

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In the matter of:

General Order No: M-286

Employee Recognition Plan

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By resolution of the Board of Judges for the Southern District of New York; it is resolved that the Employee Recognition Plan, annexed hereto, is hereby adopted and is to take effect as of the date of this order.

Dated: New York, New York
September 2, 2003

/s/ Stuart M. Bernstein

STUART M. BERNSTEIN
Chief Bankruptcy Judge

United States Bankruptcy Court
Southern District of New York

Employee Recognition Plan



Approved by the Court
September 2, 2003

Acknowledgment

This Employee Recognition Plan was developed by the members of the management, supervisory and professional staff “Employee Recognition Committee” listed below:

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Livingstone Young, Chair

The committee borrowed extensively from plans adopted by the bankruptcy courts in Northern Illinois and Maryland. We thank those courts for their original work and their willingness to share their plans with us.

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Mission

The Employee Recognition Plan is an awards program designed to motivate, encourage, recognize, and reward employees of the United States Bankruptcy Court, Southern District of New York, for significant accomplishments, contributions, insights, and achievements which enhance the overall performance and service of the court.

Authority and Funding

The Guide to Judiciary Policies and Procedures, Volume 1-C, Chapter X, Subchapter 1451.2, establishes authority for an Employee Recognition Program. The judges are not eligible to receive awards authorized by this program.

Funding for any cash award will be derived from unobligated balances available in the court's allotment from current year appropriations. The reprogramming of balances, within fund and between budget object classes, for this purpose, as well as the submission of required certification forms, will be in accordance with the Administrative Office Allotment Guidelines.

Employee Recognition Team

The team is comprised of eight members. The first year, eight persons will be selected, four for two year terms and four for one year terms. Thereafter, each person will be selected for a two year term. This will allow the committee to have continuity.

The representatives will be chosen by the clerk of court, the chief deputy, management staff, deputies in charge, and the human resources officer serves as an ex-officio member and recorder.

The team will meet at least twice each year prior to the ceremony to review the selection of candidates and to make arrangements for the annual awards ceremony.

The Clerk of Court and Chief Judge will make the final determinations for awards recognition based upon the recommendations by the Employee Recognition Team.

Award Categories

The Employee Recognition Team will review nominations for the Court Excellence Award and the Recognition Award. The Employee Recognition Team will make recommendations to the Chief Judge and the Clerk of Court who will review the recommendations and select the recipient(s) of the Court Excellence and Recognition Awards. On the Spot Awards can be given spontaneously by a judge, manager or supervisor. Any court employee can make a recommendation to the appropriate judge, manager or supervisor to give an On the Spot Award to a co-worker.

The Clerk of Court or a designee will administer nominations for the Length of Service and Retirement awards based on information provided by Human Resources.

If a cash award is recommended, in addition to complying with the recognition plan, approval will be subject to the availability of funds from balances in the court's allotment of funds. This plan will be reviewed from time to time as deemed necessary to ensure that it meets the mission stated in this document. Guidance on cash awards is stated in *The Guide to Judiciary Policies and Procedures*, Chapter X, Subchapter 1451.2, Section E, see appendix 1.

Eligibility

All clerk's office employees and chambers' staff in the United States Bankruptcy Court, Southern District of New York, who have been employed for at least the previous 52 weeks are eligible to receive awards under the Employee Recognition Program. Judges are not eligible to receive awards; however, they are invited to submit nominations.

Court Excellence Award

The Court Excellence Award recognizes sustained exceptional performance during the preceding year. Relevant considerations include, but are not limited to the following:

- Effective, efficient and timely completion of work assignments
- Positive philosophy, easily perceived by others
- Improvement of morale among peers
- Dedication to the court
- Cooperative spirit and flexibility
- Extraordinary level of professionalism
- Excellent internal and external “customer service”
- Constructive, non-defensive approach to problems

Recognition Award

The Recognition Award recognizes specific exceptional performance or contribution during the preceding year which benefitted the overall success of the Court. This award includes but is not limited to, the submission and subsequent implementation of a valuable idea(s) or innovation(s) which had a significant impact on improved productivity, quality of work, or efficiency.

Length of Service Award and Retirement¹

Length of Service Award and Retirement recognize employees who, during the preceding year, have achieved certain milestones in service to the Court. Relevant considerations include the following:

Length of Service Award

The Length of Service Award recognizes employees who have spent extended, productive time with the Court in recognition of 5, 10, 15, 20, 25, 30, 40, 45, and over 50 years of federal service.

Retirement Recognition

Retirement from the judiciary is recognized with a framed, signed certificate provided to each retiring employee from the Director of the Administrative Office of the United States Courts.

¹ Guide to Judiciary Policies and Procedures, Chapter X, Subchapter 1451.2, Section D, 4.

On the Spot Award

This award is given in recognition of a specific extra effort exhibited above and beyond the employee's normal duties. The recipient of the On the Spot Award will be recognized with an award of minimal value.

**UNITED STATES BANKRUPTCY COURT
Southern District of New York**

AWARDS NOMINATION FORM

Person or team nominating _____ Date: _____

I hereby nominate _____

Type of Award

- 1) _____ Court Excellence Award (sustained exceptional performance)
- 2) _____ Recognition Award (specific contribution or performance)
- 3) _____ On the Spot Award

Nominated for the following reason(s): _____

Send to Employee Recognition Team, c/o Personnel Department

Chapter X. PERSONNEL POLICIES AND PROCEDURES

Subchapter 1451.2 Employee Recognition Program

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A. Authority

This subchapter establishes guidelines for local employee recognition program policies applicable to all court units in the judicial branch, except Article III, bankruptcy, and magistrate judges, who choose to establish an employee recognition program, as approved by the Judicial Conference of the United States in March 1990. Also excluded are employees of the Supreme Court, the Administrative Office of the U.S. Courts, the Federal Judicial Center, the U.S. Sentencing Commission, and the Independent Counsel's Office. Employees of Federal Public Defender's Offices are excluded from all program elements except the Quality Step Increase provision.

B. Purpose

If a court unit chooses to adopt a local employee recognition program, the local policy must be in writing and must meet the following minimum requirements. In addition, this subchapter provides upper limits on cash awards that may not be exceeded in any local employee recognition program.

C. Policy, Responsibilities, and Procedures

1. Policy. It is the policy of the judiciary to use awards to increase productivity and recognize superior employee achievement.

- a. The program may consist of five main components:
 - (1) Director's Awards

- (2) Quality Step Increase Program
- (3) Longevity Bonus Program
- (4) Length of Service and Retirement Recognition
- (5) Cash and Honorary Awards Program, based on Tangible and Intangible Benefits

b. An award may be honorary or cash and may be granted to an employee or a group of employees. The maximum amount of a cash award is \$10,000. The amount of a cash award is proportionate to the value of the contribution.

c. Funding of Awards and Procedures. There is no specific allocation for cash awards, quality step increases, and related expenses (e.g., award certificates and plaques) in the judiciary's annual financial plan approved by the Executive Committee. To the extent that cash awards and quality step increases are authorized in the plan, funding for such awards for all employees covered by this subchapter will be derived entirely from unobligated balances available in court unit allotments from current year appropriations. The reprogramming of balances, within or between local units, for this purpose, as well as the submission of required certification forms, will be in accordance with the *Allotment Guidelines* published annually by the Administrative Office.

2. Responsibilities

a. Chief Judges decide whether their courts will participate in an employee recognition program. They ensure that the program outlines, in writing, the coverage and criteria for each type of award.

b. Supervisors and Managers promote, publicize, and maintain the program, including arranging appropriate ceremonies for awards presentations. They recommend employees for awards based on established criteria, and ensure equity and integrity in program administration.

c. The Administrative Office provides support services and program oversight under the direction of the Judicial Resources Committee. AO staff processes final actions, such as longevity bonuses, and maintain records for, and prepare an annual report of the program accomplishments for the Judicial Resources Committee.

3. Procedures. Procedures vary somewhat depending on the specific award program element and the different awards within the element. Consequently, the element, the specific award and the necessary procedures are discussed separately in the remainder of this subchapter.

D. Specific Recognition Programs

1. Director's Awards for Administrative Excellence and for Outstanding Leadership

a. The Director's Award for Administrative Excellence. This award honors employees of the Federal courts for outstanding achievements in improving the administration of the Federal judiciary.

b. The Director's Award for Outstanding Leadership. This award honors managerial employees who have made long term contributions to increase managerial effectiveness and who have developed improvements in the administration of the Federal judiciary.

c. Eligibility and Criteria. An announcement for the two Director's Awards contains the eligibility requirements and criteria for each award and is sent annually to all Federal judiciary offices.

2. The Quality Step Increase (QSI). This award recognizes sustained high level performance in the same grade or level for a minimum period of twelve months with expectations that the level of performance will continue.

3. The Longevity Bonus. This award recognizes employees who have spent extended, productive time with the judiciary and who have reached the top of the pay range for their grade or level. Basic eligibility is met when the employee has been employed for five years in the judiciary, has an acceptable or above performance rating, and has spent 52 continuous weeks in the top step of the grade or level. If recommended and approved, the eligible employee is paid a lump sum of 1% x the annual salary.

4. Length of Service and Retirement. Length of service with, and retirement from, the judiciary is recognized appropriately for all employees.

a. Length of Service. Completion of 5, 10, 15, 20, 25, 30, 35, 40, 45, and 50 years of federal government service is recognized through presentation of a certificate and a lapel pin or tie-tack. The pins and tie-tacks are specifically designed for the judiciary. For information on ordering these recognition items, call the Contracts Division at 202-273-1442.

b. Retirement. Employees who retire from the judiciary are awarded a framed certificate signed by the Director of the Administrative Office. Processing and preparation of the certificate are performed by the Human Resources Division at the Administrative Office as part of the normal retirement process.

E. Guidance on Cash and Honorary Awards

If a court unit adopts a local employee recognition program using cash and/or honorary awards, the following information is presented to provide information and guidance.

1. Suggestion, Special Act, Special Service and Productivity Incentive Award. These awards recognize performance of a one-time act or a one-time contribution which is over and above that expected of the individual employee, or group of employees. These awards may also recognize an ongoing initiative. The benefits to the judiciary may be measured in "tangible" or "intangible" terms, and cash may be included with the other forms of recognition such as medals, certificates, and plaques.

a. Cash awards for contributions with Tangible Benefits might include the following categories:

(1) Suggestion. Awarded to an individual, or group. The cash award is usually calculated based on: (1) the first year savings at a rate of 10% of savings of \$500 to \$10,000; or (2) for savings of \$10,001 to \$100,000, the award would be \$1,000 plus 3% of the saving over \$10,000.

(2) Special Act. These could vary by type or setting but usually occur during an abnormal or unexpected situation, probably during a period of great stress. For example, response to an emergency situation caused by a natural disaster such as a flood, where an employee saves equipment or files from almost certain destruction may be the basis for an award. A cash award using the same formula as for the Suggestion element would be appropriate.

(3) Special Service. Recognition of employees for this type of award could also vary by type or setting and occur over an extended period of time, without any period of great stress as noted above. For example, a group of employees develops and implements changes in work procedures and processes over a period of time which result in measurable savings at one or more court location. A cash award using the same formula as for the Suggestion element would be appropriate

(4) Productivity Incentive Award. These awards recognize employees involved in management programs that are designed to increase productivity through better utilization of existing resources. The gains realized are shared by formula among the covered employees and the organization. The philosophy of these types of awards recognizes that sharing encourages efficiency, raises morale, increases the flow of innovative ideas, and

provides timely rewards for work performed. The maximum amount for this type of award should be \$10,000.

Two factors, critical to any management program designed to increase productivity and reward employees, are:

(a) Performance measure. The following questions could be asked to establish an effective program: Do the measurement terms describe quality, quantity, and cost, and how much of an influence the employees have had on the measure? If a baseline needs to be established, is there enough information?

(b) Payout formula. The following questions could be asked to establish an effective program: Are gains to be shared among the employees, equally, by a percentage of base pay, or through some other formula? Are support personnel (e.g., procurement and administrative clerks) included and for what share? How often should the payout be made? What happens if production falls to, or below, standard?

b. Cash awards for contributions with Intangible Benefits include:

(1) Performance Awards. These awards recognize truly superior performance over a specified period of time. Performance awards are granted only to employees at the target level or performance level.

(a) Outstanding Performance - Clearly out-standing performance supporting the organization's mission for at least one year. The cash award is a one-time lump sum payment. For example, an employee earning \$30,000 a year might receive an award in a range between \$300 and \$700.

(b) Sustained Superior Performance - Performance which equals the outstanding performance described above, with a minimum time period of six months rather than one year. For example, an employee earning \$30,000 a year might receive an award from \$150 to \$500.

(2) Time-Off Award. This award is granted to an employee for any quality effort or accomplishment which contributes to the quality, efficiency, or economy of the mission. The time-off is without

loss of pay or charge to leave. The amount granted during the leave year can not exceed 80 hours, nor can more than 40 hours be granted in any one increment. This award may not be granted if to do so would cause forfeiture of any annual leave. No cash is ever paid.

(3) On the Spot Award. This award is given for an act or service above and beyond the employee's normal duties which reflect most favorably on the organizational unit. Amounts awarded may be restricted to a specific amount or to a range from \$50 to \$250. A certificate is given usually within 24 to 48 hours immediately following the employee's act or service. The accompanying cash award would appear in the employee's next pay check.

(4) Special Act or Special Service. These awards are similar to those mentioned in the above section on Tangible Benefits. They involve superior accomplishments by an individual or group that result in significant short and long term benefits to the judiciary in terms of money, time, and personnel. These awards may be given for contributions made at the local unit or at the nationwide level.

(5) Suggestions for Other Types of Awards

- (a) Awards for Valor
- (b) Employee of the (time-specified period) Awards

2. Honorary Awards. Suggested honorary awards as discussed below are without monetary benefit to the recipient.

a. Letters of Appreciation and Commendation

b. Major Awards Programs Sponsored by Non-Judiciary Organizations. Additional information on these awards can be obtained from the Administrative Office, Human Resources Division. Examples of these awards include:

- (1) Arthur S. Flemming Award
- (2) National Public Service Award
- (3) William A. Jump Memorial Foundation Award

F. Information and Assistance. Additional information or assistance on any of the awards described in this subchapter are available through direct contact with staff of the Human Resources Division of the Administrative Office.

**EMPLOYEE RECOGNITION PROGRAM
QUESTIONS AND ANSWERS ON THE NEW GUIDANCE CONCERNING
RECOGNITION FOR COURT EMPLOYEES**

- Q1. What is the purpose of the revision of subchapter 1451.2 (Employee Recognition Program) of the Guide to Judiciary Policies and Procedures recently approved by the Judicial Conference?
- A1. The purpose is to allow for an effective cash and honorary awards program in a decentralized environment, to permit more flexibility in the use of these awards, and to provide continued guidance to judicial officers and court managers on how to effectively reward employees who enhance the mission of the judiciary.
- Q2. If a court wishes to participate in the Employee Recognition Program, does the chief judge still have to request his/her court's participation in the Program?
- A2. The Chief Judge decides whether his/her court will participate in the employee recognition program. They will assure that the recognition program outlines, in writing, the coverage and criteria for each type of award.
- Q3. When a court develops an employee recognition program based on the guidance in the revised Guide subchapter, must a copy of its program be forwarded to the Administrative Office (AO)?
- A3. No. However, if a court or court unit chooses to adopt a local employee recognition program, the local policy must be in writing and must meet the minimum requirements as outlined in revised subchapter 1451.2 of the Guide to Judiciary Policies and Procedures. Courts can call the Human Resources Division Policy Branch for technical advice.
- Q4. When should planning begin in a local court for cash and honorary awards?
- A4. Planning is an ongoing process that is part of the overall management of funds under the Cost Control Monitoring System. Court managers should track award possibilities for individuals and group of employees during the year and courts should determine approximately how much money should be set aside to be reprogrammed for cash awards.
- Q5. What are some general tips on development of recognition programs in local courts?
- A5. Some general advice might include: (1) make sure the program is linked to organizational goals; (2) make the mechanics of the program clear to employees; (3) get the commitment and support of the people involved; and (4) regularly monitor the recognition program to make sure that managers are using it and that it is achieving the desired results.

- Q6. Are any court employees excluded from coverage under revised subchapter 1451.2?
- A6. All employees of the U.S. Courts, except for Article III, Bankruptcy, and Magistrate Judges, are eligible to participate. However, the Chief Judge of each court decides if a court will participate and decides who in the individual court will be eligible. Employees of Federal Public Defender's Offices are excluded from the Employee Recognition Program, except for the Quality Step Increase provision.
- Q7. What is the status of the Quality Step Increase program?
- A7. The Quality Step Increase Program continues to be frozen for all court employees, including those in Federal Public Defenders' Offices into the foreseeable future. At its June 1996 meeting, the Judicial Resources Committee declined to support a request that would have reinstated Quality Step Increases for the foreseeable future due to budgetary concerns. Therefore, no quality step increases may be given to any judiciary employee.
- Q8. Has the Longevity Bonus program changed?
- A8. No.
- Q9. Can an employee receive time off as an award without loss of pay or charge to leave?
- A9. An employee can receive time off for an effort or accomplishment that supports the organization's mission. The amount granted in each leave year cannot exceed 80 hours, nor can more than 40 hours be granted in any one increment. No cash is ever paid.
- Q10. If an employee receives an "On the Spot" award, when will the award appear in his/her pay check?
- A10. A certificate could be presented to an employee within 24 to 48 hours immediately after the act of service above and beyond the employee's normal duties which reflect favorably on an organizational unit. Due to the confines of the current payroll system, the actual cash would not appear until the employee's next pay check, if the paperwork is processed before each payday cutoff deadline.
- Q11. What category of cash awards would cover employees who have exemplified outstanding performance?
- A11. An Outstanding Performance award could be given for outstanding performance supporting the organization's mission for at least one year. A Sustained Superior Performance award

might be given if an employee equals the outstanding performance described above, with a minimum time period of six months.

Q12. Can teams or groups of employees receive cash and/or honorary awards?

A12. Yes.

Q13. Can a cash award be given to an employee for reduced usage of sick leave?

A13. The 1988 decision of the Comptroller General (67 Comp. Gen. 349) indicates that approval of an incentive awards program for reduced usage of sick leave is the responsibility of OPM, and OPM has recommended against such approval.

Q14. Can an employee receive more than one cash award during any fiscal year?

A14. Yes.

Q15. What is the maximum amount permitted for a cash award?

A15. The maximum amount for any cash award for any judiciary employee is \$10,000. The amount of any cash award should be proportionate to the value of the contribution.

Q16. Is there a maximum dollar threshold for merchandise given as honorary awards to court employees?

A16. No. It will be up to each court unit to determine its own maximum dollar thresholds for merchandise given as an honorary award.

Q17. Who has the final approval authority within individual courts or court units?

A17. Local policies would determine those supervisors and managers in a local court unit who would have final approval authority for awards. However, final authority for the expenditure of funds and reprogramming actions for case (and other awards) would be in accordance with the annual allotment guidelines.

Q18. How are cash and honorary awards funded?

A18. There is no specific allocation for cash awards, bonuses, and directly related expenses (e.g., certificates and plaques). Funding for awards will be derived entirely from unobligated balances available in an individual court unit's allotment.

- Q19. Are chambers staff members eligible for the Employee Recognition Program? If so, how are their awards funded?
- A19. Law clerks and secretaries employed in judges' chambers are eligible for participation in the program. However, chambers are not allocated funds for awards, nor are funds held centrally for awards for chambers. Judicial officers and their court managers are encouraged to develop an awards program for their court that recognizes all employees.
- Q20. Will the "Certification for Cash Awards" form currently found in the annual Allotment Guidelines manual be revised to reflect the new employee recognition program guidance?
- A20. Yes. The Office of Finance and Budget will include a revised form in the 1997 Allotment Guidelines that will permit court managers to approve reprogramming of local court funds for cash awards.
- Q21. How can I find out about major awards programs, sponsored by non-judiciary organizations, for which judiciary employees might be eligible?
- A21. The Human Resources Division is currently working on several initiatives to pass awards information to the courts. In addition to expansion of the Court Personnel System Bulletin Board, the Human Resources Division is currently working on an expanded Human Resources Manual that may provide additional information on major awards programs. Also, the Human Resources Division will inform the courts of special awards events, as needed.
- Q22. What services will the AO provide under the revised program?
- A22. The AO will provide support services and program oversight under the direction of the Judicial Resources Committee. AO staff will continue to process final actions, maintain records for, and prepare an annual report of the program accomplishments to the Judicial Resources Committee.
- Q23. Which AO division is responsible for publication and distribution of the charts on "Improving Productivity in Federal Courts?"
- A23. The Human Resources Division took over responsibility for annual updating of the charts in June 1996. If court units wish to provide information on new programs or update existing information, please contact the Human Resources Division, Policy Branch, at 202-273-1163.