in performance appraisal programs developed under this system as follows:

Level	Rating	Level of Performance	Order
Designator	Descriptor		
Level 5		Two levels above Level 3	Highest
Level 4		One level above Level 3	
Level 3		Fully successful or equivalent	
Level 2		One level below Level 3	
Level 1	Unacceptable	Two levels below Level 3	Lowest

NOTE: Descriptors for Levels 2 through 5 are discretionary. If the descriptor "Outstanding" is used, it may only be used to identify a Level 5 rating.

d. Two to five summary levels are permitted in appraisal programs.

- (1) All programs are required to include a Level 1 (Unacceptable) and Level 3 summary level.
- (2) Each program developed must use one of the summary level patterns provided below.

Number of Summary Levels in Program		Summary Level Designator					Pattern Identifier
		Level 1 Unacceptable	Level 2	Level 3	Level 4	Level 5	
Two		X		X			A
Three	Option 1	X		X		X	B
	Option 2	X		X	X		C
	Option 3	X	X	X			D
Four	Option 1	X		X	X	X	E
	Option 2	X	X	X		X	F
	Option 3	X	X	X	X		G
Five		X	X	X	X	X	H

e. Two to five rating levels are permitted for elements in appraisal programs. All appraisal programs are required to include an Unacceptable and Fully Successful or equivalent rating level.

f. The performance appraisal period shall generally be designated on an annual basis. The appraisal period for certain employees, groups or teams may be as long as 24 months if work assignments and responsibilities so warrant or when performance management objectives can be achieved more effectively.

g. The performance appraisal system established herein will be evaluated by the Office of Human Resources Management [and Labor Relations] periodically and results of the evaluation will be provided to Administration Heads, Assistant Secretaries and Other Key Officials.

h. Organizations are encouraged to involve employees and their representatives in full partnership in the development and implementation of performance appraisal programs.

i. Employees will continue to be covered under VA's OPM-approved performance management plan (part I of this handbook) until they are brought under coverage by an organizational performance appraisal program authorized by this system.

j. No provision of this system shall be applied in any way as to affect any administrative action initiated prior to the effective date of this system.

6. PLANNING PERFORMANCE

a. A written or otherwise recorded performance plan for each employee will be developed based on the requirements of the employee's position.

(1) Involvement of employees and employee representatives in the development of performance plans is encouraged.

(2) Whenever possible, performance plans should be established in conjunction with preparation and classification of new positions.

(3) Each performance plan must include all elements that will be used in deriving and assigning a summary level (critical and noncritical).

(4) Additional elements may be included in performance plans but are not required.

b. Performance plans must contain at least one critical element that addresses individual performance.

(1) Critical elements may only be used to rate individual performance and/or an individual employee's contribution to a group or team effort.

(2) Performance standards must be defined at the Fully Successful or equivalent level for each critical element and may also be defined at other levels.

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c. Noncritical and additional elements, if used, may address individual performance, and/or may address group, team, and organizational goals.

(1) Performance standards must be established for noncritical elements at appropriate level(s).

(2) Noncritical and additional elements may be appraised at different, more or fewer level(s) than critical elements.

d. Performance plans must support organizational objectives and be linked to overall program results.

e. Performance standards should be challenging, yet realistic and attainable, and sufficient to permit accurate measurement of the employee's performance. In addition, performance standards should be described in terms that promote a general understanding of their meaning and intent.

f. When a performance plan needs to be changed during the appraisal period due to changes in work assignments, achievement of group or team objectives, or other circumstances that render existing standards inappropriate, the employee and employee representative should be involved in revising and/or redefining element(s) and standard(s).

g. Raters will ensure each employee is provided a performance plan and will obtain the employee's written or otherwise recorded acknowledgement of receipt:

(1) As soon as possible after the beginning of each appraisal period, but not later than 90 days from the beginning of the appraisal period.

(2) Not more than 90 days after an employee is appointed to a position, is promoted, demoted or reassigned to a different position.

(3) When a performance plan is changed.

7. MONITORING PERFORMANCE

a. The minimum period during which an employee must operate under performance elements and standards to receive a performance rating is 90 calendar days.

b. Ongoing communication throughout the appraisal period between the Rater and employee about the employee's performance is strongly encouraged. Raters and employees mutually share responsibility for initiating communication about actual performance.

(1) The Rater must hold one or more progress reviews for each employee during the appraisal period. During the progress review, the Rater must inform each employee whether their level of performance is Fully Successful or equivalent or better, or is less than Fully Successful or equivalent, by comparing actual performance against performance elements and standards established in their performance plan.

(2) Additional formal progress reviews or informal communication about an employee's progress in meeting performance standards are encouraged and may be conducted as appropriate.

c. Raters are required to assist employees whose performance is less than Fully Successful or equivalent.

(1) A memorandum will be prepared for employees whose performance is less than Fully Successful or equivalent in a noncritical element, explaining how their performance is less than Fully Successful or equivalent and what specific assistance will be provided to assist them in improving their performance.

(2) Employees whose performance is Unacceptable in one or more critical elements must be notified in writing and given a reasonable opportunity to demonstrate acceptable performance.

(a) Employees who improve their performance to an acceptable level during the opportunity period must sustain acceptable performance in the critical element(s) on which they were provided an opportunity to improve for 1 year from the beginning of the opportunity period. Should their performance again become unacceptable in one or more of these critical elements, a performance based adverse action or other alternative action may be proposed without the benefit of an additional opportunity to improve.

(b) Unless reassigned, employees whose performance is determined Unacceptable at the conclusion of the opportunity period shall be reduced in grade or removed.

8. APPRAISING PERFORMANCE

a. As soon as possible after the end of the appraisal period, a written or otherwise recorded rating of record shall be prepared and given to each employee.

b. Raters may consider feedback from multiple sources, including customers, peers or other appropriate sources, and may also consider improvements in efficiency, productivity, timeliness, quality of work or service, accomplishment of goals, as well as any other relevant information in appraising performance.

c. Performance may be determined to be at a rating level that has no established performance standard if it is provided for in a performance appraisal program.

d. Additional performance elements may not be used in deriving a summary level.

e. Higher level approval is required for an Unacceptable rating of record.

9. REWARDING PERFORMANCE. Eligibility for performance awards may be linked to an employee's rating of record or criteria other than an employee's rating of record. Eligibility for quality step increases and special advancements for performance based on a rating of record under an appraisal

program that does not include a Level 5 summary level will be determined by criteria developed by each VA organization that establishes such a performance appraisal program under this system.

10. REQUIREMENTS FOR PERFORMANCE APPRAISAL PROGRAMS. Performance appraisal programs established under this system must be documented in writing and must:

- a. Provide that employees will continue to be covered under VA's OPM-approved performance management plan until they are brought under coverage by an organizational performance appraisal program authorized by this system.
- b. Provide that no provision of the program shall be applied in any way as to affect any administrative action initiated prior to the effective date of this program.
- c. Specify the employees covered by the program.
- d. Identify the effective date of the performance appraisal program.
- e. Define the length of the appraisal period.
- f. Define or describe the beginning and ending dates of the appraisal cycle.
- g. Encourage employee and employee representative participation in establishing performance plans.
- h. Include a requirement to provide a performance plan to each employee within 90 days of the beginning of each appraisal period that includes at least one critical element.
- i. Require inclusion of performance standards that are linked to organizational goals, and objectives, as well as initiatives, in the performance plans of all employees.
- j. Require inclusion of performance standards that support customer service goals in the performance plans of all employees.
- k. Provide for a minimum period of 90 calendar days before performance can be rated.
- l. State the number of summary levels that the program will use and identify the summary level pattern that will be used.
- m. Identify the summary levels that may be used by level designators (Level 1 through Level 5) and assign descriptors for each.
- n. State the number of rating levels that the program will use for elements and identify descriptors for each.

- o. Require establishment of performance standards at the Fully Successful or equivalent level for each critical element and may permit establishment at other levels.
- p. Require establishment of performance standards at appropriate level(s) for each noncritical element, if used.
- q. Provide for conducting one or more progress reviews.
- r. Describe methods for appraising each element in the performance plan during the appraisal period unless insufficient opportunity has been provided to demonstrate performance on the element.
- s. Describe the method that will be used in deriving a summary level based on appraisal of performance on critical elements and, if used, noncritical elements.
 - (1) Must require assignment of an Unacceptable (Level 1) summary level if and only if performance on one or more critical elements is appraised as Unacceptable.
 - (2) Must not permit assignment of an Unacceptable (Level 1) summary level in consideration of noncritical elements.
- t. Require higher level review and approval of an Unacceptable (Level 1) rating of record.
- u. Establish criteria and procedures to address performance of employees who are on detail, who are transferred, and for other special circumstances, and may require a performance rating.
- v. Provide for assisting employees in improving less than Fully Successful or equivalent performance.
- w. Provide for taking action based on Unacceptable performance.
- x. Require a written or otherwise recorded rating of record after the end of the appraisal period.
- y. Identify the number of days from the end of the rating period within which an employee must receive a rating of record.
- z. Require extension of the rating period when a rating of record cannot be prepared at the time specified and must require preparation of a rating of record once conditions necessary are met.
 - aa. Prohibit lowering the rating of record or performance rating of a disabled veteran because of absence from work to seek medical treatment as provided in Executive Order 5396.
 - bb. Provide for training Raters and employees about relevant parts of the appraisal system and program with appropriate technical assistance.
 - cc. Provide for periodic evaluation of the performance appraisal program.

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dd. Use a Department-wide appraisal form(s).

ee. Provide either for use of the Department-wide grievance procedures for employees not covered by a negotiated grievance procedure or provide for a locally established alternative dispute resolution process, but not both.

ff. Prohibit the forced distribution of performance ratings.

gg. Identify any other requirements/prohibitions at the discretion of the organization.

11. GRIEVANCE PROCEDURE. These procedures apply to performance ratings that are not covered by a negotiated procedure. An employee who is dissatisfied with an assigned performance rating may grieve the rating and/or elements at issue using this procedure or a locally established alternative-dispute resolution process, but not both.

a. Informal Grievance Procedure

(1) Consistent with the principle that grievances should be resolved at the lowest level possible, an employee who is dissatisfied with an assigned performance rating may grieve the rating and/or elements at issue to the Approval Official (if used), otherwise to the Rater, within 15 calendar days after receipt of the rating. The employee and employee representative, if any, will be provided the opportunity to explain the grievance.

(2) After exploring the grievance, the official to whom the matter was grieved should provide a written answer to the employee, through his or her representative, if any, within 10 calendar days. The response will include the decision on the grievance and supporting reasons. The response will also include the employee's right to present a formal grievance.

b. Formal Grievance Procedure

(1) If the employee is not satisfied with the answer at the informal stage, within 10 calendar days from receipt of the informal response, the employee may present the grievance in writing, through supervisory channels, to the management official at the next higher level in the organization.

(a) The formal grievance will contain the date of the performance rating, the elements at issue and the reasons for seeking reconsideration for each element at issue, the performance rating desired and the decision at the informal stage.

(b) A grievance file will be established that will contain a copy of the performance rating, a copy of the formal grievance, a copy of the informal decision and related documentation, and any additional information that is appropriate for consideration in making a decision based on the record, but not any document that is not available to the employee and/or the employee's representative for review.

(2) The grievance file will be forwarded to the appropriate official to consider the grievance for a decision based on the record. A written decision will be forwarded through channels to the employee, through his or her representative, if any, usually within 10 work days.

(a) If the performance rating or narrative justification on the appraisal is changed as a result of the decision, all official records will be amended or reissued.

(b) If the rating of record is changed as a result of the decision, related performance award actions, if any, and within-grade increase actions should be reviewed accordingly.

APPENDIX B. OPM APPROVAL OF VA PERFORMANCE APPRAISAL SYSTEM



United States
**Office of
Personnel Management**

Washington, DC 20415-0001

In Reply Refer To

Your Reference

MAY - 6 1996

Mr. Eugene A. Brickhouse
Assistant Secretary for Human Resources
and Administration
Department of Veterans Affairs
Washington, DC 20420

Dear Mr. Brickhouse:

This is in response to your request of April 19, 1996, for approval of a new performance appraisal system for the Department of Veterans Affairs. The new system will apply to all agency non-SES employees, other than those excluded by 5 U.S.C. 4301(2) or excepted service employees excluded by OPM regulation or with specific OPM approval. We have reviewed the system and, with the understanding that all references to the minimum period in the attachment refer to the least number of days permissible, we have determined that it meets the requirements of 5 CFR part 430 subpart B. The system is approved.

Please send us, for approval, any future changes that would impact legal or regulatory requirements as they apply to appraisal systems.

Sincerely,

Doris Hausser
Chief, Performance Management
and Incentive Awards Division
Office of Employee Relations
and Workforce Performance

GDN 114-01-3
May 1993

APPENDIX C. SAMPLE PERFORMANCE IMPROVEMENT PLAN

DATE:

FROM:

SUBJ: Notification of Unacceptable Performance/Opportunity to Improve

TO:

1. This is to notify you that your performance of the duties of your position as Chief, Human Resources Management Service, GS-13, in the critical elements entitled “Organizational Planning” and “Work Plan and Accomplishment” is unacceptable.
2. Specifically, since the beginning of the appraisal period, your performance, as reviewed against several of the performance standards for two of the critical elements of your position, has been as follows:

Critical Element: Organizational Planning – Determines goals and objectives. Assigns priorities. Develops specific program plans and milestones. Establishes budget and/or resource allocations.

Standard: Sets long- and short-term program objectives that are realistic and are responsive to both Medical Center and VHA goals and priorities.

Actual Performance: Review of your Service Action Plan and staffing meeting minutes reveals no goals and objectives, and there has been no response from you to my request dated _____ for performance or program goals for this rating period.

Standard: Develop effective approaches for meeting Medical Center and VHA objectives.

Actual Performance: Several meetings between us as well as written requests the past few months have been devoted to guidance from me about how you might develop an effective approach to meeting the HR aspects of successful activation of the Medical Center. No plan has yet been presented.

Standard: Plans specific milestones to permit successful monitoring and control of program activities.

Actual Performance: Even though milestones have been presented for some actions, they have not been coordinated with those performing the actions or related activities, so they may not be realistic dates; and most timelines are not met; e.g., coordination of classification milestones with service chiefs.

Critical Element: Work Plan and Accomplishment. Accomplishes most actions specified in Work Plan. Deviations from Work Plan are justified and acceptable to supervisors. Actions are

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accomplished at a quality level considered satisfactory or better by rating official.

Standard: Serves as principal advisor to the Director and Associate Director and other top-level Agency officials on personnel operations and related matters by providing prompt, effective advice and recommendations as needed.

Actual Performance: On a number of occasions, errors have been made or you have not known appropriate information and responses have not been prompt. Lack of confidence in your ability to provide prompt and effective advice has resulted in some managers seeking such information from sources other than from yourself. Reference my performance review memorandum to you documenting our discussions of these matters.

Standard: Staffing services and products provided-routine services are timely, and the products prepared address Medical Center goals and objectives.

Actual Performance: Your failure to meet deadlines on a number of occasions is well documented in memoranda to you from me as well as from the Director. Products are often submitted in incomplete form and require several revisions as well as additional guidance.

Standard: Advises peer chiefs, personally and through subordinate staff, on technical requirements of personnel matters and on the merits of available options.

Actual Performance: A number of errors have been made in determining eligibility of applicants and pay levels for employees causing embarrassment and inefficiencies for your peer chiefs, e.g., RE Staff Engineer; Chief, Property Management; and Plumbing Supervisor positions. Provision of information from the applicant file has been erratic, creating barriers to this personnel option.

Standard: Completes staff assignments (reports, studies, and comments on proposals) in areas related to internal personnel management and equal opportunity programs.

Actual Performance: Most reports are not presented by due dates; many reports and studies have to go through several drafts and often do not represent complete staff work; e.g., EEO proposal, position management issue paper, and your lack of assuming an equal level of leadership as co-leader of the HRM Program (even when your co-leader was on extended sick leave).

Standard: New and current positions are accurately described and classified. Tracks progress toward meeting objective for position review.

Actual Performance: You are not meeting your policy-related 14-day turnaround time for position classification; and we have discussed this as well as the errors, gaps, and discrepancies in routine Recruitment Status Reports which have not been corrected.

Standard: Provides the Associate Director and Director with information about the results, nature, and quality of personnel management activities.

Actual Performance: Provision of information has been reactive in the form of requested reports

instead of proactive in the provision of information on progress if not requested. Many required and/or routine reports are not presented on time and often have errors. No Strength Report has ever been provided, even though it has been requested on numerous occasions. The report on the applicant file does not indicate positions for which applicants are qualified. Routine correspondence continues to be sent through for management signature which has errors you do not pick up on your review.

3. You will be given until _____(90 days) to demonstrate acceptable performance. During that time you will be expected to meet all standards of the critical elements in your performance plan at the successful level. The standards are inter-related so that failure to meet one of the standards within an element will result in failing the entire element.
4. During the next ninety (90) days I will meet with you on a weekly basis to discuss your work, both completed and in progress, and assist you in organizing and prioritizing it. Because I consider you fully trained in the personnel disciplines, I have not included training as part of your Performance Improvement Plan. However, if you can identify and desire specific training that you believe will assist you in improving your performance, you may bring it to my attention for further consideration. In addition to our weekly meetings, I will be available to assist you, answer questions, discuss mutual areas of concern, and provide feedback on your progress.
5. If you have any problems of a personal or medical nature which you believe are impinging on your ability to perform successfully, I urge you to bring this information to my attention, as well, so that appropriate assistance may be considered.
6. I am confident that you have the ability to improve your performance to an acceptable level. However, in the event that you do not demonstrate acceptable performance during this opportunity period or, upon attaining acceptable performance, fail to sustain successful performance for a one-year period, action to demote or separate you may result without benefit of additional opportunity to improve.
7. You may address any questions you have regarding this notice to me.

Supervisor

APPENDIX D.
PERFORMANCE APPRAISAL PROGRAM FOR VETERANS BENEFITS
ADMINISTRATION NON-EXECUTIVE DIRECTORS

NOTE: *The performance appraisal program described in this appendix is for Veterans Benefits Administration (VBA) non-executive directors only.*

1. PURPOSE. The performance appraisal program established under this appendix shall serve as a tool for executing basic management and supervisory responsibilities by:

- a. Communicating and clarifying organizational goals and objectives.
- b. Identifying individual accountability for the accomplishment of Department goals and objectives.
- c. Evaluating and improving individual and organizational accomplishments.
- d. Providing a basis for certain personnel actions to include reassignments, reduction-in-force, and removals.

2. DEFINITIONS

a. **Achievement Level.** The one overall level of accomplishment for each element as measured against the established performance standards. Achievement levels are defined as follows:

(1) **Fully Successful.** Performance standards for the particular element when taken as a whole are being met. This level is a positive indication of employee performance and means that the employee is effectively meeting performance demands for this component of the job.

(2) **Exceptional.** Fully successful performance standards for the element are being significantly surpassed. This level is reserved for employees whose performance in the element far exceeds normal expectations and results in major contributions to the organization.

(3) **[Unacceptable].** A level of performance that does not meet the standards established for the fully successful level. Assignment of this achievement level means that performance of the element is [unacceptable].

b. **Appraisal.** The act or process of reviewing and evaluating the performance of an employee against the described performance standards. It is the process by which an achievement level is established for each element and upon which a summary rating level is assigned.

c. **Approval Official.** The official who approves each rating.

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d. **Critical Element.** Any element which contributes toward accomplishing organizational goals and objectives and which is of such importance that unacceptable performance of it would result in unacceptable performance in the position.

e. **Element.** A component of a position consisting of one or more duties and responsibilities which is sufficiently important to warrant written appraisal. An element may be either critical or non-critical as defined in paragraph 2d or f.

f. **Non-critical Element.** Any element which does not meet the definition of a critical element but is still of sufficient importance to warrant written appraisal.

g. **Performance Plan.** The aggregation of all of an employee's written critical and non-critical elements and performance standards.

h. **Performance Standards.** Statements of the expectations or requirements established by management for a critical or non-critical element at a particular achievement level. Since accomplishment of organizational objectives must be reflected in performance plans, performance standards should describe specific recurring and nonrecurring goals, program objectives, priority programs, etc. Factors such as quality, quantity, cost efficiency, timeliness, and manner of performance may also be reflected.

i. **Progress Review.** A review of an employee's progress towards achieving his/her performance standards and is not in itself a rating.

j. **Rater.** The official, usually the immediate supervisor, who is responsible for the development of performance plans and who appraises the employee's performance and recommends a performance rating.

k. **Rating.** The written record of the appraisal of each critical and non-critical element and the assignment of a summary rating level. Ratings must be prepared by the rater at the end of the appraisal period or when a non-executive director supervised for more than 90 days is reassigned or transferred. Ratings may also be appropriate under other circumstances discussed in paragraph 8c.

l. **Summary Rating Level.** The composite summary of an employee's performance based on the achievement levels assigned for each performance element. Summary rating levels are defined as follows:

(1) **Outstanding.** Achievement levels for all elements are designated as exceptional. (An outstanding rating reflects an extraordinary level of individual achievement and major contribution to accomplishment of organizational goals and objectives).

(2) **Excellent.** Achievement levels for all critical elements are designated as exceptional. Achievement levels for non-critical elements are designated as at least fully successful. Some, but not all, non-critical elements may be designated as exceptional.

(3) **Fully Successful.** The achievement level(s) for one (or more) critical element(s) is (are) designated as fully successful. Achievement levels for other critical and non-critical elements are designated as at least fully successful or higher.

(4) **Minimally Satisfactory.** Achievement levels for all critical elements are designated as at least fully successful. However, the achievement level(s) for one (or more) non-critical element(s) is (are) designated as [unacceptable].

(5) **[Unacceptable].** The achievement level(s) for one (or more) critical element(s) is (are) designated as [unacceptable].

3. PROGRAM RESPONSIBILITIES

a. **The Under Secretary for Veterans Benefits Administration.** Periodically evaluates the effectiveness of this program and modify as required.

b. **The Deputy Assistant Secretary for Human Resources Management []**

(1) Provides technical advice and assistance on this performance appraisal program;

(2) Provides appropriate training and information to supervisors and employees to ensure effective administration of the performance appraisal program;

(3) Provides technical and administrative support;

(4) Coordinates the processing and coding of performance ratings;

(5) Maintains Employee Performance Folders for all non-executive directors; and

(6) Evaluates the effectiveness of this performance appraisal program and recommend modifications as appropriate. Methods used to evaluate the program may include rater/ratee questionnaires and/or review and analysis of performance plans and rating patterns.

c. **Supervisors.** Supervisors are responsible for ensuring that the requirements of this appendix relating to the establishment and communication of performance plans and the processing of performance appraisals and ratings are fulfilled. This includes ensuring that higher level supervisory officials are appropriately involved in the development of performance plans and appraisals.

4. GENERAL

a. **Performance Appraisal Period.** The minimum performance appraisal period for non-executive directors covered by this appendix is 90 days. Generally, the appraisal period will be October 1 through September 30.

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b. **Extension of Appraisal Period.** If a non-executive director was initially appointed to his or her position after July 2, the appraisal period will be extended to December 31. The appraisal period may also be extended under the special circumstances described in paragraph 8c.

c. **Performance Appraisal Forms.** VA Form [0750], Non-executive Directors-- Performance Appraisal Program, will be used to document the performance plan approved for each employee and the appraisal and rating recommended by the rater and reviewing official (if applicable). VA Form [0750] will be used to document the final rating of record authorized by the approval official.

d. **Calendar Days.** Unless otherwise specified, references to "days" in this appendix refer to calendar days.

5. PERFORMANCE PLAN

a. Basic Requirements

(1) At or before the beginning of the appraisal period, the elements and standards of each employee's performance plan will be communicated to the employee. The rater is responsible for communicating proposed elements and standards; consulting with the employee, and if appropriate, the higher level supervisory official, on the plan's content; and providing a written performance plan to the employee within 30 days of the beginning of the appraisal period.

(2) The performance plan will be based on the duties and responsibilities established for the position and will reflect responsibility for accomplishment of agency goals and objectives. The performance plan will include:

(a) Every position will have at least one element designated as a critical element and one designated as a non-critical element.

(b) The individual and organizational performance standards or results to be achieved for each element. Performance standards must be written at the fully successful level of achievement. The absence of written standards for the exceptional or [unacceptable] achievement levels shall not preclude assignment of those levels. To the extent possible, these performance standards should be stated in objective and measurable terms.

b. Work Plan Approach

(1) The performance plans for all non-executive directors whose positions include significant managerial responsibilities will include a performance element, "Work Plan Accomplishment," or a similar element.

(2) The work plan will identify high priority goals and projects to be individually tracked during the appraisal period.

(a) Generally, the number of objectives (i.e., performance standards) in the work plan will be limited to from 5 to 10.

(b) Specificity of the objectives will vary depending on the level and functions of the position covered.

(c) A non-executive director's work plan should reflect his/her responsibility for items in the annual Program Operating Plan.

(3) A list of management elements and standards common to many executive and non-executive director positions is provided in appendix I-E. When combined with the individualized performance standards in the work plan, this prototype should serve as the performance plan for most non-executive director positions involving significant managerial responsibility. The sample elements and standards should be modified, as necessary, to reflect the unique duties and responsibilities of individual positions. However, in order to promote a degree of consistency in performance plans, major deviations in format require approval of the appropriate Administration Head, Assistant Secretary or Other Key Official.

(4) Non-executive directors play a key leadership role in promoting equal employment opportunity, affirmative action and the elimination of discrimination and sexual harassment in the workplace. One of the standards under the Human Resources Management element in the appendix deals with providing active leadership in equal opportunity matters (standard 3f) and another concerns providing effective leadership in promoting specific actions to avoid discrimination complaints (standard 3g). In connection with these two standards, the work plans of all non-executive directors will include specific objectives designed to increase the employment and advancement of minorities, women, and people with disabilities. Those objectives will be geared toward the areas of under-representation and will also be results oriented. In addition, the work plans will include objectives relating to specific activities designed to improve understanding between all employees and to eliminate factors in the workplace that may encourage sexual harassment or discrimination.

c. Relationship of Elements to Performance Standards. The appraisal process consists of assigning one achievement level for each element. While each element may have several performance standards related to it, it is the overall performance of these standards which establishes the one achievement level for each element. Supervisors may give added emphasis to some performance standards versus others. When this is done, employees must be informed of the relative significance of the standards when the performance plan is communicated.

d. Details. If a detail or acting assignment is expected to last 120 days or longer, a written performance plan will be prepared. This written plan, developed in consultation with the employee, will be provided to the employee no later than 30 days after the beginning of the detail or acting assignment. Written performance plans are optional for details or acting assignments lasting less than 120 days.

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e. **Employee Participation.** Raters may ask non-executive directors to submit proposed performance plans before the beginning of the appraisal period. When this is done, the supervisor will review the proposed plan, discuss any changes or modifications, and provide a written copy of the approved performance plan.

f. **Continuing Review of Performance Plan.** The performance plan should be reviewed by both the employee and the rater during the appraisal period. Changes in program emphasis or other developments that would make the standards inappropriate for the current situation may necessitate changes to the plan. The rater will document in writing any revisions or deletions to the performance plan and communicate them to the employee. Normally, performance plans will not be changed within 90 days of the end of the appraisal period.

6. PROGRESS REVIEW

a. The rater shall hold a progress review for each employee at least once during the appraisal period. At a minimum, an employee shall be informed of his or her level of performance by comparison with the elements and performance standards established for his/her position. The progress review should also be used as an opportunity to review employee performance plans. Additional informal communication about an employee's progress in meeting performance standards is encouraged and may be conducted as appropriate.

b. Employees whose performance is [unacceptable] in one or more critical elements must be notified in writing and be given a reasonable opportunity to improve their performance to the fully successful level.

c. Employees who improve their performance to the fully successful level during the opportunity period must sustain fully successful performance in the critical element(s) on which they were provided an opportunity to improve for one year from the beginning of the opportunity period. A performance-based adverse action may be proposed without the benefit of an additional opportunity to improve should their performance again become [unacceptable] in one or more of the critical elements during the 1-year period.

7. THE RATING PROCESS

a. General Requirements

(1) A rating is the written record of the appraisal of each critical and non-critical element and the assignment of a summary rating level by the rater. Ratings will be documented on VA Form [0750] or its electronic equivalent. The original appraisal form will be kept in the employee's Employee Performance Folder and a copy will be provided to the employee.

(2) In accordance with paragraph 8, ratings are generally prepared at the end of the appraisal period. Ratings are also required under the following circumstances:

- (a) If the non-executive director is reassigned to another position in VA or transferred to a new agency after serving in a covered position for more than 90 days during the appraisal period.
 - (b) If the employee was detailed to another position in VA for 120 days or longer.
 - (c) If the employee's immediate supervisor is reassigned to another VA position within 90 days of the end of the appraisal period.
- (3) In the above circumstances, a rating will be prepared by the employee's immediate supervisor within 30 calendar days from the date of the reassignment, termination of detail or supervisory change. If the change occurs after September 15, within 15 days of the end of the appraisal period.
- (4) When an employee was detailed to another position in VA or served in another position on an acting basis for less than 120 days, preparation of a written rating is strongly encouraged but not required.
- (5) Non-executive directors may be asked to prepare or they may voluntarily submit a self-assessment of their performance as measured against the approved performance plan. Self-assessments should be submitted to the rater within 7 days of the end of the appraisal period.
- (6) All ratings prepared during the appraisal period will be considered by the rater in deriving the employee's rating of record.

b. Appraising Performance

- (1) The rater will assess the employee's accomplishment of each established performance standard, consider the impact of the individual standards on overall performance of the element and assign one achievement level for each element. An achievement level must be assigned for each critical and non-critical element of the performance plan unless the employee has had insufficient opportunity to demonstrate performance in the element. If an achievement level other than fully successful is assigned, actual accomplishments supporting that level must be documented in the portion of VA Form [0750] provided for this purpose. When an achievement level of fully successful is assigned, documentation of performance accomplishments is not required.
- (2) Based on the achievement levels assigned, the rater will assign one of the five summary rating levels described in paragraph 2 "1" of this appendix.

8. ASSIGNMENT OF A RATING

- a. **Coverage.** All VBA non-executive directors will be rated at the end of the appraisal period.

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b. **Standard Procedures for Assigning Rating.** In accordance with paragraph 7, the rater will prepare a written rating for each non-executive director who was supervised for at least 90 days prior to the end of the appraisal period.

c. **Special Circumstances**

(1) **Rater Leaves or Changes Positions.** Before a rater leaves or changes positions, he or she will prepare a performance rating for those employees he or she would normally rate using a copy of VA Form [0750]. The VA Form [0750] will be shared with the employee and forwarded to the servicing human resources management office or higher level management official within the organization.

(2) **Supervisor for Less Than 90 Days.** As long as sufficient information is available on which to appraise an employee's performance that covers a 90-day minimum period, there is no requirement for a rater to occupy his or her position for a specific length of time. However, if a performance rating is not available or is not sufficiently developed to permit appraisal, the appraisal period will be extended to provide for performance under the rater for the minimum appraisal period.

9. APPROVAL OF FINAL RATING BY APPROVAL OFFICIAL. The approval official either concurs with the recommended rating, or after discussion with other officials familiar with the employee's performance, assigns a different rating. If a different rating is assigned, the basis for the rating change will be documented on VA Form [0750].

10. REWARDING PERFORMANCE

a. Performance awards that are solely based on an employee's rating of record are not authorized in connection with this appraisal program.

b. Employees may be appropriately rewarded for their efforts and accomplishments as individuals or as group or team members with other forms of monetary and non-monetary recognition discussed in VA Handbook 5017, Employee Recognition and Awards.

c. Eligibility for quality step increases will be determined by the rating of record and performance-related criteria in the VA Handbook 5017.

11. GRIEVANCE PROCEDURE. [A] non-executive director who is dissatisfied with an assignment performance rating may grieve the rating and/or elements at issue using this procedure.

a. **Informal Grievance Procedure**

(1) Consistent with the principle that grievances should be resolved at the lowest level possible, an employee who is dissatisfied with an assigned performance rating may grieve the rating and/or elements at issue to the Approval Official (if used), otherwise to the Rater, within 15 calendar days after receipt of the rating. The employee and employee representative, if any, will be provided the opportunity to explain the grievance.

(2) After exploring the grievance, the official to whom the matter was grieved should provide a written answer to the employee, through his or her representative, if any, within 10 calendar days. The response will include the decision on the grievance and supporting reasons. The response will also include the employee's right to present a formal grievance.

b. Formal Grievance Procedure

(1) If the employee is not satisfied with the answer at the informal stage, within 10 calendar days from receipt of the informal response, the employee may present the grievance in writing, through supervisory channels, to the management official at the next higher level in the organization.

(a) The formal grievance will contain the date of the performance rating, the elements at issue and the reasons for seeking reconsideration for each element at issue, the performance rating desired and the decision at the informal stage.

(b) A grievance file will be established that will contain a copy of the performance rating, a copy of the formal grievance, a copy of the informal decision and related documentation, and any additional information that is appropriate for consideration in making a decision based on the record, but not any document that is not available to the employee and/or the employee's representative for review.

(2) The grievance file will be forwarded to the appropriate official to consider the grievance for a decision based on the record. A written decision will be forwarded through channels to the employee, through his or her representative, if any, usually within 10 work days.

(a) If the performance rating or narrative justification on the appraisal is changed as a result of the decision, all official records will be amended or reissued.

(b) If the rating of record is changed as a result of the decision, related within-grade increase actions should be reviewed accordingly.

**APPENDIX E. VBA NON-EXECUTIVE DIRECTOR
COMMON MANAGERIAL ELEMENTS**

NOTE: *The following list identifies managerial elements. They are to be used in conjunction with the work plan approach described in paragraph 5 of this appendix.*

1. ORGANIZATIONAL PLANNING

- a. Sets long and short term program objectives that are realistic and are responsive to Department goals and priorities.
- b. Develops effective approaches for meeting Department objectives.
- c. Includes analysis of cost to achieve goals, taking into consideration the financial and technical aspects of program plans.
- d. Plans specific milestones to permit successful monitoring and control of program activities.
- e. Prepares budgets that are realistic and attainable.
- f. Uses cost control techniques effectively.

2. PROGRAM DIRECTION AND COMMUNICATION

- a. Articulates and communicates Department goals, relating them to achievement of specific program outcomes.
- b. Meets organizational goals on time and within budget allocations.
- c. Ensures that organizational structure facilitates program accomplishment.
- d. Determines that accounting and administrative controls achieve cost efficiency.
- e. Makes logical decisions that are understood and supported by those who are to carry them out.
- f. Keeps staff and other organizations informed about significant matters in a timely manner.
- g. Develops and maintains good working relationships with other organizations.
- h. Provides practical advice and guidance to others (including other organizations) for developing new policies and programs.
- i. Demonstrates appreciation for and appropriate responsiveness to the concerns and needs of the general public and clientele groups.

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3. HUMAN RESOURCES MANAGEMENT

- a. Tells employees what is expected, advises them of necessary changes as job progresses and holds them responsible for timely completion of work assignments.
- b. Provides staff with continuous feedback on strengths and weaknesses of their work.
- c. Appraises staff performance accurately within Department time frames.
- d. Gives technical advice as required and reviews work promptly.
- e. Uses appropriate rewards and corrective action principles in employee management.
- f. Establishes and monitors goals for Equal Employment Opportunity (EEO) through affirmative action, particularly upward mobility, to the extent consistent with staffing needs and resource availability.
- g. Provides effective leadership in promoting aggressive management action to prevent the unnecessary escalation of employee-management disputes into formal complaints of discrimination or sexual harassment. Before accepting a formal complaint ensures that management has made every reasonable effort to resolve the dispute, but to no avail.

4. PROGRAM MONITORING AND EVALUATION

- a. Determines that review/monitoring procedures and guidelines are clearly and concisely stated.
- b. Uses monitoring and evaluation procedures which ensure that outputs are of good quality and on time.
- c. Recognizes when current review is inadequate and makes appropriate changes.
- d. Ensures that internal control systems consistent with OMB, GAO, and VA guidelines are in place and operate effectively.
- e. Third party reviews indicate a satisfactory level of program effectiveness. Ensures that any required corrective actions are accomplished in a timely fashion and are effective in the majority of instances.

5. WORK PLAN ACCOMPLISHMENT. Accomplishes all or most actions in following work plan. Deviations from work plan are justified and acceptable to supervisors. Actions are accomplished at a quality level considered satisfactory or better by supervisors.

**[APPENDIX F. PERFORMANCE APPRAISAL PROGRAM
FOR VHA EMPLOYEES IN THE EXECUTIVE CAREER FIELD**

NOTE: *The performance appraisal program described in this appendix is for VHA employees who are covered by the Executive Career Field (ECF). Although VHA Senior Executive Service (SES) employees are considered part of VHA's ECF program, they are covered under VA Directive and Handbook 5027, Part V, for purposes of managing and appraising performance.*

- 1. PURPOSE.** This appendix defines the performance appraisal program used to measure the performance of non-SES employees in the Veterans Health Administration (VHA) Executive Career Field.
- 2. SCOPE.** Non-SES employees in VHA's ECF program are covered under this appendix which complies with VA's 5-level Performance Appraisal Program approved by the Office of Personnel Management (see Appendix B). This appendix supplements part I of this handbook to define the policies and procedures that apply to the performance appraisal program for VHA ECF employees. Unless specifically covered in this appendix, the policy language in part I of this handbook will apply.
- 3. COVERAGE.** This appendix covers non-SES supervisory and managerial employees in VHA's ECF program. This includes all title 5, hybrid, and title 38 employees in levels II, III, and IV (excluding SES) assigned to a position for at least 120 days which has been designated as supervisory or managerial.
- 4. DEFINITIONS.** In addition to the definitions listed below, the definitions contained in part I of this handbook apply to this appendix.
 - a. **Approving Official.** The designated official at a higher management level than the Rater who reviews and approves all Minimally Satisfactory and Unacceptable summary ratings.
 - b. **HPDM.** The High Performance Development Model (HPDM) provides a framework for the VHA to develop a highly-skilled, customer-centered workforce. By focusing on eight core competencies, HPDM contributes to the development of a continuous supply of excellent leaders committed to VHA's mission. For training and education purposes, each of the eight core competencies have been divided into four levels as described below.
 - c. **Level I.** Non-supervisory staff. These employees do not supervise other staff and are *not* ECF employees or covered under this appendix.
 - d. **Level II.** Supervisors. These ECF employees are all in supervisory and managerial positions reporting to a mid-level manager at the HPDM level III. Typically they are individuals having authority in the interest of the agency to hire, direct, assign, promote, reward, transfer, furlough, layoff, recall, suspend, discipline or remove employees, to adjust employees' grievances, or to effectively recommend such action, if the exercise of the authority is not merely routine or clerical in nature but requires the consistent exercise of independent judgment.

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e. **Level III.** Mid-level managers. These ECF employees generally are either supervisory or non-supervisory management employees reporting to an executive leader at the HPDM level IV. In health care facilities, mid-level managers would include Associate Chiefs of Staff, service chiefs, service/care line managers, Associate and Assistant Chief Nurses and nurse managers who report to nurse executives or care line managers, and organizationally equivalent senior staff positions such as the Staff Assistant to the Director and the Administrative Assistant to the Chief of Staff. Equivalent VISN and VHACO program office positions are normally at the GS-14 and title 38 equivalent levels.

f. **Level IV.** Executive leadership. These ECF employees are responsible for the overall functions and outcomes of an organization. They are either in the Senior Executive Service or are senior managers. In health care facilities, executive leaders would include Chiefs of Staff, Associate Directors (GS-15 and GS-14), Assistant Directors (GS-14), and nurse executive positions. Equivalent VISN and VHACO program office positions are normally at the GS-15 and title 38 equivalent levels.

g. **Performance Measure.** Quantitative measure used to evaluate and improve outcomes or the performance of functions and processes. Performance measures are most often used to define a specific performance requirement in quantitative terms.

h. **Performance Requirement.** Statement of the expectations or requirements established by management for critical, non-critical and additional performance elements at a particular achievement level.

5. GENERAL

a. **Performance Appraisal Period.** Generally, the ECF appraisal period is October 1 through September 30. The minimum performance appraisal period for employees covered by this appendix is 90 days.

b. **Performance Appraisal Form.** VA Form 3482e, VHA ECF Performance Appraisal Program, will be used to document the performance plan and appraise the performance of ECF employees in accordance with this appendix.

c. **Extension of Appraisal Period.** If an employee was initially appointed to the ECF after July 1, the appraisal period will be extended to allow for the minimum appraisal period, i.e. 90 days, not to exceed December 31. The appraisal period may also be extended under the special circumstances described in this appendix.

d. **Details and Temporary Promotions.** If an ECF employee is detailed or temporarily promoted to another position or assignment on September 30 and the employee has performed under communicated performance requirements for the minimum appraisal period, the employee may be assigned an annual rating based on either (1) performance in the temporary assignment; or (2) performance in his/her permanent position (assuming he/she performed under communicated standards for the minimum appraisal period during the year).

e. **Processing Timelines and Deadlines.** Specific instructions covering the timeframes for processing ECF performance appraisals and award recommendations that are not covered in this handbook or appendix will be issued annually by the Under Secretary for Health, or designee.

6. EMPLOYEE PERFORMANCE FOLDER

a. **Establishment and Maintenance.** An electronic Official Personnel Folder (eOPF) is established for employees and the servicing human resources offices will maintain the annual ECF performance ratings and awards in the performance folder located in the eOPF.

b. Content and Retention

(1) Annual ratings of record documented on VA Form 3482e and all attachments to the form will be retained in the eOPF for 4 years after the date of the approved annual rating.

(2) At a minimum, the work plan and any written comments from the employee shall be attached to VA Form 3482e.

7. PERFORMANCE PLAN

a. The Rater is responsible for communicating proposed performance elements and requirements and consulting with the employee and, if appropriate, the higher level supervisory official, on the plan's content. The Rater will provide a written performance plan to the employee as soon as possible (or in accordance with instructions issued by the Under Secretary for Health, or designee), but no later than 60 days after the beginning of the appraisal period, assignment to a new ECF position, or when a plan is changed.

b. Directors of Veterans Integrated Service Networks (VISNs), Chief Officers and Medical Center Directors will ensure that performance plans are in place for all ECF employees in accordance with the approved schedule for the rating period.

c. The performance plan will be based on the duties and responsibilities established for the position and will reflect responsibility for accomplishment of Departmental goals and objectives. The executive leadership's performance measures will cascade down to the ECF employees, as deemed applicable. Some ECF employees' performance standards may or may not include performance measures. However, all ECF employees' performance standards will address the HPDM core and key core competencies, along with any additional performance elements required at the Departmental level and/or developed locally.

d. [The performance plans of supervisors will include an evaluation of their performance in furthering equal employment opportunity, including employment of disabled veterans and other individuals with disabilities, minority groups, and women.

e]. The performance plan will adhere to the provisions set forth in VA Handbook 5013, Part I, paragraph 6. performance plan will adhere to the provisions set forth in VA Handbook 5013, Part I, paragraph 6.

8. MONITORING PERFORMANCE

a. **Progress Review.** The Rater shall hold a progress review for each employee at least once during the appraisal period. At a minimum, an employee shall be informed of his/her performance by

comparison with the elements, standards and/or performance measures, and performance requirements established for the position. The progress review should also be used as an opportunity to review employee performance plans.

b. Unacceptable Performance in a Critical Element. When performance is Unacceptable in one or more critical elements, the Rater must notify the employee in writing, afford the employee a reasonable opportunity to improve, and establish a performance improvement plan (PIP) as outlined in paragraph d below. The PIP shall include an opportunity to demonstrate acceptable performance in each critical element in which the employee's performance is Unacceptable. A reasonable opportunity to improve and PIP is provided prior to the assignment of a summary rating of Unacceptable, unless it is impractical, i.e., employee is no longer in the position, left the VA, etc. This opportunity to improve must be provided before action can be taken to involuntarily remove the ECF employee from his/her position through a reduction in grade or removal from Federal service. This requirement *does not apply to*:

(1) Title 38 ECF employees appointed under 38 U.S.C. 7401(1) whose performance constitutes a clear danger to self or others;

(2) Title 38 ECF employees who are temporary full-time, part-time, or without compensation under 38 U.S.C. 7405(a)(1)(A);

(3) Title 5, hybrid or title 38 employees serving an initial or supervisory probationary period who are not otherwise entitled under law or regulation. (**NOTE:** *Consult your local Regional Counsel or the Office of Human Resources Management in cases of probationary employees with prior Federal service. See VA Handbook 5021, Part II, regarding separation procedures for probationary title 38*).

NOTE: *The reasonable opportunity to improve performance (PIP) is not required if an adverse action (or major adverse action) is to be proposed based on gross negligence or misconduct and not an Unacceptable performance rating. In those cases, the procedures outlined in VA Directive and Handbook 5021 apply.*

c. Unacceptable Performance in a Non-Critical Element. When performance is Unacceptable in one or more non-critical elements, the Rater must notify the ECF employee of the performance deficiencies in writing as soon as practical and must provide some form of assistance to the employee to achieve the Fully Successful level of performance in each non-critical element determined to be less than Fully Successful. This form of assistance does not require the formal PIP process outlined below. In addition, a summary rating of Minimally Satisfactory may be assigned prior to the assistance, as long as the Rater initiates the assistance in a timely manner.

d. Performance Improvement Plan (PIP). If it is determined that a formal opportunity to improve is required (due to unacceptable performance in a critical element) or warranted (at the discretion of the Rater to assist an employee's unacceptable performance in a non-critical element), the Rater shall notify the employee in writing of the following:

(1) Identify the element(s) for which performance is less than fully successful, including whether the element(s) is critical or non-critical.

- (2) Provide specific examples of the performance deficiencies for each element/standard determined to be less than fully successful;
- (3) Clarify performance expectation;
- (4) Indicate the length of the PIP to include the beginning and ending date. The length of the PIP will depend on the position of the employee, the nature of work and the deficiencies involved;
- (5) Identify what the employee must do to achieve the fully successful level for each element determined to be less than Fully Successful;
- (6) Identify how the employee's work will be monitored;
- (7) Establish a time and place for regular meetings with the supervisor and the employee to discuss the employee's progress;
- (8) Identify how the supervisor, or another individual, will be available to provide assistance if needed, i.e., answer questions, provide guidance or training, etc.; and
- (9) Describe other assistance that may be made available to the employee, if applicable.

9. RATING PROCESS

- a. A rating is the written record of the appraisal of each critical and non-critical performance element and the assignment of a summary rating level by the Rater. This may also include a written evaluation of any *additional* elements, if such elements are used. However, *additional* elements are not used in determining a summary rating level. All ratings will be documented on VA Form 3482e. However, only annual ratings of record will be included in the employee's performance folder maintained in the eOPF.
- b. All ECF employees in the HPDM level IV, executive leadership level, will submit a self assessment at the end of each rating period. Other employees may voluntarily submit a self-assessment of their performance as measured against the approved performance plan. Self-assessments should be submitted to the Rater in accordance with the established schedule for the performance appraisal period or within 10 days of the end of the rating period if no other deadline is established.
- c. The Rater will assess the employee's accomplishment of each established performance element and prepare a written rating for each employee who has served under a performance plan for the minimum appraisal period of 90 days. If an achievement level other than Fully Successful is assigned for a particular performance element, specific examples supporting that level must be documented on the rating form (or attached). The employee's self assessment, if appropriate, may be used for this purpose.
- d. Based on the levels of achievement assigned for each performance element, the Rater will assign one of the five summary ratings levels as described in VA Handbook 5013, Part I, paragraph 8.

e. The annual rating process, as well as any special ratings required during the appraisal period, i.e., employee changes positions or leaves the Department, shall be completed in accordance with the general provisions of part I of this handbook.

10. ASSIGNMENT AND REVIEW OF ANNUAL RATING OF RECORD. All employees who occupy an ECF position on September 30 will be rated in accordance with this appendix and part I of this handbook.

a. **Summary Rating of Fully Successful or Higher.** The Rater will complete the rating process described above and provide a copy of the performance appraisal with the summary rating to the employee. The employee will be allowed an adequate amount of time to review his/her appraisal and provide appropriate written comments to attach to VA Form 3482e. Normally, 3 workdays is considered an adequate period of time.

b. **Summary Rating of Minimally Satisfactory or Unacceptable.**

(1) The Rater will complete the rating process described above and provide a copy of the performance appraisal with the initial summary rating to the Approving Official for review and approval. (**NOTE: Only summary ratings that represent the rating of record at the end of the appraisal period require review by the Approving Official**). The Approving Official will either concur with the rating or assign a different rating. He/she may discuss with or request additional justification for the recommended performance rating from the Rater. If a different rating is assigned by the Approving Official, the performance-based reason for the change must be explained on the form. This explanation shall specify which achievement levels for which elements were changed and why.

(2) The approved appraisal form will be returned to the Rater for communication to the employee. The employee will be allowed an adequate amount of time to review his or her appraisal and provide appropriate written comments to attach to VA Form 3482e. Normally, 3 workdays is considered an adequate period of time.

(3) In cases where a Minimally Satisfactory rating was approved, the Rater must provide some form of assistance to the employee to achieve the Fully Successful level of performance in each non-critical element determined to be less than Fully Successful. This form of assistance is not required prior to assigning a rating but must be initiated in a timely manner (see paragraph 8c).

(4) In cases where an Unacceptable rating was approved, the Rater must provide a reasonable opportunity to improve and a PIP prior to the assignment of a summary rating, unless it is impractical, i.e., employee is no longer in the position, left the VA, etc., (see paragraph 8d). However, the reasonable opportunity to improve (PIP) is required prior to proposing an adverse action (or major adverse action for title 38) based on an Unacceptable rating *except* in instances involving the following categories of employees:

(a) Title 38 ECF employees appointed under 38 U.S.C. 7401(1) whose performance constitutes a clear danger to self or others;

(b) Title 38 ECF employees who are temporary full-time, part-time, or without compensation under 38 U.S.C. 7405(a)(1)(A);

(c) Title 5, hybrid or title 38 employees serving an initial or supervisory probationary period who are not otherwise entitled under law or regulation. **(NOTE: Consult your local Regional Counsel or the Office of Human Resources Management in cases of probationary employees with prior Federal service. See VA Handbook 5021, Part II, regarding separation procedures for probationary title 38 employees).**

(5) The reasonable opportunity to improve performance (PIP) is not required if an adverse action (or major adverse action) is to be proposed based on gross negligence or misconduct and not an Unacceptable performance rating. In those cases, the procedures outlined in VA Directive and Handbook 5021 apply.

c. **Processing.** The appropriate human resources office will coordinate the processing of approved performance appraisals and ratings and assure that all reporting requirements and time frames are met.

11. REQUEST FOR RECONSIDERATION AND HIGHER LEVEL REVIEW

a. **Step 1.** ECF employees may submit a written request for reconsideration at a higher level. This written request must be submitted first to the Rater, or to the Approving Official if the rating required approval, within 15 calendar days after receiving the summary rating to give this individual the opportunity to reconsider the assigned rating. The Rater (or Approving Official) will consider the written request for reconsideration and provide a written response to the employee within 10 calendar days. If a different rating is assigned by the Rater (or Approving Official), the performance-based reason for the change must be explained on the form. This explanation shall specify which achievement levels for which elements were changed and why.

b. **Step 2.** After receipt of the Step 1 response, the ECF employee may submit a written request for reconsideration to the next higher level in the organization. This request must be submitted within 5 days of receipt of the Step 1 response. The request must include the employee's written comments in support of the reconsideration as well as the Rater's (or Approving Official's) written response from Step 1. The official performing the higher level review shall provide a written response to the employee within 10 calendar days. If a different rating is assigned by this official, the performance-based reason for the change must be explained on the form. This explanation shall specify which achievement levels for which elements were changed and why. This is the final administrative decision in this matter and is provided to ECF employees in lieu of the performance rating grievance process outlined in part I of this handbook, paragraph 11.

12. OTHER USES OF RATINGS AND RESULTS

a. **Employee Development.** The performance appraisal process can be part of the means of identifying employees' developmental needs. Supervisors may require, or employees may wish to have, an Individual Development Plan. This plan may be utilized in the narrative summary of the appraisal form.

PART I

APPENDIX F

b. **Placement Actions.** Performance appraisals will be considered in placement actions to the extent that they demonstrate possession of the qualification requirements established for the position being filled.

c. **Reduction-in-Force (RIF).** The competitive procedures that form the basis of a RIF include performance, as set forth in VA Handbook 5005.]

PERFORMANCE MANAGEMENT SYSTEMS

PART II. TITLE 38 PROFICIENCY RATING SYSTEM

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PART II. TITLE 38 PROFICIENCY RATING SYSTEM

1. SCOPE

a. This part implements the Proficiency Rating System used to appraise the performance of full-time, part-time and intermittent Physicians, Dentists, Podiatrists, Optometrists, Chiropractors, Nurses, Nurse Anesthetists, Physician Assistants, and Expanded-Function Dental Auxiliaries appointed under 38 U.S.C., chapter 73 or 74.

b. This part excludes the following:

(1) The Under Secretary for Health

(2) Distinguished Physicians

(3) Individuals at the Director grade appointed under 38 U.S.C. 7401(1) and individuals appointed under 38 U.S.C. 7306.

(4) Full-time, part-time and intermittent hybrid Title 38 employees appointed under 38 U.S.C. 7401(3) or 7405 (a)(1)(B).

(5) Title 38 supervisors and management officials covered by the Veterans Health Administration (VHA) Performance Appraisal Program are covered by this part for the purposes of poor performance and counseling only.

2. REFERENCES. Title 38 U.S.C., chapters 73 and 74

3. POLICY

a. The requirements for the Proficiency Rating System are regulations prescribed pursuant to section 7421 of Title 38, U.S. Code. The proficiency rating system is designed to assure the effective and efficient utilization of the covered employees and to furnish bases for assistance and guidance to them in the performance of their assignments and the development of their skills and abilities.

b. The proficiency rating system provides for planned, continuous, and systematic review, analysis and evaluation by all supervisors of the effectiveness of employees in their assignments.

[]

4. PROCEDURES. The Under Secretary for Health and designees will prescribe instructions for periodic counseling of employees, for regular annual proficiency ratings, for delays of these ratings, and for special ratings to be made as administratively required.

5. DEFINITIONS

- a. **Rating Official.** An employee designated to prepare a proficiency rating on an employee under that person's supervision.
- b. **Approving Official.** An employee designated to review and approve a proficiency rating.
- c. **Proficiency Rating.** The overall adjective rating assigned to an employee based on a total evaluation of proficiency.

6. PURPOSE

a. The proficiency rating system is designed to ensure the effective and efficient utilization of covered employees and to ensure that dealings with the public are consistent with Department of Veterans Affairs (VA's) mission to provide the best possible care to our country's veterans. Proficiency ratings and the processes of review, analysis and evaluation will be used to:

- (1) Provide a basis for keeping employees informed of what is expected of them, of the level of their performance in their assignments, and to serve as a guide in developing their skills and abilities;
- (2) Assist in planning for the utilization of skills and assignment of personnel;
- (3) Provide a basis for effecting advancements within the grade;
- (4) Serve as one of the factors for determining eligibility for promotion to higher grade;
- (5) Serve as a basis for action in cases where service is unsatisfactory;
- (6) Provide a basis for improving the effectiveness of personnel by indicating needs for training and development;
- (7) Provide a basis for strengthening employee-supervisor relationships; and
- (8) Provide evidence of outstanding service.

b. The processes of review, analysis, and evaluation embodied in the proficiency rating system, and the procedural steps and requirements of the system will not prevent or otherwise limit the review of a probationary employee's performance or impede the separation of such an employee, under the provisions of VA Handbook 5021, Employee/Management Relations, and under 38 U.S.C. 7403(b).

7. AUTHORITY AND RESPONSIBILITY

a. The facility Director is responsible for the proper functioning of the proficiency rating system and for seeing that each subordinate supervisor is trained in the proficiency rating system and is aware that any pre-established distribution of levels of ratings for employees covered under this part is prohibited. For VA Central Office employees, this function is the responsibility of the Deputy Under Secretary for Health; for VISN employees, this function is the responsibility of the Network Director. This includes supervisory responsibility for furthering equal employment opportunity and, in the case of second or higher line officials, training in how to evaluate supervisory performance in this area. This training will be provided as soon as possible after the individual assumes supervisory responsibilities.

b. Supervisors are responsible for evaluating the proficiency of employees they supervise, for counseling employees to improve the quality of service and to correct deficiencies, for taking action if performance does not improve, for explaining the proficiency rating system to employees, and for understanding and applying appropriate principles and techniques to ensure equitable and useful ratings.

c. A rating official will carefully evaluate the performance of and prepare a proficiency rating for an employee and will be responsible for timely preparation of the Proficiency Report.

d. An approving official will be responsible for reviewing, commenting on, and approving a report.

e. A member of the Human Resources Management staff will be responsible for the administrative review of a report and for giving technical advice to rating and approval officials, including assuring timely completion of the report.

8. PROFICIENCY REPORT

a. **Rating Form.** VA Form 10-2623, “Proficiency Report”, for Nurses [and] VA Form 10-2623a, “Proficiency Report”, for Physicians, Dentists, Podiatrists, Optometrists, Nurse Anesthetists, Physician Assistants and Expanded-Function Dental Auxiliaries [] will be the only rating forms used for these employees. See appendix A of this part for instructions on rating and processing these forms. A copy of the approved Proficiency Report will be provided for each employee as indicated in appendix A of this part. The last report on record will be considered the current report. (This may be either the last annual report or a subsequent official special report, if prepared in full.)

b. **Discussion and Employee Comments.** After approval of the rating, the rating official will discuss the contents and conclusions of the report with the employee rated. The employee may further discuss the rating with the approving official. If, after discussions with the rating official and the approving official, the employee disagrees with a proficiency rating, the employee may submit concise comments concerning the Proficiency Report through the rating and approving officials for filing in the personnel folder and/or Board Action folder.

c. **Proficiency Ratings.**

(1) The employee will be rated on elements which provide for consideration of proficiency and performance in terms of pertinent personal, professional, administrative and supervisory attributes, characteristics, skills, and service to the public as applied to the duties and responsibilities of the assignment. The employee will be informed in advance which elements will be considered in the rating process. The employee may submit a self assessment to his/her supervisor prior to the end of the rating period.

(2) Proficiency ratings will be assigned to an employee based on an objective appraisal of overall competency in the performance of duties and responsibilities. Normally, the overall evaluation should reflect an average of the rated categories and the narrative summary. In some instances, one or more rated categories which are critical to successful performance may form the basis for the overall ratings because their significance outweighs that of other categories rated, or the aggregate of other categories. For example, when an unacceptable level of performance has been demonstrated in one or more rated categories in which satisfactory performance is essential, an overall rating of unsatisfactory may be assigned.

(3) For a nurse, proficiency ratings will be used to summarize how the employee meets the criteria in the Nurse Qualification Standard and the appropriate functional statement. **(NOTE: Per the Nursing Commission recommendations, nurses who are not supervised by another nurse must have their evaluations reviewed by the Nurse Executive or his/her designee.**

(4) The five adjective ratings defined below will be used:

(a) **Unsatisfactory.** The employee has not met reasonable expectations of performance.

(b) **Low Satisfactory.** The employee usually met reasonable expectations, but performance was sometimes marginal.

(c) **Satisfactory.** The employee fully met and sometimes exceeded expectations.

(d) **High Satisfactory.** The employee usually exceeded reasonable expectations by a substantial margin.

(e) **Outstanding.** The employee consistently exceeded reasonable expectations to an exceptional degree.

d. **Annual Rating Dates**

(1) Rating periods for all but physicians and dentists will be the one year period beginning on the anniversary date of grade (or date of advancement to a higher level for nurses in Nurse I grade). [] Ratings must be completed and provided to employees no later than 60 calendar days[prior to] the end of the rating period.

(2) [Physicians and dentists will be rated on a fiscal year basis. Ratings must be completed and provided to employees no later than 60 calendar days after the end of the rating period.

(3) The Human Resources Management Office will send the Proficiency Report form to rating officials at least 110 days prior to the due date for occupations that are on the anniversary date of grade proficiency rating cycle.

e. **Delayed Annual Rating.** Regular proficiency ratings will be made annually as indicated unless delayed under the following provisions:

(1) [A regular rating will be delayed when a physician or dentist, who has been newly hired or transferred from another government agency, has not been in the position for a minimum of 90 days. A rating will be issued at the end of the 90-day period.

(2) A regular rating may be delayed where there has been failure to meet counseling requirements or other procedural requirements of the proficiency rating system (see paragraph 9); or when an employee is absent from duty for an extended period; or pending the results of VACO and facility investigations or other actions that may affect the employment status of an employee. A delayed rating will not extend the employee's probationary period or expiration of temporary appointment.

[(3)] A regular rating may be delayed in 90 day increments beyond the due date with the approval of the health care facility Director for facility employees; by the Network Director for VISN employees and chiefs of staff; or, by the Deputy Under Secretary for Health, or designee, for VACO employees.

[(4)] The employee will be notified in writing by the rating official of the reasons for delaying the rating. The Human Resources Management Officer will review the notice prior to issuance to ensure that provisions of this paragraph have been met.

[(5)] The date of the subsequent regular proficiency rating will not be affected by a delayed rating, and the next rating period will be shortened accordingly.

f. **Special Report.** Any Proficiency Report other than the regular annual report is considered a special report. A special report will be prepared as follows:

(1) As soon as possible before a Professional Standards Board review or a Disciplinary Appeals Board hearing under the provisions of VA Handbook 5021, if more than 3 months have elapsed since the last annual report. The absence of a special Proficiency Report will not prevent the initiation or completion of Board proceedings.

(2) When the rating official is assigned to another position or transfers to another VA facility or separates from VA employment, when the assignment of the employee being rated changes, or when an employee in a probationary period transfers to another VA facility, and when more than 90 days have elapsed since the last Proficiency Report was completed; or when an employee has been detailed for 3 months or longer. These reports will be designated as "interim" ratings. After being incorporated in the regular annual rating, the "interim" rating will be destroyed. Since employees will normally receive their first and subsequent ratings at any time within the 90 days prior to the due date, if more than 9 months have elapsed since the last Proficiency Report, the regular annual report will be completed when the event occurs. (This will not affect the due date of subsequent annual proficiency ratings.)

(3) On an employee 's separation, if more than 90 days have elapsed since the employee's appointment or last annual rating. The approving official, after consulting with the rating official, will record the reason(s) for the separation, the employee's stated reason(s) if substantially different from the approving official's opinion, the effective date of separation, and a statement as to whether reemployment would be recommended. Human Resources Management staff will forward copies of the Proficiency Report and of the Standard Form (SF) 50B, Notification of Personnel Action, effecting the separation to the employee and will file copies in the personnel folder. It is preferable that the final

Proficiency Report be completed and given to the employee prior to separation. Otherwise, a copy will be forwarded to the employee.

(4) Any time the employee's services are deficient in any important assigned duties, regardless of the due date of the annual report. If the employee demonstrates inadequate proficiency or weak performance in one or more categories at anytime during the year, the employee will normally be counseled and given the opportunity to improve prior to the issuance of a Proficiency Report. (See paragraph 9 for counseling requirements.) If an unsatisfactory rating is assigned, action must be taken as indicated in paragraph 10.

NOTE: *An unsatisfactory proficiency rating is not required to separate a probationary employee or to terminate a full-time, part-time, or intermittent employee appointed under 38 U.S.C. 7405. Similarly, an unsatisfactory proficiency rating is not required in order to proceed with disciplinary action on a permanent employee under VA Handbook 5021, when the proficiency rating is not a basis for the proposed action.*

(5) Prior to the employee's first-year probationary review if the date for the probationary review does not coincide with the employee's anniversary date of grade, or if a Proficiency Report has not been completed within the preceding 90 days.

(6) When an employee is reassigned or transfers to another VA location if more than 90 days have elapsed since the last Proficiency Report was completed.

9. COUNSELING PROGRAM

a. **Purpose.** Supervisors will counsel their employees at least annually. Counseling provides a positive means of accomplishing the purposes of the proficiency, probationary, advancement, and disciplinary systems, and is particularly pertinent for employees whose services have been deficient in any important assigned duties. This medium provides employees with the benefit of their supervisors' analyses of the performance of their duties, assists in improving the quality of service rendered and may enhance their professional and administrative capabilities. Counseling is not a condition which must be met in order to initiate or complete Professional Standards Board proceedings.

b. Responsibility

(1) Supervisors will thoroughly review the performance of their employees. Special care will be exercised for those in their probationary periods, particularly when they are about to complete them. Chiefs of staff will ensure that supervisory personnel conduct counseling conferences as needed.

(2) Facility directors will conduct counseling conferences for chiefs of staff.

(3) Chiefs of staff will conduct counseling conferences for chiefs of services or comparable positions and others under their immediate supervision.

(4) Network directors will conduct counseling conferences for heads of independent outpatient clinics.

(5) For VACO employees, counseling will be conducted by appropriate supervisory officials.

c. Nature of the Conference

(1) The counseling conference will be informal and confidential. The employee will be informed, orally or in writing, of the manner in which assignments are being performed. Duties and responsibilities which are essential to successful performance will be highlighted by the supervisor.

(2) Supervisors will commend strong performance, discuss objectively any weaknesses, and furnish suggestions and advice for improvement.

(3) Supervisors will indicate in subsequent annual or special reports when the employee's performance improves in areas previously cited as weaknesses.

(4) [If a counseling session is needed due to low/minimally satisfactory or unsatisfactory performance, see subparagraph e below].

d. Satisfactory or Better Performance. The rating official will discuss with the employees their satisfactory rating as soon as possible after the approving official has returned the approved reports.

NOTE: *The employee will complete Section F of VA Form 10-2623 or VA Form 10-2623a to indicate that the contents of the Proficiency Report have been discussed. If the employee refuses, the rating official will make a notation to this effect and sign and date it. The employee will be given a copy of the Proficiency Report form containing the approved proficiency rating.*

e. Low/Minimally Satisfactory or Unsatisfactory Performance

(1) At any time during the appraisal period when performance problems are observed which may be expected to result in a low/minimally satisfactory or unsatisfactory annual proficiency rating, the rating official will hold a counseling conference with the employee sufficiently in advance of the due date of the annual report to inform the employee of the deficiencies, give the employee a reasonable opportunity to correct identified deficiencies and demonstrate satisfactory performance, as follows:

(a) For a permanent employee appointed under 38 U.S.C. 7401(1) who has completed the probationary period and for whom a low/minimally satisfactory or unsatisfactory annual or special proficiency rating is to serve as a basis for a performance-based action, the documented counseling requirements in subparagraphs (2) through (4) of this paragraph must be met unless the

employee's performance constitutes a clear danger to the employee or others. In cases where gross negligence or misconduct, rather than the proficiency rating, is to be the basis for a proposed action, counseling is not a procedural requirement. (See VA Handbook 5021, Employee/Management Relations.)

(b) For all other employees, the documented counseling requirements in subparagraphs (2) through (4) of this paragraph are recommended. A low/minimally satisfactory or unsatisfactory rating may be issued without this counseling, however, if it is clear that improvement is unlikely, if the employee's performance history demonstrates a pattern of improvement during a performance improvement period followed by a drop in performance after completion of the improvement period, or if the employee's performance constitutes a clear danger to the employee or others.

(2) During the conference, the rating official will tell the employee of the time, normally 60 to 90 days, which will be allowed for improvement of performance.

(3) After the conference, the rating official will prepare, sign, and date a document indicating the reasons for the conference, the performance deficiencies and suggested solutions, and the time allowed for improvement. A copy will be given to the employee, and the employee will initial the original to indicate a copy has been received. If the employee refuses to initial, the supervisor will note this fact. The document will be retained by the supervisor until the proficiency rating is assigned.

(4) If the employee's performance does not improve sufficiently at the end of the specified time period, a low/minimally satisfactory or unsatisfactory proficiency rating will be assigned. The document prepared in accordance with subparagraph (3) will be attached. If the employee's performance does improve sufficiently to warrant a fully satisfactory or better proficiency rating, the document prepared in accordance with subparagraph (3) will be destroyed.

(5) Action will be taken as indicated in paragraph 10 if an unsatisfactory proficiency rating is assigned to an employee.

f. Delayed Annual Rating

(1) If a low/minimally satisfactory or unsatisfactory rating is contemplated and counseling is required or recommended, the rating official will request a delay of the annual rating. (See paragraph 8.)

(2) While the Proficiency Report is delayed, the employee will be counseled as outlined in subparagraph e. A rating will be assigned at the end of the counseling period. If approved as an unsatisfactory proficiency rating, action will be taken as indicated in paragraph 10.

10. PROCESSING UNSATISFACTORY PROFICIENCY REPORTS

a. When an unsatisfactory rating has been approved for a probationary employee, the employee's probationary period will be reviewed in accordance with the procedures in VA Handbook 5021, Employee/Management Relations. This review will include the employee's services and, if applicable, clinical privileges.

b. When an unsatisfactory rating has been approved for a temporary full-time, part-time, or intermittent employee, supervisory officials will review the employee's service and, if applicable, clinical privileges, and determine whether termination is appropriate (See VA Handbook 5021).

c. When an unsatisfactory rating has been approved for a permanent employee, supervisory officials will review the employee's services and clinical privileges, and then determine which of the following actions may be appropriate:

(1) The employee shall be [assigned] for a period [up to] 6 months under the guidance of a highly qualified preceptor.

(2) The employee shall be [provided] additional training.

(3) The employee shall be reassigned or have a change in duty assignment.

(4) The employee's fitness for [duty should be evaluated in accordance with VA Handbook 5019, Occupational Health Services.]

(5) The employee's [scope of practice or] clinical privileges should be modified.

(6) Procedures in VA Handbook 5021 shall be initiated.

11. ADVICE FROM EXPERT SOURCES. Although it is ultimately the responsibility of management officials to evaluate performance and take appropriate action, under certain limited circumstances these officials may need other professional advice and assistance in analyzing the nature of observed performance deficiencies. After obtaining any needed authorizations, the proficiency approving official may request assistance from such professional sources as the Deans Committee, a consultant, or a peer group with expertise in the areas of the performance in question. The person(s) so designated will review the specified deficiencies and report findings and recommendations to the approving official.

12. PERIODIC[, OR LONGEVITY,] STEP INCREASES []

a. Physicians, Dentists, Podiatrists, Optometrists, Physician Assistants, Chiropractors, Registered Nurses, Nurse Anesthetists and Expanded Function Dental Auxiliaries

(1) **Requirements.** [All f]ull-time, part-time and intermittent [Physicians and Dentists] will [automatically receive longevity] step increases [at the end of their] required waiting period [delineated in VA Handbook 5007]. [Full-time, part-time and intermittent Podiatrists, Optometrists, Physician Assistants and Chiropractors will be considered for periodic step increases when they complete the required waiting periods delineated in VA Handbook 5007,] and their work meets all of the following conditions for acceptable level of competence:

(a) The total measure of the effectiveness and conduct of the employee is fully satisfactory, with any weaknesses balanced by strengths.

(b) A satisfactory current proficiency rating.

(c) No evidence or action is of record or in process that is contradictory to an overall judgment of current full satisfactory performance and conduct.

(2) **Processing Periodic Step Increases [(Not applicable to Physicians and Dentists)]**

(a) Five pay periods prior to the employee's completing the waiting period for a step increase or rate adjustment, the facility will receive [VA Form 5-97], Notification of [Pending] Personnel Action, from the DPC. The servicing Human Resources Management Office will [notify] the appropriate service [supervisor].

(b) [Decisions regarding s]tep increases [will be made by the appropriate] rating official and[/or] approving official [] as stipulated in appendix A of this part. If the step [increase] is approved, the acceptable level of competence statement on [VA Form 5-97] will be signed by the rating official and the form returned to the Human Resources Management Office. If disapproval is recommended, the procedures in (c) will apply.

(c) [T]he rating official shall prepare a written justification and forward it, through the local Human Resources Management Office, to the approving official for decision. If disapproved:

1. The employee will be notified in writing of:

a. The reason(s) for disapproval;

b. The fact that the employee will be reconsidered within 52 weeks (time to be specified); and

c. The right to ask for a review of this decision under the provisions of [12a(2)](d) [].

2. The unsigned [VA Form 5-97] will be returned to the Human Resources Management Office accompanied by a copy of the notice of disapproval. The Human Resources Management Office will take appropriate action to initiate reconsideration of the disapproved step increase or rate adjustment at the time specified in the notice of disapproval. A disapproved step increase or rate adjustment which is reconsidered at a later specified time and approved will be effected at the beginning of the next pay period following approval and a new waiting period for the next step increase or rate adjustment will be established.

(d) An employee may request reconsideration of a decision to deny a periodic step increase or rate of adjustment within 15 calendar days of receipt of the notification required under [12a(2)](c) []. The reconsideration decision will be rendered by the next higher-level [] supervisor[.] All reconsideration decisions are final. If, on reconsideration, it is determined that an employee was performing at an acceptable level of competence, the employee shall be given the periodic step increase retroactive to the original due date.

(e) [Title 38 hybrid employees] shall receive within-grade increases under the General Schedule salary system. Service immediately prior to conversion to a title 38 appointment will be creditable for within-grade increase purposes as if it had been under 38 U.S.C. 7401(3) or 7405.

**APPENDIX A. INSTRUCTIONS FOR RATING AND PROCESSING
VA FORMS 10-2623 AND 10-2623a**

1. GENERAL INSTRUCTIONS

a. Instructions for Rating and Approving Officials

(1) Unless otherwise indicated, the rating and approving officials will normally be an employee's immediate and higher level supervisors. Narrative evaluations and comments will be prepared by the rating and approving officials.

(2) VA Form 10-2623 and 10-2623a include a worksheet for the rating official.

(3) If the probationary review is due, the review will be completed in accordance with VA Handbook 5005, Staffing, part II, chapter 3, paragraph F. Section A, item 7, of VA Form 10-2623 and VA Form 10-2623a will be blank if the probationary review is not due.

(4) Rating and approving officials will be objective in rating the employee and will document in the narrative sections the reasons for the rating.

(5) The forms for submission [shall] be completed from the worksheet. Type names and exact titles of rating and approving officials in appropriate spaces. Signatures [must] be in ink.

(6) When the rating is completed, the rating official will forward copies to the approving official as "FOR OFFICIAL USE ONLY" documents.

(7) The approving official will confer with the rating official to discuss any differences in the evaluation of the employee's performance, make a decision and record any changes in ink.

(8) On completion of the approved rating, the Proficiency Reports will be returned to the rating official as "FOR OFFICIAL USE ONLY" documents. The rating official will discuss the rating with the employee. Section F of VA Form 10-2623 or 10-2623a will be completed by the employee. If the employee refuses to complete this section, the rating official will so note on the form. The rating official will give a copy to the employee and then forward to the Human Resources Management office the personnel folder copy and the Board Action folder copy.

(9) An employee with a low satisfactory or unsatisfactory rating will be counseled as described in paragraph 9 of part II, this handbook.

(10) An unsatisfactory Proficiency Report will be processed under instructions contained in paragraph 10 of part II, this handbook.

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b. Action by Human Resources Management Office

(1) The Human Resources Management office is responsible for following procedures outlined in MP-6, part V, supplement No. 1.5, and for coding accurately to assure processing of annual ratings. The Human Resources Management office will insure that Section A of VA Forms 10-2623 and 10-12623a is properly completed and will forward the required copies of the forms (through the chief of service if a probationary review is necessary) to the rating official. A suspense copy will be retained by the Human Resources Management office for follow-up action.

(2) When the Human Resources Management office receives the approved Proficiency Report forms, a careful review will be made to insure that all administrative requirements are met.

(3) The Human Resources Management office will assure that the appropriate copies are distributed as shown on the Proficiency Report form. This will include filing the original in the personnel folder and Board Action folder.

2. SPECIAL INSTRUCTIONS FOR RATING AND PROCESSING VA FORM 10-2623 FOR NURSES

a. General Instructions

(1) The Nurse Qualification Standard and appropriate functional statement (M-2, part V) delineate the criteria upon which the nurse will be evaluated by the rating and approving officials.

(2) The Proficiency Report will document the performance level achieved during the rating period.

(3) Current criteria-based functional statements for each category of professional nurse position will be developed in writing and revised as necessary to maintain currency. Each nurse will be given a copy of his or her functional statement upon initial employment and anytime thereafter when the employee's assignment is changed and/or the functional statement is revised.

(4) The use of the criteria-based functional statement and the qualification standard in conjunction with the Proficiency Report is designed to require supervisors to evaluate performance in an employee's assignment. The Proficiency Report will be used to document how the nurse meets the behaviors outlined in the functional statement and the grade level criteria in the qualification standard. The functional statement [shall] reflect observable behaviors appropriate to the grade level.

(5) At any time during the rating period that a nurse's performance is not at least satisfactory, the supervisor [shall] discuss with the employee any noted areas of weakness related to the qualification standard grade criteria and/or expected behaviors outlined in the functional statement.

b. Special Instructions

(1) **Section B--Narrative Evaluation by Rating Official.** The rating official will document how the nurse meets the criteria stated in the Nurse Qualification Standard and appropriate functional statement, other significant professional contributions and accomplishments such as publications, commendations, recognition by professional groups, committee/ task force membership, grants or awards, and areas needing improvement.

(2) **Section C--Rating by Rating Official.** An adjective rating will be assigned for each category. The adjective rating will reflect and summarize how the nurse meets the criteria stated in the Nurse Qualification Standard and appropriate functional statement.

(a) **Category I--Nursing Practice.** In the area of clinical practice, administration, education or research, demonstrates a level of nursing practice which meets the criteria for the nurse's grade as described in the Nurse Qualification Standard, and for the nurse's position as described in the functional statement.

(b) **Category II--Interpersonal Relationships.** Works effectively with individuals and groups at the level which meets the criteria for the nurse's grade as described in the Nurse Qualification Standard, and for the nurse's position as described in the functional statement.

(3) **Section D--Overall Rating.** The rating official objectively appraises overall competency based on ratings in Section C. An overall rating of unsatisfactory must be assigned when either Category I or Category II is rated unsatisfactory. (See paragraphs 9 and 10 of part II, this handbook.)

(4) **Section E--Comments of Approving Official.** The review will be conducted by the next level supervisor above the rating official. On receipt of the completed Proficiency Report form, the approving official will review the report for accuracy and completeness, and return the form to the rating official for corrections and/or additions when necessary. Comments on readiness for assignment of greater responsibilities normally will be included.

3. SPECIAL INSTRUCTIONS FOR RATING AND PROCESSING VA FORM 10-2623a FOR PHYSICIANS, DENTISTS, PODIATRISTS, OPTOMETRISTS, [CHIROPRACTORS,] NURSE ANESTHETISTS, PHYSICIAN ASSISTANTS AND EXPANDED-FUNCTION DENTAL AUXILIARIES--ACTION BY RATING AND APPROVING OFFICIALS

a. Review the five categories and elements carefully to determine which categories cover the assignment of the employee to be rated. All employees will be evaluated for Personal Qualities (category V) in addition to the other pertinent categories.

b. A guide defining the five categories and providing an explanation of the elements for the categories is included in this appendix.

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c. An adjective rating will be assigned for each appropriate category in Section B. Elements in each category [shall] be evaluated both separately and on an overall basis, taking into consideration strong and weak points of performance and consistent with the employee's clinical privileges.

d. Overall evaluation, Section C, [shall] reflect the total work performance. An overall unsatisfactory rating will result when the employee's performance has not met reasonable expectations, or the overall appraisal indicates weaknesses which would impair quality patient care, or there is inadequate proficiency or weak performance in one or more elements critical to adequate performance of the assignment. (See paragraphs 8, 9, and 10 of part II, this handbook.) A low satisfactory rating will result when employee's performance usually met reasonable expectations, but performance was sometimes marginal.

e. The "Instruction Sheet" for the Proficiency Rating Form (included as part 6 of the interleaved fanfold of VA Form 10-2623a) contains specific instructions concerning the completion of the rating process, narrative summary, and overall evaluation. Special instructions concerning the rating process are included to assist in determining the overall adjective rating.

4. SEQUENCE OF THE PROFICIENCY RATING PROCESS FOR POSITIONS WHICH GO ABOVE FACILITY LEVEL FOR RATING AND/OR APPROVAL. Employees will be rated by their immediate and higher level supervisors with the exceptions as follows:

a. If one of these supervisory assignments is vacant, the next higher level supervisor will serve as the approving official. If both these supervisory assignments are vacant, the next two higher level supervisors will serve as the rating and approving officials.

b. If the facility Director serves as the rating official, the Network Director or higher level line official, after considering the comments of appropriate program officials, will serve as the approving official. Ratings forwarded for VA Central Office approval must be sent to the appropriate program office.

c. Facility directors will rate chiefs of staff and will approve ratings of service chiefs. They will also approve ratings of staff physicians and others when irregular situations place them in the normal line of supervision. Ratings of employees which go above the facility level for rating or approval will be routed through the facility Director for initials on the Proficiency Report Form to indicate review or for comments, as appropriate.

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GUIDE TO ELEMENTS FOR CATEGORIES ON VA FORM 10-2623a

CATEGORY I--Clinical Competence

Examinations--Are new patients examined promptly; are examinations thorough; are appropriate clinical, laboratory and other pertinent data obtained; is indicated follow-up of patients provided?

Diagnosis--Ability to interpret and evaluate clinical data for purpose of determining diagnosis and clinical status; correctness of diagnosis.

Therapeutic Ability--Ability to prescribe appropriate and timely treatment; to apply indicated therapeutic procedures; ability to recognize and assess changes in behavior, symptoms, signs, and other pertinent facts about the patient and modify plan of treatment when indicated. Recognizes own capabilities and limitations.

Effectiveness in Emergencies--Ready availability; quickness in recognizing emergency situations, and taking timely necessary action.

Patient Management--Develops and maintains rapport and gains the confidence of patients and relatives through competence and interpersonal skills to the end that patients and others are informed participants in the treatment effort.

Consultations and Specialty Skills--Ability to recognize need for consultation and to utilize facility or clinic specialty skills in diagnosis and treatment.

Recordkeeping--Are physical and other examinations and changes in patient's status promptly and completely recorded? Are unusual incidents promptly reported to the appropriate official? Are clear, accurate, and adequate clinical records kept current and completed at time of discharge? Is the treatment plan clearly stated?

CATEGORY II--Educational Competence

Educational responsibilities usually involve either "teaching" or "coordination." Some positions may involve both or cut across the elements or functions.

Teaching and Monitoring--Covers both the individual and group learning experiences where one serves as the learning facilitator in the role of a mentor or teacher for residents, trainees, or employees. As a mentor, plans and guides educational activities to meet the individual needs of the learner within the resources available. Counsels learner on professional/occupational goals as they relate to education activities. Encourages active participation on the part of the student. Actively solicits evaluation from students of teaching and educational experiences. Assures that content is based upon student and patient care needs, up-to-date and at the appropriate level for the audience. Develops courses, lectures or programs based on preestablished objectives. Employs learning resources and media (library, film, slides, etc.) in an appropriate manner.

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Coordination of Educational Programs--Educational Needs: Assesses educational needs for both continuing and basic education programs, using audits, self-assessment surveys, morbidity and mortality data, and new developments in health care. Establishes and maintains procedures for professionals to self-assess and partake in needs assessment procedures. Selects needs for which education/training is the most cost-effective intervention.

Setting Education Objectives: Establishes educational objectives consistent with both the educational needs and available educational resources and identifies appropriate learners.

Conducting Educational Programs: Designs learning activities which meet educational objectives. Selects appropriate instructors, media, and library resources.

Evaluating Educational Activities: Assesses the degree to which educational programs/courses have achieved their educational objectives. Evaluates how educational activities are organized and administered within the unit or organization, and assesses their impact on health care.

Documenting: Maintains appropriate records and documentation on educational activities for both individual learners and by educational programs. (Needs assessment, education objectives, program implementation and evaluation.)

CATEGORY III--Research and Development (R&D)

Identification of Research and Development Problems--Demonstrates ability to recognize and select important research problems relevant to the health care of veterans. Conducts a thorough literature search; combines personal contacts and preliminary experimental data to define an important, focused research problem that has a reasonable expectation of successful conclusion.

Planning and Execution of Research and Development Programs--Develops an operational plan based on current state-of-the-art and makes maximum use of available resources and facilities. Establishes appropriate goals and milestones. Effectively executes the plan to insure successful completion of the research effort.

Reporting and Publication--Evaluates the products of either research or development and prepares timely, cogent, and orderly reports effectively communicating the results of Research and Development. Makes scientific results known by publishing data in recognized scientific journals and through presentations at professional meetings. Serves as a major scientific resource by consulting and advising research colleagues and health care professionals. Contributes to career development of more junior colleagues and demonstrates willingness to exchange scientific concepts.

CATEGORY IV--Administrative Competence

Supervisory Ability--Assures acceptable standards of patient care. Insures that accreditation and other required standards are met. Maintains effective liaison with the professional school(s) and/or medical community.

Effectiveness in Planning--Directing and reviewing work of professional, technical, and administrative staff. Anticipates need for change; plans, executes, and maintains high standards in professional/administrative programs. Effectiveness in rounds, reviews, and surveys. Success in stimulating professional/administrative growth of staff. Willingness to serve effectively on committees, boards, surveys, and audits. Ability to translate medical requirements to management.

Program Planning--Ability to plan, organize, and coordinate the administrative, clinical, or educational programs. Ability to conceptualize, define objectives, identify the scope of program, and to determine the nature of the organization and resources required to obtain objectives. Effectiveness in informing management of the need to carry out the program. Ability in informing management of the need to carry out the program. Ability to project programs realistically and translate to cost effectiveness.

Administrative Judgment--Accuracy of judgment on professional/administrative actions taken.

Decisions Willingness--Readiness to make appropriate decisions and to assume responsibility for actions taken, based on available information, and to initiate and carry out necessary action. Ability and willingness to delegate duties to those judged capable of assuming responsibility; to define the content and limits of such authority and to assume responsibility for the ensuring results. Development of a person to act in the supervisor's absence. Ability to enforce reasonable standards of care.

Correspondence and Reporting--Effectiveness in communicating verbally in correspondence and reports. Are required reports completed on time? Is management currently informed of unusual incidents and problem areas?

CATEGORY V--Personal Qualities

Emotional Stability--The capacity to retain self-control and to respond consistently to the requirements of the work situation despite external pressures or inner tensions.

Dependability--Adherence to personal and professional/administrative obligations and responsibilities. Reliability in carrying out assignments. Keeps appointments, shows initiative, assumes appropriate responsibility. Maintains discretion on confidential matters.

Relations With Staff and Community--Ability to work harmoniously and effectively with other staff members. Ability to maintain morale by enlisting ideas, motivation, and assistance of associates regardless of position. Ability to listen and accept views of others. Accepts constructive counseling. Recognizes and acknowledges the contributions and needs of other elements of the medical program. Deals effectively with non-VA persons and groups.

Eliciting Cooperation--Ability to secure the active cooperation of professional, administrative, and technical associates. Stimulates and participates in the team approach to problems. Gains the confidence and respect of others.

Handling Groups--Effectiveness in conducting meetings. Ability to define problems, create and maintain interest, stimulate discussion, and maintain direction toward an appropriate conclusion.

Adherence to Ethical Standards--Is aware of, practices by, and cooperates in maintenance of, ethical standards of the profession as an individual, a colleague, and a member of the larger community.

GUIDE TO DOCUMENTING UNSATISFACTORY PERFORMANCE

1. The following are some examples of what may constitute appropriate documentation of unsatisfactory performance:
 - a. Written memorandums of counseling and/or warning notices by supervisors.
 - b. Reports of contact describing oral counselings or other incidents.
 - c. Annual and special Proficiency Reports.
 - d. Personnel management evaluations of services conducted by the Human Resources Management Officer or designee.
 - e. Any specific written performance objectives and/or goals that have been developed for the employee.
 - f. Short- and/or long-range plans, service briefings to top management, internal reviews, and/or Health Systems Review Organization (HSRO) evaluations.
 - g. Administration of the title 38 proficiency rating system and/or the title 5 performance appraisal program for those who supervise.
 - h. Quality and timeliness of recurring and nonrecurring reports.
 - i. Violations of provisions in personnel or professional policy manuals.
2. Material obtained under the auspices of the VA Quality Assurance Program or material from VA drug/alcohol or sickle-cell anemia programs is confidential. It cannot be used in any disciplinary action. However, the same information obtained through a Quality Assurance review may be used in a disciplinary action provided it is generated independently through an administrative investigation.