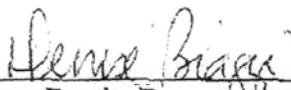


MEMORANDUM OF UNDERSTANDING

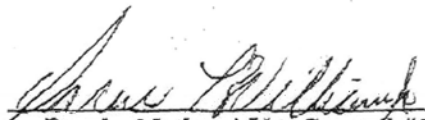
The following constitutes an agreement between the Department of Veterans Affairs, Office of Information and Technology (OI&T) and the American Federation of Government Employees, AFL-CIO, National Veterans Affairs Council #53 (NVAC) on OI&T Standard Operating Procedures (SOP) for "Employee Recognition and Awards Program".

1. The OI&T has agreed to follow Human Resources Management Letter No. 05-99-05 New Tar Guidelines for Awards and shall "Gross-Up" an award lower than two hundred dollars for bargaining unit employees. Awards higher than two hundred dollars may be "grossed-up". "Grossing - Up" is defined as increasing the employee's award amount in order to cover the employee's taxes due on an award. When an award amount is "grossed-up" to cover the taxes, both the value of the award and the "grossed-up" tax coverage amount must be included in the employee's gross income and wages.
2. Bargaining unit OI&T employees shall receive an award based upon their annual performance rating. The employee's award amount shall be determined based on the number of award shares received in their workgroup and/or unit.
3. The parties agree to establish an Awards Oversight Committee to review OI&T Employee Recognition and Awards Program. NVAC shall have at least three representatives on the OI&T Awards Oversight Committee. The OI&T Awards Oversight Committee meetings shall meet bi-annually.
4. NVAC reserves its right to address issues and/or concerns by providing notice to the Department. Normally, the parties shall meet within 10 working days to resolve the NVAC issues and/or concerns.
5. The appropriate management official shall provide a copy of this MOU to the Local Union President upon their receipt.



For the Department (VA)

2/8/08
Date



For the National VA Council #53

02-08-08
Date