CHAPTER 15

Real Estate Resource Management

SECTION I. GENERAL

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15-1. Introduction

a. Purpose. This chapter provides an overview of the requirements of the Department of Defense Planning, Programming and Budgeting System (PPBS) and describes Real Estate budget formulation and execution within that context.

b. Scope. The information and procedures covered by this Chapter apply to activities funded by military appropriation or through reimbursable agreements with other agencies. The portion describes manpower addresses resources that emanate from the Civil Works program as well.

c. Applicability. This regulation is applicable to the Headquarters, U.S. Army Corps of Engineers (HQUSACE), and to the U.S. Army Corps of Engineers Divisions and Districts having real estate responsibilities.

d. References.

(1) Federal Property Management Regulations, Sub-chapter D, Section 101-21.
(2) AR 37-100-89, The Army Management Structure.
(3) AR 405-1 (being incorporated into AR 405-xx), Reimbursement for General Services Administration Space, Services and Facilities Outside the NCR.
(4) AR 405-5, Army and Air Force Basic Real Estate Agreements.
(5) AR 420-74, Natural Resources: Land, Forest and Wildlife Management.

SECTION II. PROCEDURES

15-2. Budget Formulation and Execution

a. Background. The budget for Real Estate activities is an expression of financial resources required to support this portion of

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USACE's mission and programs for a fiscal year. The budget evolves through a series of planning and programing actions that begin many years prior to execution year. Throughout that time, the program and budget is subject to change for a variety of reasons as it undergoes review at various levels. The budget finally presented is prepared in accordance with guidance from the Office of Management and Budget (OMB), the Office of Secretary of Defense (OSD), and the Department of Army (DA) and represents the best balance of programs that can be obtained at the level of resources made available. The process is dynamic but disciplined by a structured series of events that recur on an annual basis. Many of these events do not require input from the field; however, they are included in this section when necessary to clarify the environment in which the budget is formulated.

b. Formulation.

(1) The budget cycle (for USACE-controlled programs) begins with Army Guidance in August. This document is a broad statement of policy and strategy for a five-year period. In October, Program and Budget Guidance (PBG) issued to major commands (MACOMS) by HQDA provides parallel long range resource guidance that is used in preparation of the Program Analysis and Resources Review (PARR). The PARR is prepared at MACOM Headquarters level and is submitted to HQDA as part of the Program Objective Memorandum (POM). The POM covers the five outyears and provides the mechanism whereby resources for new initiatives and changes to existing programs can be introduced into the program and budget resourcing cycle. After all PARRs are considered by HQDA, resource guidance is issued to USACE based on DA corporate decisions reached during the POM building. During the year, there may be changes in these resource levels based on revised decision by OSD, DA, Congressional action, or other events that affect the size of the Federal and Department of Defense (DOD) Budget.

(2) Annually in May-June, the Field Operating Activities (FOAs) become involved when a request is sent to each Division/District for a three-year budget called the Command Operating Budget (COB). The three years covered are the current year, budget year and program year. (The program year is the first of the five POM outyears.) Refined PBG from DA will provide resource guidance to USACE and this is transmitted to the field along with instructions for COB preparation. Districts/Divisions prepare the COB and forward it to the Resource Management Directorate (CERM) who sends the Real Estate portion to the Programs Division, Directorate of Real Estate (CERE-P), where it is examined, analyzed and consolidated prior to presentation to CERM where further incorporation will take place for all USACE requirements prior to submission to DA.

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c. Execution.

(1) Actions that began many years earlier come into clear focus as the new fiscal (execution) year approaches. Prior to 1 October CERM requests CERE-P to provide proposed Annual Funding Program (AFP) distribution for the FOAs along with recommendations for quarterly allocation. This allocation is issued to the FOAs on a quarterly basis by Funding Authorization Document (FAD). Any requests for quarterly allocation adjustments are sent through Comptroller channels to CERM while requests for AFP are submitted through Real Estate channels to CERE-P. Requests should be submitted in writing with full justification.

(2) FOAs are encouraged to work closely with their supporting Finance and Accounting Office to ensure obligations are reported promptly and accurately and to become familiar with accounting data that supports the Integrated Command Accounting Report (ICAR) and the Data Element Management Accounting Report (DELMAR). These reports are used by CERE-P to monitor obligations, determine funding shortages/excesses, compare actual to plan, and for other management indicators. AFP is reviewed at mid-year on a corporate basis and any reprogramming takes place at this time. During the second half of execution year, a close check is kept on obligations. Any projected surplus is to be identified and reported to prevent the loss of expiring funds.

(3) Often, the Congress has been unable to erect enabling legislation prior to 1 October. In those cases, temporary authority is given in the form of a “Continuing Resolution Authority” (CRA). During the period of a CRA, fund use may be restricted. A CRA may state a rate or limit on spending, a time limitation, and may prohibit “new starts.” However, lease contracts and real estate new program have not been restricted and may be obligated. The Real Estate program, including new program actions, is considered a continuing program rather than a “new start.”

d. Conclusion. The preceding paragraphs provide a basic explanation and non-technical description of the cycle of events that influence most Real Estate funded activities. CERE-P is involved with this process to varying degrees depending on the level and depth of responsibility. Variations to this cycle of events and other unique aspects of each program are addressed below. Timing of events and requirements may be somewhat modified from year to year as dictated by OSD and HQDA.

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15-3. Real Estate Programs.

a. The Real Estate Directorate has financial responsibility for the following programs. AR 37-100-89 should be consulted if there are any questions regarding purpose of Army funds provided.

Title	Appropriation symbol	Program Element
RPMA - Army Real Estate Administration	21.2020	722894.M7
BASOPS Leases - GSA Rent	21.2020	722896.A
BASOPS Leases - Recruiting Station Leases	21.2020	871996.A
GSA delegated buildings	47x4542	N/A
RPMA - Harvesting & Disposal of Timber	21.2020	728012.27
RPMA - Agricultural & Grazing leases	21.2020	722894.K
Homeowners Assistance Fund	97X4090	2100/2200 2300/3200
Air Force RE Administration	57.3400	404970
Minor Construction Air Force	57.3300	321/351
Army National Guard Leases	21.2065	52589.M
Reimbursable agreements with other agencies	Various	N/A

b. These programs are briefly described below.

(1) Army Real Estate Administration: This account encompasses management and administration of real estate. It covers salaries and expenses of real estate personel; project planning; real property acquisition expenses (mapping, appraising, title evidence, negotiation etc.); compliance inspections; utilization inspections; inleasing; outgranting; disposal activities; and miscellaneous real estate activities. The program provides for real estate administrative support for the DOD Recruiting Program, US Army Reserve, Army National Guard, and Army installations.

(2) BASOPS Leases (GSA Rent, formerly SLUC): This account provides funds for General Services Administration (GSA)-managed leases for those Corps activities located outside an Army installation. Cost of leasing GSA space includes a standard charge which is the direct cost of GSA leased space and associated services based on the Fair Appraisal Rating System (FAR) plus recurring reimbursable costs (the costs of non-standard items such as keeping the building open longer than normal business hours and guards). The FOA pays for GSA recurring reimbursables directly from funds received from HQUSACE. Tenant-requested modifications are considered non-recurring reimbursable costs and are paid out of mission funds. Additional details are at figure 15-1.

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(3) BASOPS Leases (Recruiting): CERE-P is responsible for budgeting and justifying the DOD recruiting facilities program. Estimates for the program are submitted by the FOAs on the Interactive Inleasing System (IIS) (or its successor). The IIS contains all inleasing records for the districts. These estimates are coordinated with the Acquisitions Division, Directorate of Real Estate (CERE-A), who contacts the four branches of the service to determine their requirements and reviews estimates from the FOAs. These estimates are combined with those for the GSA portion of the recruiting leasing program and submitted to CERM for inclusion in the PARR. Payment of the GSA Rent portion of the DOD recruiting leasing program is made by HQUSACE. The FOA pays for non-GSA leases, service contracts and GSA reimbursables (recurring and non-recurring) directly from funds received from HQUSACE.

(4) GSA delegated buildings. GSA has delegated maintenance and management of certain buildings to various DOD agencies including USACE. CERE-P is responsible for budgeting and paying full Rent to GSA for these buildings. Additional details are at figure 15-2.

(5) Harvesting & Disposal of Timber: This account encompasses administrative expenses of district and division offices designated to execute tinter-related actions including disposal of timber, standing timber, and timber products, as well as contract administration, inspection, staff supervision of harvesting of timber, and related personnel training costs. The timber harvest program is for Army only. Monies received from the sale of timber and lumber products are used to finance expenses incurred related to the economic production and sale of lumber and timber products. States share 40% of the net proceeds from installations located within their boundaries. Requirements to pay for expenses incurred are identified as “funded reimbursements.” Beginning with the budget developed in fiscal year (Fy) 89, quarterly estimates for expenses and income will be identified by the FOAs and submitted to CERE-P in accordance with guidance provided by DA. Funding is provided FOAs on an annual basis by FAD.

(6) Agricultural Leasing and Grazing: The Corps is responsible for leasing of Army land for agricultural and grazing purposes. Monies received from leases for agricultural and grazing purposes may be used by military departments to cover administrative expenses for leasing and for financing of multiple land use programs. These receipts may also be used for maintenance, protection, repair or restoration work on leased land (erosion control, reseeding). Requirements to fund expenses are identified as “funded reimbursements.” Beginning with the budget developed in FY 89, quarterly estimates for expenses and income will be identified by the FOAs and submitted to CERE-P in accordance with guidance provided by DA. Funding is provided FOAs on an annual basis by FAD.

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(7) Homeowners Assistance Fund, Defense: This fund provides assistance to DOD military and civilian employee homeowners by reducing their losses incident to the disposal of their homes when the military installation(s) at which they are employed are ordered to be closed or the scope of operations is reduced. The Homeowners Assistance Program (HAP) operates under a two-year biennial budget cycle. In May, CERE-P requests the districts to provide information on any known base closures/realignments and to submit estimates for any known HAP programs. Requests for information are also sent to the secretaries of Army, Navy and Air Force. The HAP budget is formulated based on this information and submitted to OSD through DA. Funds are issued annually, not quarterly, by CERE-P. All requests for increases should be directed to CERE-P. Funds are not normally provided for HAP under the CRA; therefore, FOAs should not obligate funds until a HAP FAD is received. Funds are distributed to districts based on requirements identified by districts in budget estimates provided in May.

(8) Air Force RE Administration: This account finances real estate administration expenses of district offices in connection with Air Force real estate activity and includes acquisition, management and disposal operations. Work is financed on a reimbursable basis. Funds are budgeted by Air Force based on information contained in the HQUSACE COB and knowledge extracted from Real Estate Planning Reports (REPR) submitted by the districts. During execution, FOAs are requested to submit the Current Year (CY) quarterly requirements which are consolidated and provided to Air Force. A Military Interdepartmental Purchase Request (MIPR) is then issued by the Air Force on a quarterly basis. The MIPR is accepted by CERM and sent to CERE-P for preparation of distribution to the FOAs. The FOA distribution is put directly on the Air Force MIPR. The MIPR is returned to CERM for transmittal to the FOAs. Requests for changes in both AFP and allocation should be sent to CERE-P. Surplus funds should be reported immediately and all unobligated funds should be returned at the end of the year. Adjustments to obligations that generate surpluses should be identified as they occur, with funds promptly returned.

(9) Minor Construction, Air Force: This account finances payments for land, deficiency judgments, settlement reimbursements, and damage payments for property acquired by the USACE for the Air Force. Upon Air Force request, the FOAs submit a REPR on property Air Force is interested in obtaining. The REPR is submitted directly to the Air Force with a copy to CERE-A. The Air Force then issues a real estate directive requesting the USACE to obtain this property at a specified price. The Directive is sent to CERE-A who sends copies to the FOA and CERE-P. The Air Force then provides funding through comptroller channels. When funding is received a FAD is sent to the FOA. Funds are for a period of five years at which time they are revoked if no *

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obligations have been incurred. FOAs should insure that surplus funds are returned to CERE-P as soon as they are identified. If project funding expires before completion of the project or if initial estimates were incorrect, additional funds should be requested through CERE-A. Obligations are monitored by CERE-P on a quarterly basis. If funds are required for an upward adjustment to an expired account, FOAs have the authority to process the adjustment using "M" account funds without specific Air Force approval. FOAs should go throught their F&AO for "M" account adjustments.

(10) Army National Guard: Army National Guard (ANG) funds are provided by direct allocation from the Comptroller of the Army (SAFM) to finance rental payments for national guard leases for approved buildings and land. The budget is developed by ANG although FOAs input estimates as a notation in the COB. Prior to the beginning of the FY, HQUSACE provides ANG with a copy of the "Corps Army National Guard Records" produced from the IIS which reflects current ANG leases. Based on this listing and any anticipated acquisitions/deletionst ANG provides funding information to SAFM. This funding is provided to CERM quarterly on a FAD. Based on FAD, CERE-P prepares distribution of funds to FOAs and submits to CERM for distribution. FDA AFP is based on COB estimates and information contained in the IIS lease detail by FOA. Surplus funds should be returned to CERE-P as soon as they are identified. Funding requests for other than leases must be identified separately, forwarded to CERE-P, and approved individually by ANG.

(11) Reimbursable agreements with other agencies: When an interagency agreement is signed which provides funding in advance, the agency involved will send a check and a reverse SF1080 directly to FOA in the amount of the agreement. This is the preferred method of reimbursement but actual details may vary according to the individual agreement.

15-4. Allocation of Manpower Authorizations

a. The manpower allocation process begins in the spring of the CY with final recommended allocations provided prior to the beginning of the new fiscal year.

b. The primary tool used by CERE-P is ENG Form 4564 input, both historical and projected. Because there are many activities for which work is performed but no work units are counted, districts are given the opportunity to state requirements for administrative activities separately.

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c. Scheduled work units are processed through the Manpower Distribution Report feature of the Performance Analysis of Costs, Units, and Manpower System (PACUMS), which produces total manpower requirements. These numbers are compared across fiscal years to determine manpower changes. ENG Form 1685 report is used to identify current actual utilization. Utilization for the current fiscal year is verified by reviewing remaining workload and schedule accomplishments. Manpower changes from the Manpower Distribution Report are then applied to current year utilization. For the Civil Works program, output from the Force Configuration (FORCON) model is an important indicator of manpower requirements. Details of FORCON are available from your local Programs Management Office (PMO). Divisions and Districts are expected to work closely with PMOs to develop input for the annual FORCON submission and ensure that ENG Form 4564 input is fully consistent with FORCON. Unusual situations are discussed with HQUSACE Real Estate personnel and Division Planning and Control (P&C) Chiefs to validate requirements. Based on this analysis, a recommended staffing level is proposal for OMA, MCA and Civil Works. These figures are coordinated with Division P&C Chiefs and then provided to CERM.

d. If the total recommended allocation is less than or equal to current levels, the recommended allocation becomes final and is incorporated into vouchers prepared by CERM. If the recommended allocation is greater than current levels, the difference is negotiated within the HQUSACE Resource Management Advisory Committee.

e. Vouchers provided to Division offices do not separately identify the recommended distribution to Real Estate. Those decisions are made by Division and District Commanders consistent with their priorities for mission accomplishment. CERE-P will provide the recommended distribution to division offices for information purposes.

f. All spaces for support functions outside of Real Estate at districts and operating divisions are either CW or MCA and controlled by CW and E&C Directorates. For that reason those spaces are not included in the distribution provided by CERE-P to Division offices.

g. The current system used by the Real Estate community to establish manpower requirements will continue to be used until a manpower staffing standard has been approved by HQDA for the USACE Real Estate function.

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FIGURE 15-1

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Formulation and Execution of BASOPS Leases (GSA Rent)

a. Formulation.

(1) CERE-P is responsible for budgeting and justifying GSA Rent for the military portion of the USACE under this program element. National Guard and the European Command are also budgeted by CERE-P. All other Army MACOMs and agencies budget and justify their requirements separately. Each year GSA issues Rent estimates based on space currently assigned (as of March 15) to the USACE. These estimates are developed 18 months prior to execution year and are used as the base for computing budgetary requirements for space and related services. At the same time, GSA provides information to assist CERE-P in developing estimates for any requirements not included in the GSA Rent estimate.

(2) They also provide inflation factors which enable CERE-P to estimate charges for recurring and non-recurring reimbursable services. This information is itemized by building and includes the classification of the space, square footage, rent rate per square foot and total estimated cost for the year. (The GSA rate-setting system provides an appeal procedure if the USACE determines rates to be inaccurate or excessive. The procedures are specifically addressed in Federal Property Management Regulations.) The cost of the current space assignments is guaranteed not to increase in the budget year. The cost of projected requirements is not guaranteed because the actual rate can only be established after the building in which the space will be provided has been identified. CERE-P send a copy of the Rend Estimate to the FOAs and requests information on increases/decreases to existing leases and anticipated additions/deletions in space requirements. Based on the GSA information and data provided by the FOAs, CERE-P develops an estimate for GSA Rent and related services which is submitted to CERM for inclusion in the COB.

b. Execution.

(1) Although CERE-P programs and budgets only for its portion of GSA rent as stipulated in the preceding paragraph the Headquarters is responsible for payment of the entire GSA rent bill for all Army activities. Army MACOMS will provide funds for their portion of the Rend bill. They must pay for all reimbursable services. Rent bills are issued quarterly, in advance, with adjustments in arrears. In addition, there is a year-end reconciliation billing which is prepared ten days before the end of the fiscal year to make final adjustments For the fiscal year. Rent bills contain the same level of detail as the Rent Budget Estimate. Bills and payments should not be adjusted to *

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correct errors in estimates or actual costs. GSA Form 2972 should be used to request adjustments to GSA quarterly bills. If adjustments are not made within two quarters, GSA Form 2992 should be submitted to withhold payment.

(2) Civil-funded USACE leases are financed by FOAs.

(3) The Ft Worth District has the responsibility for the financial mechanics of the Rent program and makes all collections as well as payments directly to GSA on behalf of HQUSACE. CERE-P receives a computer tape and three hard copies of the GSA quarterly Rent bill. The tape is sent via computer to the FOAs who retrieve data pertinent to them. FOAs send an SF#1080 for the Civil portion to Ft Worth along with a summary listing showing the allocated charge between military and civil. A copy of the summary listing is sent to CERE-P along with copies of any forms sent to GSA for correction to the bill. Following are some commonly used GSA form which are available from the Regional GSA Public Building Service office:

- GSA 2957 - Used to request recurring or non-recurring type services from GSA. Form contains fund cite and certification of fund availability. Form is sent to GSA. GSA estimates cost and returns the form to the FOA where the amount is certified as a valid obligation and sent back to GSA

- GSA 2970 - Used for adjustments or corrections of the agency/bureau code, billed office address code, and the agency/bureau name.

- GSA 2972 - Used to request adjustments to space and dollars on the quarterly bills. The original is sent to GSA region with a copy to CERE-P.

- GSA 2992 - Used to withhold payment when adjustments have not been made by GSA. The original is forwarded to CERE-P along with information to support non-payment.

- GSA 2992-A Used by GSA to reply to GSA 2992.

(4) Requests for increased GSA space must have prior approval from the Director of Real Estate (CERE-ZA). Requests should be submitted in writing with full justification to CERE-ZA.

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Formulation and Execution for GSA Delegated Buildings

a. Formulation: In March/April GSA requests an estimate of costs for delegated buildings. This request is transmitted to the KY CERE-P. The FOAs respond and this information is analyzed and consolidated for reply to GSA.

b. Execution.

(1) Funds will be provided by GSA through an allocation account established at the Department of Treasury. These funds will be received by CERM-B and distributed to the FOAs based on information provided by CERE-P. Funds are available for obligation as follows:

Real Property Operations - one fiscal year
Rental of Space - one fiscal year
Recurring Repairs - Available until obligated but any end-of-year unobligated balance will be reapportioned and made available in subsequent year.

(2) HQUSACE will be required to submit monthly reports to GSA which reflect expenditures by activity (SF 133, Report on Budget Execution) as well as an end of year report (TFS 2108 Year-End Closing Statement). FOAs will submit information to HQUSACE who will consolidate and report to GSA.

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