



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
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CA-24-04, Real Property Cost Accounting and Sub-Object Codes (UPDATED)

This Controller Alert updates and replaces the alert previously issued on April 22, 2024.

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.

This Controller Alert updates and replaces Controller Alert CA-24-01 issued on April 22, 2024. The purpose of the update is twofold: first, it provides a link to the new real property section in OMB Circular A-11, "Preparation, Submission, and Execution of the Budget," namely section 51.22, "Real property investment and sustainment." Second, it modifies and replaces the table of sub-object class codes provided in CA-24-01 for use in connection with the FY 2027 President's budget. Agencies can use the sub-object class codes discussed in this Controller Alert to complete the exhibit for the FY 2027 President's budget or their own method.

Section 51.22 of Circular A-11 can be viewed [here](#). The purpose of section 51.22 is to require agencies covered by [OMB Memorandum M-20-03](#) to complete the new real property exhibit for the fiscal year (FY) 2027 President's budget. If agencies use sub-object class codes developed by OMB to complete the exhibit for the FY 2027 President's budget, they must use the version of the table in this Controller Alert.

Background on Development of Sub-Object Class Codes

A core component of this Administration's real property strategy is to optimize Federal 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.

To help agencies collect and report this information in an automated fashion, OMB developed a new method for agencies to track budget and expenditure items in their financial management systems using budget sub-object class codes. Agencies are encouraged to adopt the sub-object class codes to better track real property spend categories; however, adopting the codes 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 Federal Integrated Business Framework (FIBF) reporting system. The 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.

Table 1. Breakout of RPM cost categorizations.

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

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 called “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 class 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.

Table 2. Sub-Object Class Codes.

1	2	3	4
FIBF Functional Area	RPM Asset Lifecycle Phase	RPM Asset Cost Category	RPM Asset Cost Subtype
5 (RPM)	1 through 7	A through S	A-K
5	3	I	E
Real Property Management	Operations & Maintenance-Owned Property	Repairs	Supplies and Materials

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 are required to track specific budget elements. The fourth digit of the OMB BOC 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 class 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 OMB's Office of Federal Financial Management.

Deidre Harrison
Deputy Controller, OMB