



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
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WASHINGTON DC 20350-1000

SECNAVINST 5305.6
DUSN (M)
12 Jan 17

SECNAV INSTRUCTION 5305.6

From: Secretary of the Navy

Subj: DEPARTMENT OF THE NAVY INNOVATION INCENTIVES PROGRAM

Ref: (a) SECNAV Memo of 14 Jul 15
(b) DoD Instruction 1400.25
(c) DON Civilian Human Resources Manual
(d) SECNAVINST 5870.3C
(e) 10 U.S.C. §1124
(f) 5 U.S.C. §4502
(g) DoD 7000.14-R, Financial Management Regulation

Encl: (1) Definitions
(2) Annual SECNAV Innovation Awards
(3) Innovation Incentives
(4) Responsibilities
(5) Monetary Awards for Innovation
(6) Innovation Award Eligibility Guide

1. Purpose. To establish policy and procedures, delegate authority, and assign responsibilities within the Department of the Navy (DON) to incentivize the military and civilian workforce to reinvigorate innovation and recognize those who contribute significantly to improving the DON. This program is established per reference (a) and Subchapter 451 of reference (b) and should be read in conjunction with Subchapter 451.1 and Guide 451-02 of reference (c).

2. Definitions. See enclosure (1).

3. Background. Reference (a) directs the modernization of an effective incentive system for cultivating and recognizing innovation within the DON. This effort requires upgrading existing innovation incentive programs and the creation of new innovation awards. The intent is to ensure that every Sailor, Marine, and DON Civilian understands that the DON values their ideas and encourages them to continue improving the DON. The Innovation Incentives Program (IIP) helps foster the characteristics and culture which have sustained the DON's significant record of innovation excellence.

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4. Applicability. This instruction applies to the Office of the Secretary of the Navy (SECNAV), the Chief of Naval Operations (CNO), the Commandant of the Marine Corps (CMC), all U.S. Navy and U.S. Marine Corps installations, commands, activities, field offices, and all other organizational entities within the DON.

5. Policy. It is DON policy to reinvigorate innovation within the DON workforce and to recognize deserving military and civilian personnel for their significant, original, and innovative contributions to the missions and priorities established at all levels within the DON. The DON IIP is designed to help incentivize the workforce to increase productivity, reduce costs, and improve the DON by recognizing creativity in the workplace and rewarding personnel for their bold, innovative contributions.

a. The DON recognizes disclosures, suggestions, ideas, inventions, or scientific achievements that contribute to the efficiency, economy, or improve the operations of the DON as prescribed in references (b) through (d).

b. The DON IIP shall recognize original and innovative suggestions, ideas, and contributions by implementing incentives throughout all levels of the DON and will consist of:

(1) Annual SECNAV Innovation Awards. The Annual SECNAV Innovation Awards recognize top DON individuals or teams who make significant innovative contributions or achievements for each calendar year. Additional details are provided in enclosure (2).

(2) Innovation Incentives. DON leadership recognizes the importance of equitably and promptly awarding military and civilian personnel for innovative suggestions, ideas, and contributions. To modernize and streamline this process, the DON will implement traditional and non-traditional incentives at the Service and command levels while elevating innovative ideas that provide a potential benefit to the DON or across the normal Service channels per enclosure (3).

c. A central repository will be established to ensure integrity and transparency in the IIP and to encourage information sharing. The IIP central repository will be used for the collection and recording of:

(1) All innovation incentive awards provided per this instruction. This includes the Annual SECNAV Innovation Awards and

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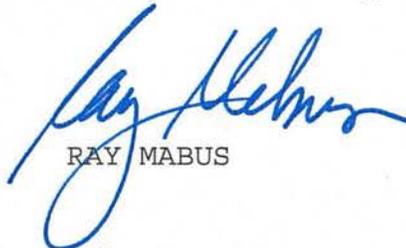
any award for innovative suggestions, ideas, or contributions that have the potential to provide benefit to other DON activities through information sharing.

(2) Award submissions where the Service or local Commanding Officer or Activity Head does not possess the requisite knowledge or experience to make an approval or disapproval determination. Repository submissions in this category will be forwarded by the Office of Strategy and Innovation (S&I) to an appropriate subject matter or technical expert for a determination per enclosure (3), paragraph 8b, of this instruction.

6. Responsibilities. See enclosure (4).
7. Monetary Awards for Innovation. See enclosure (5).
8. Innovation Award Eligibility Guide. See enclosure (6).
9. Records Management. Records created as a result of this instruction, regardless of media and format, shall be managed per SECNAV Manual 5210.1 of January 2012.
10. Forms and Reports

a. SECNAV Form 5305/3, SECNAV Innovation Award is found electronically on Naval Forms Online at <https://navalforms.documentservices.dla.mil/>.

b. The reporting requirements within paragraph 5c of this instruction; paragraphs 5, 7b, and 13 of enclosure(3); and paragraphs 2b, 2c, and 3b of enclosure(4) are assigned report control symbol SECNAV 5305-1.



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DEFINITIONS

1. Activity Head. For the purposes of this instruction, the term "activity head" refers to any military or DON civilian personnel assigned to a billet equivalent to that of a Commanding Officer, but that does not possess the full award or convening authority of a command slated billet.
2. Award. Something bestowed or an action taken to recognize and reward individual or team achievement that contributes to meeting organizational goals or improving the efficiency, effectiveness, and economy of the Government or contributes to the public interest. For the IIP, such awards include, but are not limited to, monetary awards, medals, citations, trophies, choice of follow-on duty assignment (military personnel only), time off, and other traditional or non-traditional incentives authorized by applicable laws and regulations.
3. Contribution. An accomplishment achieved through an individual, group, or team effort, which contributes to the efficiency, economy, cost avoidance, or other beneficial impact to the general workplace, public welfare, or the overall DON mission. Contributions may be either tangible or intangible. Tangible contributions are those where the savings to government can be measured in terms of dollars. Intangible contributions are those where the savings to the government cannot be measured in terms of dollars.
4. DON Crowdsourcing. The process of obtaining needed services, ideas, or content by soliciting contributions from the DON community of government civilian and military personnel. DON crowdsourcing combines the efforts of numerous self-identified DON volunteers or part-time DON contributors, where each contributor, acting on their own initiative, adds a small contribution that combines with those of others to achieve a greater result.
5. Ideation. The creative process of generating, developing, and communicating new ideas. Ideation comprises all stages of a thought cycle, from innovation, to development, to actualization. As such, it is an essential part of the design process, both in education and practice.

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6. Incentives. Something that ignites or encourages action or greater effort. Innovation incentive awards are intended to encourage DON personnel to share their ideas and contribute to improving the DON.

7. Incubator. An organizational construct, opportunity, or tool designed to create an environment to accelerate the maturation, growth, and success of innovative ideas through an array of support resources and services that could include physical space, funding, coaching, and networking connections.

8. Innovation. Innovation combines the ideas, insights, and resources of our Sailors, Marines, and DON Civilians in new ways to benefit the Naval Services.

9. Non-traditional awards. Awards or award categories not bound by conventional types. The intent is to allow Commanding Officers at all levels and virtual community managers the discretion and creativity, within the bounds of applicable laws and regulations, to provide recognition that motivates and rewards innovative contributions to the DON.

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ANNUAL SECNAV INNOVATION AWARDS

1. The Annual SECNAV Innovation Awards recognize top DON individuals or teams who made significant innovative contributions or achievements for each calendar year.
2. The SECNAV will announce Annual SECNAV Innovation Award categories annually in March via an All Navy Message (ALNAV). Award categories will reflect specific SECNAV Innovation priorities. Additional guidance regarding award categories, eligibility, selection and recognition, nomination deadlines, and announcement dates will be published via the ALNAV.
3. Nomination package submissions are due annually in December for the achievement period of January through December of the same year. Nomination forms can be found at www.secnav.navy.mil/innovation/pages/awards.aspx. Winners will be announced in the second quarter of the following calendar year.
4. Top naval innovators may receive monetary awards, special access tours, specialized training or educational opportunities, choice of duty station, or other awards commensurate to the impact of the innovation.
5. Sailors, Marines, and DON Civilians are eligible for the Annual SECNAV Innovation Awards per the references and the examples provided in Tables 1 and 2 of enclosure (6).

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INNOVATION INCENTIVES

1. Innovation Incentives provide an opportunity for DON leadership to recognize Sailors, Marines, and DON Civilians for original innovative suggestions, ideas, or accomplishments and concepts that can positively influence all areas of the DON mission from the tactical level through the strategic. To maximize the benefit to the DON, it is important to capture these ideas in a timely manner while recognizing those who contributed to the idea.

2. Commanding Officers at all levels of the DON are encouraged to develop local incentives that are tailored to their mission and that recognize the innovative contributions of their workforce. DON and Service policies governing incentives for innovation will remain flexible, within the limits of applicable laws and regulations, to allow Commanding Officers the ability to provide unique, non-traditional awards to recognize innovation within their command.

a. Examples of non-traditional incentives may include, but are not limited to:

(1) Special access tours to innovative organizations within the DON, academia, or industry.

(2) Specialized training or educational opportunities.

(3) Choice of next duty station for military personnel or career development rotation for DON Civilians.

b. Monetary awards may be provided as an incentive for the Annual SECNAV Innovation Awards or for recognizing innovative suggestions, ideas, or contributions at any level within the DON as outlined in enclosure (5).

c. Innovative suggestions, ideas, and contributions that provide a benefit to the entire DON may be considered for recognition and award by the SECNAV.

3. When deciding on an award, originality, impact to the organization, and level of effort must be considered.

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4. Ideas that are less mature or do not currently qualify for an award may be submitted into the DON crowdsourcing and ideation platforms or incubated locally to encourage further refinement.

5. The DON crowdsourcing and ideation platforms encourage professional collaboration and provide an opportunity to advance less mature, though still innovative, ideas and concepts for improving the DON. The DON's designated crowdsourcing and ideation site - The HATCH - is an accessible, virtual, and professional collaboration forum that harnesses the creative energy of Sailors, Marines, and DON Civilians. The site is accessible via Common Access Card (CAC) (www.secnav.navy.mil/innovation) and is for use by military and civilian employees of the DON. Contractors or other CAC holders not employed directly by the DON are prohibited from the using the platform. The ideas submitted in this platform may be refined through DON crowdsourcing with other innovators and subject matter or technical experts resident within the DON's virtual community. Commanding Officers are encouraged to leverage this platform and should take advantage of other online collaboration and ideation tools that complement their innovation programs.

a. For the DON crowdsourcing and ideation platforms to be successful, military and civilian personnel from across the DON must be afforded an opportunity to submit, challenge, explore, and refine the innovative ideas within these professional collaboration sites.

b. Military and civilian personnel of any rank/grade or area of expertise may be recognized for their contributions using tools and processes resident in these professional collaboration and ideation platforms. Incentives such as badges, points, and recognition within the virtual community are examples of ways to reward members for their contributions. Administrators or moderators of collaboration or ideation platforms, as designated by the program or project office for the respective virtual community, are encouraged to contact a participant's chain of command to provide favorable remarks regarding an individual's substantive and significant contributions to the community and the DON. Administrators and moderators for the DON crowdsourcing and ideation site reside within S&I.

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c. Collaboration and ideation platforms may also be used as a pathway to identify and nominate personnel who have made significant contributions to improving the DON for appropriate Annual SECNAV Innovation Awards. Collaboration and ideation platform managers and leaders are encouraged to nominate deserving personnel for these more formal awards, as appropriate.

6. The Services should involve innovative suggestion or idea submitters at every opportunity if the idea is being considered for implementation. This may include establishing incubators to advance innovation suggestions, ideas, or contributions; providing temporary duty opportunities to help develop a solution; or other opportunities to impact the successful outcome of an idea.

7. Service Innovation Incentives Program Coordinator (IIPC) shall provide guidance on the IIP to ensure consistency with collecting and recording innovation awards at the local and Service level.

a. Innovative suggestions, ideas, and contributions recognized at the local or Service level may also be considered for DON-wide implementation and recognition if the suggestion or idea provides a benefit to the DON or across the Services.

b. If an approval determination on a given innovation suggestion or idea submission has the potential to provide benefit beyond a single DON Service, IIPCs shall record the submission in the IIP central repository seeking higher review and consideration of DON-wide application. The Service IIPC shall coordinate submissions with S&I. IIP repository submissions may be considered for DON-wide implementation, recognition, or Annual SECNAV Innovation Award, as appropriate.

8. S&I will review all innovation suggestions or ideas recorded in the IIP central repository and shall:

a. Screen for the elevation of approved awards that have a broader DON-wide impact, and/or

b. Forward, to the appropriate subject matter or technical expert, those submittals which the Services or local Commanding Officer does not possess the requisite knowledge or experience

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to make an approval or disapproval determination. S&I will ensure timely adjudication of all submissions and will record the final disposition.

9. Per reference (b), to be considered for an award, a suggestion must:

a. Identify an improvement in the quality of operations, a cost reduction opportunity, or an improvement in the timeliness of service delivery that results in tangible or intangible benefits to the U.S. Government.

b. Be adopted in whole or in part for implementation. The suggestion should set forth a specific proposed course of action to achieve the improvement or cost reduction and documentation as to how the cost reduction or savings is achieved.

c. Ideas or suggestions that point out the need for routine maintenance work, recommend enforcement of an existing rule, propose changes in housekeeping practices, call attention to errors or alleged violations of regulations, or result in intangible benefits of good will are not eligible for consideration.

10. Ideas or suggestions that do not meet the criteria of the IIP may be considered as part of performance and may be recognized independent of this instruction as part of the DON or Service performance policies and guidelines.

11. Any person(s) who directly or substantively influences the identification, development, or refinement of an innovative idea or suggestion may be considered for an innovation award. Implementation of an innovative idea or concept does not, in itself, warrant an award; however, an award is appropriate when original ideas, practices, concepts, etc., are developed and employed to improve the innovation, to include during the implementation phase.

12. Personnel who receive innovation awards within the Services remain eligible for the Annual SECNAV Innovation Awards. When a monetary award is approved at any level for an innovation award, the dollar amount of the initial award must be considered if a monetary award is also appropriate for the Annual SECNAV Innovation Award.

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13. Table 1 of enclosure (3) provides a decision flow chart to assist Commanding Officers and Activity Heads in determining eligibility for an innovation incentive award and provides commensurate IIP central repository recording requirements.

Is the idea original?	No	Implement and recognize performance as applicable.						
	Yes	Is the problem and solution clearly identified?	No	Recommend input into a crowdsourcing platform, and/or direct additional research as necessary.				
			Yes	Does the idea provide a benefit to the originating command, or does it have a potential benefit to another command, or DON Service?	No	Recognize performance as appropriate.		
					Yes, benefit to Command	Does it meet the criteria provided in encl(3) para. 9?	No	Implement as appropriate and recognize performance as applicable.
							Yes	Implement and award per IIP guidelines and Service policies. Input into IIP central repository if there is potential to provide a benefit to other commands.
							Yes, may benefit other commands or DON Service	Input into IIP central repository, identify possible stakeholders if known, flag for follow-up.

Table 1: Decision Flow Chart

Note: If the Service or local Commanding Officer or Activity Head does not possess the requisite knowledge or experience to make an approval or disapproval determination, or is unable to determine the potential application of an idea or concept for other commands/Service, the idea/concept can be submitted via the IIP central repository where it will be forwarded to appropriate subject matter or technical experts for a determination.

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RESPONSIBILITIES

1. The Deputy Under Secretary of the Navy (Management) (DUSN (M)) shall:
 - a. Assign Chief, S&I as the DON IIP manager. The Chief, S&I shall administer and manage the DON IIP.
 - b. Develop an IIP central repository and related guidance, policies, and procedures.
 - c. Provide IIP updates to DON leadership, as required.
 - d. Publish the Annual SECNAV Innovation Awards ALNAV to specify annual award categories, eligibility, and timeline per enclosure (2).
 - e. Administer, manage, and provide strategic communications for the DON crowdsourcing and ideation platform.
2. The CNO and CMC shall:
 - a. Modernize existing policy, programs, and processes, as necessary, to align with the guidance provided in this instruction and streamline the award process to eliminate undue delays and ensure timely recognition of awardees.
 - b. Establish policies and processes to support the implementation of the IIP central repository, to include collecting and recording all innovation awards per paragraph 5c of this instruction.
 - c. Publicize and provide promotional support of the DON IIP to include the Annual SECNAV Innovation Awards and the DON's designated ideation and crowdsourcing platform.
 - d. Implement an IIP and formally assign a Service IIPC.
3. The Office of Civilian Human Resources shall:
 - a. Formally assign an IIPC.

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b. Establish policies and processes to support the implementation of the IIP central repository, to include collecting and recording all innovation awards per paragraph 5c of this instruction.

4. IIPCs shall:

a. Implement and manage the Service IIP.

b. Actively promote the DON IIP, update leadership on any changes to the program, and solicit and encourage the submission of innovation suggestions and award nominations.

c. Recommend traditional and/or non-traditional awards for eligible suggestions and ideas per this instruction and applicable Service programs.

d. Coordinate with the S&I as necessary to submit and/or evaluate suggestion or idea submissions.

e. Ensure all innovation awards and their respective innovation suggestion or idea submissions are recorded in the IIP central repository per paragraph 5c of this instruction.

f. Assist and advise Service leadership and contributors of the status of innovation suggestion and idea submissions.

5. All DON activities shall:

a. Nominate innovators, as applicable, for the Annual SECNAV Innovation Awards by completing the nomination form found at www.secnav.navy.mil/innovation/pages/awards.aspx.

b. Record all traditional and non-traditional innovation incentive awards granted under their authority in the IIP central repository as per this instruction.

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MONETARY AWARDS FOR INNOVATION

1. Monetary awards represent one method for rewarding Sailors, Marines, and DON Civilians when their disclosure, suggestion, idea, invention, or scientific achievement contributes to the efficiency, economy, or other improvement of operations or programs within the DON. Monetary awards may be used to recognize a group or individual and are authorized pursuant to the authority provided in reference (b).
2. Monetary awards for innovative ideas and suggestions are independent of performance awards and should recognize Sailors, Marines, and DON Civilians for their innovative suggestions and ideas that improve the operations of the DON as described in this instruction. Monetary awards are based upon tangible or intangible benefits as defined in reference (b). Reference (b) provides an example scale of award amounts based on these benefits.
3. Monetary award authority is prescribed in references (b) through (g). Monetary awards up to \$10,000 for innovative suggestions and ideas are the responsibility of the Services and must be paid for by the benefiting activity or Service as outlined in Table 1 of this enclosure. If the innovation is perceived to have a potential benefit outside of the activity or Service, it may be approved up to the threshold of the originating award authority and subsequently forwarded to a higher awarding authority for greater impact, implementation, and award consideration. Requests and funding for monetary awards for innovation above the Service threshold or for the Annual SECNAV Innovation Awards will be managed by S&I and must be approved by the SECNAV.

Awarding Authority	*Award Amount	Reference(s)
President of the United States	\$25,000 or above	(b) and (c)
Secretary of Defense	\$25,000	(e) and (f)
Secretary of the Navy	\$25,000	(b)
CNO, CMC, Navy Ech I/II or Type Commanders	\$10,000	SECNAVINST 5305.6
Commanding Officer or Activity Head	\$5,000	SECNAVINST 5305.6

* Award Amounts annotate the maximum allowable award.

Table 1: Awarding Authority

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4. Monetary awards are classified as an expense item and, therefore, must be funded with an activity's operating fund (Operation and Maintenance, Navy; Operation and Maintenance, Marine Corps; or Research, Development, Test and Evaluation appropriations as applicable) per references (e) and (f). Commands funded only by Working Capital Funds must obligate monetary awards against the appropriation available to the activity per reference (g).

a. Awards of \$10,000.01 - \$25,000.00 must be forwarded to the SECNAV for approval via DUSN (M).

b. Awards of \$5,000.01 - \$10,000.00 must be forwarded to the CNO/CMC, or Navy Echelon 1 and 2 Commanders and Type Commanders for approval.

c. Awards of \$5,000.00 or below may be approved by the local level Commanding Officer or Activity Head and must take into consideration the impact of the innovation.

5. Payments of monetary awards must follow guidance provided in Volume 10, Chapter 12 (for military members) and Volume 8, Chapter 3 (for DON Civilians) of reference (g). Careful consideration should be given to the approval and the amount of monetary awards at the end of a fiscal year. Approval and award should be completed within the statutory limitations of the appropriation.

6. For oversight purposes, S&I will provide periodic program status updates to the SECNAV through DUSN (M). The updates will summarize the number of awards that were awarded at the local, Major Command/Service, and Secretariat level.

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INNOVATION AWARD ELIGIBILITY GUIDE

1. The following categories of personnel are eligible for awards for their innovation contribution. The award must be commensurate with the impact of the innovation.

Personnel Category	Notes
Military Service Members	a, b, c, d, h, i, j
DON Civilian Employees	a, b, c, d, e, f, g, h, j, k, l
Non-appropriated Fund (NAF) Employees	a, b, c, d, e, f, g, h, j, k, l NAF Awards Program
Other Agency or DoD Personnel	a, b, c, d, e, f, g, h, j, k, l

Table 1: Personnel Category in Regards to Award Eligibility

Notes

a. Title 5, United States Code, "Government Organization and Employees"

b. 10 U.S.C. §1124, United States Code, "Cash Awards For Disclosures, Suggestions, Inventions, and Scientific Achievements"

c. Title 5, Code of Federal Regulations, "Administrative Personnel"

d. DoD Instruction 1348.19, "Award of Medals, Trophies, Badges and Similar Honors in Recognition of Accomplishments," February 3, 2014

e. DoD Instruction 1400.25, Volume 451, "DoD Civilian Personnel Management System: Awards," November, 4 2013

f. DoD Instruction 1400.25, Volume 2008, "DoD Civilian Personnel Management System: Defense Civilian Intelligence Personnel System (DCIPS) Awards and Recognition, as amended," September 12, 2012

g. DoD 7000.14-R, Volume 8, "Department of Defense Financial Management Regulations (FMRs): Civilian Pay Policy," November 2015

h. DoD Administrative Instruction 29, "Incentive and Honorary Awards Programs," July 1, 1999, as amended

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- i. SECNAVINST 1650.1H, "Navy and Marine Corps Awards Manual" August 22, 2006
- j. SECNAVINST 3590.5, "Award of Medals, Trophies, Badges, and Similar Honors in Recognition of Accomplishments" August 26, 2015
- k. DON Civilian Human Resources Manual (CHRM), Subchapter 451.1 of September 2005.
- l. Guide No. 451-02 DON CHRM 451-02 - Awards Implementation

Examples of Traditional and Non-Traditional Awards	Military Service Members	DON Civilian Employees	Nonappropriated Fund (NAF) Employees	Other Agency or DOD Personnel
Meritorious Service Medal	Y	-	-	-
Navy-Marine Corps Commendation Medal	Y	-	-	-
Navy-Marine Corps Achievement Medal	Y	-	-	-
DON Distinguished Civilian Service Award	-	Y	Y	-
DON Superior Civilian Service Award	-	Y	Y	-
DON Meritorious Civilian Service Award	-	Y	Y	-
Monetary Award	Y	Y	Y	Y
Time-Off Award	Y	Y	Y	-
Certificate of Achievement	Y	Y	Y	-
Letter of Appreciation	Y	Y	Y	Y
Commander's Coin (AFP)	Y	Y	-	-
Verbal Recognition at a Ceremony	Y	Y	Y	Y
Participation in Panels	Y	Y	Y	Y
Presentations to Senior Leaders	Y	Y	Y	Y
Visits to Facilities/Tours	Y	Y	Y	Y
Mentoring with Senior Leaders	Y	Y	Y	Y
Seed Money for Project Development	Y	Y	Y	-
Participation in Solution Development	Y	Y	Y	Y
Participation in an Innovation Event	Y	Y	Y	Y

Table 2: Examples of Traditional and Non-Traditional Awards

Note: This list is not all-inclusive, and is only a sample of possibilities