

Appendix F. Distinguishing Between Tangible and Intangible Benefits

Tangible Benefits

An award will be based on tangible benefits when the following criteria can be met:

1. Savings can be quantified in dollars saved or avoided;
2. There is a clear relationship between the Idea and the estimated savings;
3. A reasonable person examining the Idea and the methodology used to estimate the savings would be persuaded that the estimated savings are realistic and are the direct result of the adopted Idea; and
4. The methodology used to estimate savings is clear and sound. For Ideas with potential savings of \$250,000 or more, the methodology used to estimate savings can withstand verification by the Inspector General or the Regional Inspector General for Audit.

Intangible Benefits

An award can be based on intangible benefits when the following criteria are met:

1. The Idea clearly will result in improved effectiveness or efficiency but there is no sound methodology to quantify savings; and
2. Savings cannot be directly or exclusively attributed to the Idea.

TANGIBLE BENEFITS SHOULD BE
CALCULATED WHENEVER POSSIBLE