SECTION 54—RENTAL PAYMENTS FOR SPACE AND LAND

54.1   Do I need to report on rental payments?

If your agency obligates more than $5 million annually for rental payments to the General Services Administration (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 at the same time as your agency's annual budget submission (see section 54.2 for the e-mail address for the submission, which must be coordinated with all relevant agency officials). OMB uses this information to evaluate your budget request for rent in the context of personnel and program changes (e.g., downsizing). 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, in some cases, line 14a, "Billing Adjustments and Corrections, Current Year," to compare to the amount on the line "GSA rent estimate" of exhibit 54. These amounts are already *net* of obligations for the cost of operations in buildings where GSA has delegated authority for building operations. The cost of building operations in buildings whose operational authority is delegated should be budgeted in the appropriate object classes, such as 25.4, operations and maintenance of facilities. These costs should appear 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 Excel spreadsheet available from GSA. The spreadsheet format includes inflation factors to calculate outyear estimates automatically and it generates total obligations for rental costs and funding sources.

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.

In addition to the materials provided with your budget submission, submit electronic versions of these materials both to GSA and OMB by sending e-mails to the following addresses:

OMBExhibit54@gsa.gov and exhibit54@omb.eop.gov

Exhibit 54 is due with the budget submission. Before sending the completed spreadsheet, verify that the subject line has the three-digit CGAC agency code (see Appendix C) and the full agency name.

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 2–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 2972 if you are an IPAC Agency and a form 2992 if you are a non-IPAC Agency, and provide supporting chargeback data justifying your claim.

Total Workplace FIT (Furniture, Information Technology) Program Budget Request will be included on the exhibit 54, if you intend to classify those charges as object class 23.1, rental payments to GSA. The

FIT estimate should be entered on the SUM worksheet in row 33 for the BY "Budget Year" (column N) and BY+1 (column Q). More information can be found on the GSA web site http://www.gsa.gov/exhibit54 by downloading the PDF file "Total Workplace FIT (Furniture and IT) Booklet–GSA".

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). Exhibit 54 illustrates the summary page of the submission. There are five worksheets that contain the detail for the chargebacks, planned changes to inventory and the requested program changes. One worksheet is for the chargebacks, and there is one for each year in which to detail planned changes to inventory and the requested program changes (i.e., PY, CY, BY and BY+1). The summary justification consists of two parts:

- 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-A: 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.
Sections II, III, AND IV For PY, CY, BY, and BY+1 worksheets	Refer to the Exhibit 54 instructions provided by GSA for specific guidance in completing the supporting worksheets of the Exhibit 54 Excel Workbook. In addition to the instructional guide, GSA will provide the CY and BY Base Rent Estimate files and corresponding files containing anticipated Inventory Changes for those budget years.
	The GSA Exhibit 54 instructions can be found at: http://www.gsa.gov/exhibit54
Space budget justification—the summary worksheet Other adjustments	Use this space to enter any other adjustments that are not included in the individual worksheets. Include an explanation of these items.
Statutorily-imposed rent caps	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).
	Supporting detail must be provided, as described in section 54.5.
Total, net rental payments to GSA	The Space Budget Justification worksheet will automatically generate these totals.

Entry	Description
PART 1-B: FUNDING SOURCES FOR RENTAL PAYMENTS TO GSA	
Funded by direct appropriations	List each direct appropriation that funds rental payments to GSA, by account title and identification (ID) code. Use a 9–digit ID code, which includes the OMB agency/bureau code followed by the 4–digit basic account symbol assigned by Treasury (xxx–xx–xxxx) (see section 79.2).
	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.
Account title and ID code	If there are more than three accounts listed, change the electronic spreadsheet to add rows, as needed.
Subtotal, direct appropriations	Report the sum of amounts of direct appropriations for a year for accounts listed. If more than three accounts are listed, change the spreadsheet formula to calculate the amount funded by direct appropriations.
Funded by other sources: Account title and ID code	List all other sources of funding for rental payments to GSA (i.e., other than direct appropriations) by account title and ID code (described above).
	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.
	If there are more than three accounts listed, change the electronic spreadsheet to add rows, as needed.
Subtotal, other funding sources	Report the sum of amounts for other funding sources for a year for accounts listed. If more than three accounts are listed, change the spreadsheet formula to calculate the amount funded by other sources.
Total, net rental payments to GSA (object class 23.1)	Report the sum of amounts paid to GSA 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). This includes payments for furniture and information technology equipment made to GSA under the FIT program.
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.
	Note: 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

Entry	Description
	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."
	Report amounts 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 Justification 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.

54.6 What is new for this fiscal year?

Agencies are again reminded of the requirement to include all identified space releases for GSA-owned or -leased and agency-occupied locations in the exhibit 54 submission due at the time of budget submission. For FY 2025 reporting, agencies should ensure that all changes in space requirements (either increases or decreases) resulting from any changes in mission execution or work postures are included in the exhibit 54 submission to OMB and GSA. Agencies may consult with the Public Buildings Service to obtain assistance in developing future space requirements for FY 2025 or for future fiscal years. For assistance with adjustments to your exhibit 54, please refer to www.gsa.gov/exhibit54 for guidelines and points of contact.

EXHIBIT 54   **RENTAL PAYMENTS FOR SPACE AND LAND**

Space Budget Justification

> 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.

Agency_____
Bureau _____
GSA Bureau Code_____

> Shaded entries are automatically generated by the electronic spreadsheet.

> 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 Sq. Ft.	PY $	CY Sq. Ft.	CY $	BY Sq. Ft.	BY $	BY + 1 Sq. Ft.	BY + 1 $
PART 1-A: 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
Actual adjustments to the bill:								
Chargebacks (PY only)……………	-500,000	-$4,000	-500,000	-$7,500	-500,000	-$7,658	-500,000	-$7,826
Other adjustments…………………								
Statutorily imposed rent caps………								
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………	26,200,000	$398,000	28,215,000	$422,700	28,450,000	$439,555	28,565,000	$450,860

> 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).

	PY $	CY $	BY $	BY + 1 $
PART 1-B: FUNDING SOURCES FOR RENTAL PAYMENTS				
Funded by direct appropriations:				
Account title and ID code:				
Acct. 1 Salaries and expenses 016-10-1166	$366,250	$367,750	$372,387	$377,000
Acct. 2…………………………………				
Acct. 3…………………………………				
Subtotal, direct appropriations……………	$366,250	$367,750	$372,387	$377,000
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

> Pursuant to section 83.12, 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.

	PY $	CY $	BY $	BY + 1 $
Total, net payments to GSA (object class 23.1)…………	$398,000	$422,700	$439,555	$450,860

	PY Sq. Ft.	PY $	CY Sq. Ft.	CY $	BY Sq. Ft.	BY $	BY + 1 Sq. Ft.	BY + 1 $
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	23,050,000	$277,000