



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
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CA-24-01, Real Property Cost Accounting and Sub-Object Codes

Controller Alerts are designed to highlight emerging financial management issues that may require agency attention or action. These Alerts are intended to inform the Chief Financial Officer (CFO) community of key issues where the Office of Management and Budget (OMB) believes further action may be warranted, but do not constitute official guidance or prescribe specific tasks for agencies beyond consideration of appropriate steps to address the issue.

A core component of this Administration's real property strategy is to optimize Agencies' real property portfolios through sound capital planning that takes into consideration cost. To that end, agencies must be able to more accurately and consistently report on real property spend categories. As an initial step Agencies will receive a budget data request (BDR). The BDR will require agencies to provide budget data for six common real property spend categories; these data will be used to discuss trends with Deputy Secretaries as well as further policy analysis for the implementation of real property business standards.

In order to help agencies collect and report this information in an automated fashion, a new method to track budget and expenditure items have been developed using budget sub-object class codes in their financial management systems. Agencies are encouraged to adopt the sub-object class codes to better track real property spend categories, however, it should be noted that it is not mandatory. Agencies have the discretion to follow this pilot method or determine other ways to provide this information to OMB.

New Sub-Object Class Code Reporting pilot

The Federal Real Property Council partnered with its member agencies to create the new FIBF reporting system. The Federal Integrated Business Framework (FIBF), which provides Real Property Management (RPM) and Federal Financial Management (FFM) Business Standards, now provides a link between real property and financial management information through the business information exchange (BIE) specifications. The linkage provided through the business data elements and the BIE enables information to be used in a coherent manner in both the RPM and FFM Business Standards, which enables the tracking of real property spending within financial management systems via budget sub-object class codes.

RPM Business Standards categorize budget data based on the standard asset lifecycle model of Acquisition – Management in Use (Sustainment) – Disposal. Within each lifecycle phase, budget data is further segmented based on legal interest (owned or leased) and asset cost category. The table below provides the breakout of the RPM cost categorizations.

Acquisition/Construction		Sustainment		Disposal	
Owned	Leased	Owned	Leased	Owned	Leased
Construction Acquisition Improvement Land (GPP&E)	New Requirement Replace Existing Lease Alterations & Improvements	Operations & Building Services Recurring Maintenance Repairs Deferred Maintenance Environmental Compliance	Rent to GSA Rent to others Other related O&M costs Energy/Resiliency Enhancement	Disposal Fees Environmental Remediation	Decommissioning Environmental Remediation

The FFM Business Standards specify that the RPM categorization of budget data be provided to agency financial management systems using the Accounting Classification Structure (ACS) data element the “agency sub-object class”.

The agency sub-object class four-digit code for real property is linked to the budget object class code structure in OMB Circular A-11, Section 83 Schedule O. Each sub-object code resides under an identifiable budget object class code in Schedule O. The table below illustrates the link between the Circular A-11 Section 83 Schedule O Budget Object Classes (BOC) and the agency sub-object classes specified in RPM/FFM Business Standards.

Digit	OMB Budget Object Class			Sub-Object Class			
	1	2	3	1	2	3	4
OMB/RPM Business Data Element	Major Object Class	Major Object Class	Major Object Class	FIBF Functional Area	RPM Asset Lifecycle Phase	RPM Asset Cost Category	RPM Asset Cost Subtype
Code	Refer to OMB A-11 Section 83	Refer to OMB A-11 Section 83	Refer to OMB A-11 Section 83	5 (RPM)	1 through 7	A through S	Reserved for future OMB Use
Example Code Value	2	6	0	5	3	1	Constant Value of Zero
Example Code Name	Repair - Supplies and Materials			Real Property Management	Operations & Maintenance- Owned Property	Repairs	

Note that the first three digits of the Circular A-11 BOC code are required. The first three digits of the sub-object class code is required to track specific budget elements. The fourth digit of the sub-object class code is not available for agency use as it is reserved for future use by OMB and will have a value of zero.

The Treasury Financial Management Quality Service Management Office (FM QMSO) Marketplace requires all core financial management systems to align with the FFM Business Standards, including incorporation of the agency sub-object class in the ACS. If an agency's current financial management system lacks the capability to incorporate use of the agency sub-object class, the capability must be included in the next financial management system update.

The full list of real property sub-object class codes and the Section 83 BOC code that links to each sub-object code is provided in the Excel workbook [at this link](#).

Agencies are encouraged to adopt the sub-object codes, as soon as feasible, to track budget and expenditure items and use the enhanced transparency to better direct and manage available resources.

If you have questions regarding this Controller Alert, please direct them to Bill Hamele (whamele@omb.eop.gov) of OMB's Office of Federal Financial Management.

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