

SECTION 54 -- RENTAL PAYMENTS FOR SPACE AND LAND

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Ex-54 Space Budget Justification

54.1 Do I need to report on rental payments?

If your agency obligates more than \$5 million annually for rental payments to GSA or to others (e.g., other Federal agencies or commercial landlords) for rental of space, structures and facilities, and land and building services, you must submit a space budget justification in the format of exhibit 54. OMB uses this information to evaluate your budget request for rent in the context of personnel and program changes (e.g., downsizing). The General Services Administration (GSA) uses this information to refine its estimates of rental costs. You should use this information to analyze your space requirements and rental costs.

For reporting purposes, *include* amounts for the services covered by the basic rental charge assessed by GSA as obligations for rental payments to GSA, but *exclude* amounts above standard services, such as overtime utility services. From GSA's monthly bill, use line D, "Total Annual Rental" plus line 14a "Billing Adjustments and Corrections, Current Year" to calculate the amount on the line "GSA rent estimate" of exhibit 54. These amounts are already *net* of obligations for operations delegations (see line 8 on the monthly GSA bill and on the GSA budget estimate). Operations delegations should be budgeted in the appropriate object classes, such as 25.4, operations and maintenance of facilities. Therefore, if you have facilities delegated from GSA, you do not need to reduce bill amounts or budget estimates on exhibit 54.

Make your obligations for rental payments to GSA (Part 1 of exhibit 54) and your obligations for other space services paid to non-GSA entities (Part 2) consistent with data reported as rental payments under the appropriate object classes (see section 54.4).

54.2 What materials must I provide?

You must submit an overall summary report in the format of exhibit 54 for the agency as a whole. This report provides a justification of your agency's budget request for rent. In addition, you must submit a separate report for each bureau or subordinate organization that makes rental payments. Submit a single agency-wide summary report if these costs are paid for centrally from one account.

You must complete exhibit 54 using an electronic spreadsheet (Excel or Lotus) available from GSA (phone: 202-501-4159 or www.gsa.gov/exhibit54). The spreadsheet format includes inflation factors to calculate outyear estimates automatically and it generates total obligations for rental costs and funding sources.

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The report contains information for PY through BY+1 on:

- Rental payments to GSA, which reconciles the GSA rent estimate with actual, planned, and requested changes in inventory.
- Funding sources for these rental payments to GSA.
- Rental payments to others, both non-Federal and Federal sources.
- Supporting detail on all changes from the GSA rent bill or GSA estimates of rental costs (see section 54.5).

Your submission must support your budget year request and list all applicable appropriations and/or other funding sources by account.

Report space requirements to the nearest square foot; state obligations in thousands of dollars and round to the nearest thousand. Where an amount falls exactly halfway in between, round to the nearest even figure (for example, both \$11,500 and \$12,500 round to \$12.) Do not identify amounts of \$500 or less.

Provide copies of these materials to GSA (attention: PBS, Director of Revenue Division (PHR), 1800 F Street, NW, Washington, D.C. 20405) at the same time you submit them to OMB.

54.3 What terms do I need to know?

Agency means departments and establishments of the Government, and **bureau** means the principal subordinate organizational units of an agency.

GSA bureau code means the agency/bureau code(s) recorded on the GSA rent bills or GSA budget estimates for each bureau making rental payments. (This number is *not* the same as the 3-digit OMB bureau code described in section 79.2 and Appendix C.)

GSA rent estimate means a document developed by GSA and sent to customer agencies once a year. This document provides budget year data on estimated assigned space and the associated costs of that space. It is used by GSA's customers for planning and budgeting purposes. You should use this year's GSA budget estimate (available this summer) to report the GSA rent estimate for the CY and BY.

OMB-approved inflation factor means the inflation factor used in the GSA budget estimate. Mid-Session Review inflation factors will be used for CY through BY+1. The electronic spreadsheet format provided to you will use these factors to automatically inflate certain outyear estimates.

Chargeback (or *adjustments to the bill*) means the process by which GSA's customers contest a GSA billing. If you claim a chargeback, you are required to complete a Standard Form 238, "SIBAC Adjustment Voucher For Chargeback" and provide supporting chargeback data justifying your claim.

54.4 How do I prepare the space budget justification?

The following table explains the information needed to prepare the space budget justification (see exhibit 54). The justification consists of two parts:

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- Rental payments to GSA (Part 1). (With the exception of the lines “Other adjustments,” “Statutorily-imposed rent caps,” and “Funding sources for Rental Payments to GSA,” data in this part is derived by formula from five back-up worksheets); and
- Rental payments to others (Part 2).

Subtotals, totals, and certain other entries indicated in **boldface** will be automatically calculated (see exhibit 54).

INFORMATION REQUIRED FOR THE SPACE BUDGET JUSTIFICATION

Entry	Description
	Report in dollars and to the nearest square foot on the individual worksheets. The totals will be automatically calculated for the summary page, with obligations rounded to the nearest thousand.
	Report net estimates of rental costs and square feet (i.e., net of any adjustments within the relevant category being reported).
PART 1. RENTAL PAYMENTS TO GSA	In Part 1, include information on rental payments to GSA only. Report data on rental payments to others in Part 2.
GSA rent estimate	For the chargeback and PY worksheets, report amount of the annual (i.e., full year) rental cost. To calculate the annual rental cost, use the monthly GSA bill with the same date as the date on the GSA rent estimate and multiply the rent estimate for the current month by the number of months remaining in the fiscal year and add this amount to the year-to-date rent estimate on the monthly bill. Report the total square feet in the monthly GSA rent bill with the same date as the date on the GSA rent estimate for the BY. (The monthly GSA bill reflects total square feet billed for the month.) For the CY worksheet, report the square feet and rent estimate reflected in the CY column of GSA rent estimate for the BY. For the BY worksheet, report the square feet and rent estimate reflected in the GSA rent estimate for the BY. <i>Note: GSA will provide agencies with the supporting documentation for the BY rent estimate, as required.</i> The electronic spreadsheet will calculate rent estimates for BY+1 automatically using OMB-approved inflation factors. Estimates of square feet will be generated by the spreadsheet for BY+1 at the BY level.
Chargebacks and actual changes inventory worksheet <i>Use for PY only.</i>	Report the net amount of any chargeback (resolved or unresolved) and actual changes in the inventory for the PY that has not been reflected in the monthly rent bill used above and the associated net square feet. This may include disputes over rates, space classifications, and current space requirements.

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Entry	Description
<p>PY Worksheet planned changes in inventory</p> <p><i>Enter the inventory changes for the remainder of the year</i></p>	<p>For the PY worksheet, report the net amount of approved and planned changes in the inventory and adjustments from the base month (as reflected in the GSA rent estimate) to the end of the fiscal year. Adjustments may be an increase or decrease from the monthly rent bill used above for PY.</p> <p>Enter the square feet and the estimated annual rent under the “Agency Information” columns. Enter the effective date of the project. The annual change and the part-year change for rent are automatically calculated.</p>
<p>CY, BY and BY+1 worksheets</p>	<p>For the CY, BY, and BY+1 worksheets, include the approved and planned changes in inventory and associated adjustments that are not reflected in GSA rent estimates, including projects in the pipeline.</p> <p>Enter the changes in the worksheet for the year in which the change will first occur. The worksheet will automatically generate outyear estimates.</p>
<p>Requested program changes in inventory</p>	<p>For CY, BY, and BY+1 worksheets, report inventory changes that will result from changes in programs that have been enacted by law, are reflected in the President’s budget, and/or are included in your BY request to OMB.</p> <p>Enter the CY, BY, and BY+1 requested program changes in each corresponding worksheet. The worksheet will automatically generate outyear estimates.</p>
<p>Space budget justification – the summary worksheet</p>	
<p>Other adjustments</p>	<p>Use this space to enter any other adjustments that are not included in the individual worksheets. Include an explanation of these items.</p>
<p>Statutorily-imposed rent caps</p>	<p>Report only on those rental payments to GSA that you consider constrained for legal reasons. Include as a footnote the legal reference (i.e., public law citation).</p> <p>Supporting detail must be provided, as described in section 54.5.</p>
<p>Total, net rental payments to GSA</p>	<p>The Space Budget Justification worksheet will automatically generate these totals.</p>

FUNDING SOURCES FOR RENTAL PAYMENTS TO GSA

<p>Funded by direct appropriations:</p> <p>Account title and ID code</p>	<p>List each direct appropriation that funds rental payments to GSA, by account title and identification (ID) code. Use a 9-digit ID code, that includes the OMB agency/bureau code, followed by the 4-digit basic account symbol assigned by Treasury (xxx-xx-xxxx) (see section 79.2).</p> <p>For PY-BY+1, include the amount of obligations for rental payments to GSA that are funded from annual appropriations and permanent appropriations to general, special, and trust funds.</p>
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Entry	Description
	<i>If there are more than three accounts listed, change the electronic spreadsheet to add rows, as needed.</i>
Subtotal, direct appropriation	Report the sum of amounts of direct appropriations for a year for accounts listed. <i>If more than 3 accounts are listed, change the spreadsheet formula to calculate the amount funded by direct appropriations.</i>
Funded by other sources:	List all other sources of funding for rental payments to GSA (i.e., other than direct appropriation) by account title and ID code (described above).
Account title and ID code	Include additional information on the line stub to identify the source of funding, as necessary.
	For PY-BY+1, include the amount of obligations for rental payments to GSA that are funded from reimbursements, other offsetting collections, and allocations.
	<i>If there are more than three accounts listed, change the electronic spreadsheet to add rows, as needed.</i>
Subtotal, other funding sources	Report the sum of amounts for other funding sources for a year for accounts listed. <i>If more than 3 accounts are listed, change the spreadsheet formula to calculate the amount funded by other sources.</i>
Total, net rental payments to GSA (object class 23.1)	Report the sum of amounts paid to the GSA Federal building fund for all funding sources (direct appropriations plus other funding sources) for a year for accounts listed. Report amounts that are consistent with obligations classified as "Rental payments to GSA" (object class 23.1). Make the totals for each year equal to the corresponding "Total, net rental payments to GSA" reported above (see exhibit 54).
PART 2. RENTAL PAYMENTS TO OTHERS	In Part 2, report information on rental payments to Federal agencies other than GSA and to entities outside the Federal Government. Exclude data on rental payments to GSA, which are reported in Part 1.
Non-Federal sources (object class 23.2)	Include obligations for possession and use of space, land, and structures leased from non-Federal sources (i.e., commercial landlords).
	Report amounts consistent with obligations classified as "Rental payments to others" (object class 23.2).
Federal sources other than GSA (object class 25.3)	Include obligations for payments to Federal agencies other than GSA for space, land, and structures that are subleased or occupied by permits, regardless of whether the space is owned or leased.
	<i>Note:</i> Typically, with the approval of the Administrator of GSA, you may sublease your GSA-assigned space to another agency or bureau. In such cases, if you are the agency assigned the space by GSA, report rental payments for this space in Part 1 as "Rental payments to GSA". If you are the agency or bureau subleasing space from another agency or bureau, report payments for the sublease in Part 2 as "Federal sources other than GSA."

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Entry	Description
	Report amounts reported consistent with obligations for rental payments to Federal sources reported as "Purchases of goods and services from Government accounts" (object class 25.3).
Total, rental payments to others	Report the sum of amounts as rental payments to non-Federal sources and to Federal sources other than GSA. Make the totals consistent with rental obligations classified in object classes 23.2 and 25.3.

54.5 What supporting information must I provide?

Complete and submit all six worksheets of exhibit 54 that support the Space Budget summary page. For each change, include the GSA bureau code, the GSA building number (if known), city and State, type of action, effective date, square feet, and rent on the appropriate worksheet. For any program changes requested, provide supporting information that identifies the program initiatives related to the requested changes. In addition, provide a list that identifies major acquisitions, renovations, or consolidations required to implement agency planned space changes, as well as the timing, amount of work space, and cost of each action.

Space Budget Justification

Agency _____
 Bureau _____
 GSA Bureau Code _____

Shaded entries are automatically generated by the electronic spreadsheet.

Note: The PY GSA RENT estimate is based on the monthly rent bill with "date of inventory" that matches the GSA budget estimate for BY. CY and BY rent estimates are taken from the GSA budget estimates for the BY.

Round dollars to the nearest thousand, as required by section 54.2. Report space requirements to the nearest square foot.

Department of Government
 (obligations in thousands of dollars)

	PY		CY		BY		BY + 1	
	Sq. Ft.	\$	Sq. Ft.	\$	Sq. Ft.	\$	Sq. Ft.	\$
PART 1: RENTAL PAYMENTS TO GSA								
GSA rent estimate.....	26,500,000	\$400,000	28,300,000	\$425,000	28,300,000	\$438,000	28,300,000	\$447,636
Chargebacks:	833,000	\$10,000						
Actual changes in inventory:								
Vacated space.....	-500,000	-\$4,000	-500,000	-\$7,500	-500,000	-\$7,658	-500,000	-\$7,826
New space.....	1,000,000	\$10,000	1,000,000	\$15,000	1,000,000	\$15,315	1,000,000	\$15,652
Changes to existing space.....	50,000	\$700	50,000	\$750	50,000	\$766	50,000	\$783
Other adjustments.....								
Statutorily imposed rent caps.....								
Joint use space.....	100,000	\$1,500	100,000	\$1,500	100,000	\$1,532	100,000	\$1,565
Planned changes to inventory:								
PY.....	200,000	\$2,000	200,000	\$3,000	200,000	\$3,063	200,000	\$3,130
CY.....			100,000	\$1,200	100,000	\$1,500	100,000	\$1,533
BY.....					135,000	\$1,750	135,000	\$2,150
BY + 1.....							115,000	\$1,000
BY + 2.....								
Requested program changes:								
CY.....			115,000	\$1,000	115,000	\$1,700	115,000	\$1,737
BY.....					100,000	\$1,200	100,000	\$1,500
BY + 1.....								
BY + 2.....								
Total, net rental payment to GSA.....	28,183,000	\$420,200	29,365,000	\$439,950	29,600,000	\$457,168	29,715,000	\$468,860
FUNDING SOURCES FOR RENTAL PAYMENTS								
Funded by direct appropriations:								
Account title and ID code:								
Acct. 1 Salaries and expenses 016-10-1166		\$388,450		\$385,000		\$390,000		\$395,000
Acct. 2.....								
Acct. 3.....								
Subtotal, direct appropriations.....		\$388,450		\$385,000		\$390,000		\$395,000
Funded by other sources:								
Account title and ID code:								
Acct. 1 Water resources control 016-12-2650		\$31,750		\$54,950		\$67,168		\$73,860
Acct. 2.....								
Acct. 3.....								
Subtotal, other funding sources.....		\$31,750		\$54,950		\$67,168		\$73,860
Total, net payments to GSA (object class 23.1).....		\$420,200		\$439,950		\$457,168		\$468,860
PART 2: RENTAL PAYMENTS TO OTHERS								
Non-Federal sources (object class 23.2).....	24,000,000	\$290,000	25,000,000	\$300,000	22,900,000	\$275,000	22,900,000	\$275,000
Federal sources (object class 25.3).....	150,000	\$1,800	150,000	\$1,800	150,000	\$2,000	150,000	\$2,000
Total, rental payments to others.....	24,150,000	\$291,800	\$25,150,000	\$301,800	\$23,050,000	\$277,000	#####	\$277,000

Dollar amounts for "Total, net rental payments to GSA" above should equal the corresponding entries at the end of Part 1. Supporting detail is required on each actual, planned, and requested change in inventory (see section 54.5).

Pursuant to section 83.11, only payments made directly to the GSA Federal buildings fund should be classified as object class 23.1. All other rental payments should be classified as object class 23.2 or object class 25.3.