

**FDA Staff Manual Guides, Volume III – General Administration**

**Personnel – Incentive Awards**

**FDA Challenge Coin and Lapel Pin Policy**

Effective Date: 05/12/2026

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**1. Purpose**

The purpose of this policy is to provide clear guidance on the use of the FDA Challenge Coin, and the FDA Lapel Pin, as part of the FDA personnel awards system, as well as the use of appropriated funds for the purchase, management, and distribution of the FDA Challenge Coin and FDA Lapel Pins. This policy establishes a two-tier recognition system for the FDA Challenge Coin and the FDA Lapel Pin to ensure consistent use of recognition items, uphold federal fiscal law, and promote responsible spending.

**2. Background**

Unless specifically authorized by statute, appropriated funds are not available for the purchase of personal gifts. *Navy--Reenlistment Gifts*, B-307892 (Comp. Gen. Oct. 11, 2006); 68 Comp. Gen. 226 (1989). However, one exception to the general prohibition is the Government Employee Incentive Awards Act (GEIAA), 5 U.S.C. §§ 4501–4507. GEIAA authorizes the head of a federal agency to pay a cash award to, and “incur necessary expense for the honorary recognition of,” an employee who (1) by his suggestion, invention, superior accomplishment, or other personal effort contributes to the efficiency, economy, or other improvement of Government operations or achieves a significant reduction in paperwork; or (2) performs a special act or service in the public interest in connection with or related to his official employment. 5 U.S.C. § 4503.

The FDA has incorporated the FDA Challenge Coin, and the FDA Lapel Pin, into its formal employee recognition and awards system. As such, the FDA utilizes these

items to acknowledge, recognize, and award employee contributions, support workforce engagement, and represent the agency in professional settings.

To ensure consistency and fiscal compliance, FDA adopts a two-tier, on-the-spot award system for the FDA Challenge Coin and the FDA Lapel Pin distinguishing between employee excellence, and general employee recognition.

### **3. Scope**

This policy applies to all FDA Offices, Centers, Programs (COPs), staff, and contractors involved in the request, approval, procurement, management, or distribution of the FDA Challenge Coin and the FDA Lapel Pin purchased with appropriated funds.

### **4. Policy**

A. The FDA Challenge Coins and the FDA Lapel Pins may only be purchased with appropriated funds by the Commissioner (C1), as delegated to the Chief Operating Officer (COO).

1. No other FDA person, whether they be in the FDA Leadership, or other FDA official, may authorize the purchase of FDA Challenge Coins or FDA Lapel Pins using appropriated funds.
2. FDA Leadership is defined for this policy as the
  - a. Principal Deputy Commissioner (PDC);
  - b. Chief of Staff (CoS);
  - c. Chief Operating Officer (COO); and
  - d. Center, Office, or Program (COP) Director.

B. Purchases of FDA Challenge Coins and Lapel Pins must

1. Meet the requirements for honorary recognition set forth in the GEIAA (5 U.S.C. § 4503);
2. Comply with the tiered employee recognition and award system described in this policy, and
3. Comply with all requirements and processes established in this policy in addition to the requirements for the use of appropriated funds.

C. FDA Challenge coins and lapel pins may not be used as souvenirs, giveaways, or personal gifts.

- D. Challenge coins and lapel pins shall not be given to FDA contractors in recognition for work performed under an FDA contract.

## **5. Recognition Structure, Requirements, and Responsibilities**

### **5.1 Two-Tier Recognition System**

#### **5.1.1 Tier 1 – Commissioner’s Recognition for Excellence (The FDA Challenge Coin)**

Tier 1 is an on-the-spot award that represents the highest level of recognition within this policy. It is awarded for excellence, including exceptional accomplishments or contributions that substantively advance the FDA mission.

- a. The FDA Challenge Coin is awarded by the Commissioner.
- b. The Commissioner may delegate authority to award an FDA Challenge Coin on a per-award basis upon request by the FDA Leadership.

#### **5.1.2 Tier 2 – Recognition (Lapel Pin)**

Tier 2 is an on-the-spot award that represents general recognition for workforce engagement, affiliation, and professional representation. It does not confer the distinction associated with the Tier 1 FDA Challenge Coin.

- a. May be awarded by the Commissioner.
- b. May be awarded by the FDA Leadership

### **5.2 Recognition Purpose**

The FDA Challenge Coins and the FDA Lapel Pins must support:

- a. The FDA employee recognition and award system;
- b. Be an on-the-spot award for employee or team performance;
- c. Be aligned with Tier 1 or Tier 2 awards as described in this policy; and
- d. Be FDA mission-related accomplishments.

### **5.3 Documentation Requirements**

The Office of the Commissioner (OC) will record, for each issuance of an FDA Challenge Coin and Lapel Pin:

- a. Name of the recipient;
- b. Date of issuance; and
- c. Purpose of the award (that it meets the criteria for the recognition and tier).

## **5.4 Required Approval**

- a. FDA Challenge Coins and FDA Lapel Pins must be procured through official procurement channels.
- b. Purchase of FDA Challenge Coins and FDA Lapel Pins requires authorization by the COO in support of the Commissioner.
- c. The COO may not further delegate this purchase authority.
- d. Authorization for procurement must occur before any procurement action.
- e. Other FDA leadership or staff are not authorized to purchase FDA Challenge Coins or FDA Lapel Pins.
- f. Other FDA leadership or FDA Office Directors may make recommendations to the COO on purchase quantities based on use.

## **5.6 Challenge Coin and Lapel Pin Distribution and Use**

### **5.6.1 Distribution**

- a. The COO will procure the FDA Challenge Coins and the FDA Lapel Pins.
- b. The COO will distribute the FDA Challenge Coins to the OC.
- c. The COO will distribute the FDA Lapel Pins to the OC, and FDA Leadership.
- d. The OC will accept, store, and account for award of the FDA Challenge Coins as awarded by the C1.
- e. If FDA Challenge Coins are authorized by the C1 for award by the FDA Leadership, the FDA Leadership will accept, store, and account back to the OC, the award of FDA Challenge Coins.
- f. The FDA leadership will accept, store and account back to the COO for the receipt and distribution of the FDA Lapel Pins.

### **5.6.2 Replacement**

FDA Challenge Coins and FDA Lapel Pins will not be replaced if lost or damaged.

### **5.6.3 Authorized Use**

Employees may wear lapel pins during:

- a. Official FDA duties;
- b. Public or stakeholder outreach; or
- c. Professional events representing the agency.

## **6. Procedures**

### **6.1 Award of an FDA Challenge Coin by the C1**

- a. The C1 may award an FDA Challenge Coin.
- b. The OC will record the name, date and purpose of the award of an FDA Challenge Coin.

### **6.2 Request for an Award of an FDA Challenge Coin by FDA Leadership**

- a. FDA Leadership may request from C1 the award of an FDA Challenge Coin.
- b. If approved by C1, the OC will distribute the FDA Challenge Coin(s) to the requesting FDA Leader.
- c. The OC will record the award of the FDA Challenge Coin.
- d. The FDA Leader will award the FDA Challenge Coin on behalf of the C1.
- e. If for any reason the FDA Challenge Coin is not awarded it will be returned to the OC and re-entered into the inventory.
- f. The COO will create and provide a template for requesting an FDA Challenge Coin award from C1.

### **6.3 Award of an FDA Lapel Pin**

- a. FDA Leadership may award FDA Lapel Pins.
- b. FDA Leadership will record the name, date and purpose of the award of an FDA Lapel Pin.

### **6.4 Review and Approval**

- a. C1 approves all FDA Challenge Coin awards.
- b. C1 may approve FDA Lapel Pin awards issued by the OC.
- c. FDA Leadership
  - Approve FDA Lapel Pin awards.
  - Request to C1 the award of FDA Challenge Coin awards.

- d. COO, on behalf of C1, approves procurement of FDA Challenge Coins and FDA Lapel Pins.

## **6.5 Procurement**

- a. The COO will procure the FDA Challenge Coins and the FDA Lapel Pins in accordance with all applicable regulations and processes including but not limited to Appropriations Law, Federal Acquisition Regulations, HHS procurement policy and FDA acquisition procedures. The determination from the appropriate FDA official approving of the award(s) must be in writing and be made part of the contract file or purchase card justification for which the coins/lapel pins are purchased.
- b. The COO will decide on the inventory levels based on expected annual consumption.
- c. The quantity of FDA Challenge Coins and FDA Lapel Pins purchased cannot exceed what is intended to be handed out in the given fiscal year.
  - 1) In limited circumstances, FDA Challenge Coins and FDA Lapel Pins may be a *bona fide* need of a fiscal year prior to the fiscal year in which they will be used.
  - 2) FDA may use a current year's appropriation to purchase a specific number of FDA Challenge Coins and FDA Lapel Pins to be awarded at the beginning of the subsequent fiscal year to avoid breaks in the FDA award system due to the required lead-time for the supplier to produce and deliver the items.

## **6.6 Recordkeeping Requirements**

- a. Offices must maintain records as follows.
  - 1) The COO will maintain records of procurement of the FDA Challenge Coins and the FDA Lapel Pins
  - 2) The COO will maintain records of distribution of the FDA Challenge Coins to the OC.
  - 3) The COO will maintain records of distribution of the FDA Lapel Pins to the FDA Leadership.
  - 4) The OC will maintain records of the award of FDA Challenge Coins through issuance logs with name and date for each FDA Challenge Coin awarded.

- 5) The FDA Leadership will inform the OC of an award of an FDA Challenge Coin as authorized by C1.
- 6) Records must comply with FDA and HHS retention requirements.
- b. COO will provide the OC and the FDA Leadership with a template for accounting for the award of the FDA Challenge Coins and Lapel Pins.

**7. Restrictions**

- A. Appropriated funds may not be used if items are intended as swag, giveaways, or personal gifts.
- B. FDA Challenge Coins and FDA Lapel Pins are not authorized for award to contractors for the purpose of recognizing and awarding contracted work.
- C. COO authorization is required prior to purchase of the FDA Challenge Coins and FDA Lapel Pins.
- D. The financial requirement of a necessary expense test must be met.

**8. References**

- A. 42 U.S. Code § 238
- B. 5 U.S. Code Chapter 45
- C. 5 U.S. Code Chapter 41
- D. GAO Principles of Federal Appropriations Law
- E. HHS Policy on Promoting Efficient Spending
- F. HHS Policy on Use of Appropriated Funds for Promotional Items
- G. HHS Promoting Efficient Conference Spending Policy

**9. Effective Date**

The effective date of this guide is May 12, 2026.

**10. Document History - SMG 3113.5a, FDA Challenge Coin and Lapel Pin Policy**

Status (I,R,C)	Date Approved	Location of Change History	Contact	Approving Official
Initial	07/25/2025	N/A	OO/IO	Dr. Barclay Butler, FDA Deputy Commissioner of Operations, Chief Operating Officer
Revised	03/13/2026	N/A	OO/IO	Dr. Barclay Butler, FDA Deputy Commissioner of Operations, Chief Operating Officer
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