

CONTROLLER ALERT: Reduce the Footprint Policy

This Controller Alert brings your attention to emerging financial management issue that may require agency attention or action. These Alerts are designed to make sure that the CFO community is aware of key issues where OMB believes further action may be warranted, but do not constitute official guidance or include specific tasks for agencies beyond consideration of appropriate steps to address the issue.

OMB issued the *Reduce the Footprint* (RTF) policy in March, 2015, to support the implementation of the *National Strategy for the Efficient Use of Real Property*. This Controller alert clarifies how reductions for owned property will be calculated.

Section 4a of the RTF policy “Reduction Targets to Dispose of Owned Buildings” states that agencies will receive a reduction credit for disposal of owned properties for the disposal methods of public benefit conveyance, Federal transfer, sale, and demolition. Since the RTF policy was issued in March of 2015, the list of approved disposal methods has expanded per the Federal Real Property Council’s “2015 Guidance for Real Property Inventory Reporting” (Guidance) which was released on April 30, 2015. The Guidance added the new disposal methods of exchange, loss due to disaster, reversion to prior owner, loss due to training exercise, and return to host nation/tribe.

All of the new disposal methods will generate a square foot reduction credit for any agency that uses them to dispose of property. All of these disposal methods remove property from an agency’s inventory so the reduction credit is appropriate.

If you have any questions regarding this alert, please contact William Hamele (202-395-7583, whamele@omb.eop.gov)