



## CROSS-AGENCY TRANSITION TEAM WHITE PAPER

**SUBJECT:** SES Bonuses and Presidential Rank Awards

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### Issue

The NASA FY 2010 Appropriations Bill provides that NASA's Cross-Agency Support Funds (CASX) are limited to a one-year period of availability and will expire on September 30, 2010. This paper addresses the requirements to ensure proper use of funds in the posting of Presidential Rank Awards and Senior Executive Service (SES) bonuses.

Presidential Rank Awards are vetted through OPM during the summer and the approved list is returned at the end of August to each agency for final approval. Official approval occurs on 9/30 when the President signs the approval letter (see the example provided below). These awards are then processed in the NASA payroll system. Due to the timing, Presidential Rank Awards obligations and costs are accrued via ALDS in September and paid during the pay period that includes 9/30, which means it is not processed until October (unless the annual aggregate salary limitation is reached, further discussion below).

SES bonuses are based on the performance period ending 9/30 but are not approved until the beginning of December and are processed during the last pay period for the ending tax year. Due to the CAS funds now being one year, several questions have arisen concerning funding of these awards.

Among the questions are: What year funding should be used to pay the awards? When should the awards be posted? What should happen in the event an individual reaches the annual aggregate salary limitation for the year?

### Guidance

Bonuses such as SES performance awards or other incentive awards obligate appropriations at the time the awards are approved. 64 Comp. Gen. 114, 115 n. 2 (1984). The same principle would apply to other types of discretionary payments; the administrative determination creates the obligation. E.g., B-80060, Sept. 30, 1948.

For those individuals exceeding the annual aggregate salary limitation when the awards are posted in October and December, the appropriate fiscal year dollars should remain obligated until cost and disbursement can occur the following January.

For those unique cases where individuals continue to hit the annual aggregate salary limitation the following January the funds should remain obligated until the remainder of the

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Special Note: Although these white papers provide general guidance on the application of the Bona Fide Needs rule to common situations, you should still review your specific circumstances with local procurement, finance, and legal specialists. GAO has repeatedly emphasized that what constitutes a bona fide need of a particular fiscal year depends largely on the facts and circumstances of each particular case. Also note that while this guidance was developed to address the issues arising from the change to a one-year appropriation for CAS, it is also applicable to other expiring appropriations.

bonus can be costed and disbursed. Should the funds cancel before this is accomplished, additional guidance must be obtained to inquire if current funds need to be used.

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