

Introductory High-Level  
Description of the  
Exhibit 54  
Space Budget Justification  
Process

# Purpose of the Exhibit 54 Submission

- ▣ **Summer submission** – The Department Budget Offices (POB) uses a *modified* Exhibit 54 format as a mechanism to calculate the “Fixed Costs” (“inflation”) that DOI inputs into the fall budget submission to OMB.
- ▣ **September submission** – OMB Circular A-11 requirement. OMB collects them, rarely requires any additional clarification, and gives a copy to GSA so they have an idea of their out-year operating costs and locations where rent needs may be changing in the future.
- ▣ For POB and bureau budgeting, the summer submission is the most important.

# Exhibit 54 Timeline - Summer

- ▣ Three to four weeks after GSA releases the estimates (normally between June and September) for the Budget Year completed Exhibit 54s are due to the Space Coordination Office for submission to POB.
- ▣ The Exhibit 54 is used to determine your “Fixed Costs” or inflation needs for the upcoming budget.
- ▣ It should be reviewed and transmitted electronically by your bureau Space Coordinator to the PAM Space Coordination Office for review and submittal to POB.
- ▣ While “Fixed Costs” are uncontrollable cost increases for the bureau, they are not automatic budget increases.

# Exhibit 54 Timeline - September

- ▣ September submission to OMB - In August you may need to revise your Exhibit 54 to match final budget decisions and make any other corrections needed.
- ▣ If no changes are needed, the original Exhibit 54 will be submitted.
- ▣ Before transmittal to OMB, POB removes the “Fixed Costs” tab, which is not part of the approved Circular A-11 format.
- ▣ POB/PAM retain your original submission for internal use.

# Budget Terms

- ▣ **“Fixed Costs”** – Part of our budget request that is self-explanatory. We are not making space changes, but the rent is changing due to inflation or deflation, removal of tenant improvement costs, etc. This is not an automatic increase in your budget from OMB; this is the amount of your budget that must be set aside for these rent costs.

# Budget Terms (cont'd)

- ▣ **Program change** –Special write up in budget since we are proposing a new mission. There might be a program change for rent if a new mission requires the bureau to obtain new space to fulfill the mission requirements. These are rare in the current environment.

# What is covered in Exhibit 54

- ▣ The bureau Exhibit 54 is to cover all your rent, whether paid for by a General Services Administration budget line or direct lease program funds except for...the Main Interior Complex (MIB and SIB)

# What is covered in Exhibit 54 – MIB/SIB Guidance

- ▣ Per Circular A-11, a bureau's Exhibit 54 should not include MIB/SIB costs. DOI/OFAS is the delegated lessee and completes the Exhibit 54 for the DOI MIB/SIB.
- ▣ For the summer Fixed Costs calculation, the DOI Budget Office determines the Fixed Costs for these buildings and POB adds that to the bureau Fixed Cost total.
- ▣ Including MIB/SIB in your Exhibit 54 will confuse the issue and cause your Exhibit submission to be rejected.

# What is covered in Exhibit 54

## Rental Payments, Corrections, and Adjustments

- ▣ This is how you determine the Fixed Costs for the budget cycle. We use the GSA Rent estimates (covers all changes such as rent and operating cost changes) and your Corrections (chargebacks) input.
- ▣ These corrections are the shown in the tabs in the Exhibit 54 for the years covered.
- ▣ Bureaus make corrections to the GSA rent estimates based upon current accurate rental costs; these are critical to ensure proper budget controls.

# What is covered in Exhibit 54

## Planned Changes to GSA inventory

- ▣ A bureau may be planning to increase or decrease space on their own initiative. These changes are not proposed or enacted in any budget document.
- ▣ The Department does not provide you additional funds for more space or take away funds if reducing space.
- ▣ These are also shown in the tabs of the Exhibit 54 for the years covered.

# What is covered in Exhibit 54

## Program Changes.

There might be a program change for rent if a new mission requires the bureau to obtain new GSA space to fulfill the mission requirements. These are rare in the current environment. Again, these items would be found in Section IV of the tabs of the years covered.

# What is covered in Exhibit 54

## Funding Sources

- ▣ Work with your bureau budget office to complete. Bureau's must identify the amount of rent paid for with direct appropriations, reimbursables (Economy Act), or fee/revenue accounts (like Recreation entrance fees).
- ▣ Fixed Costs apply only to the proportionate amount paid by direct appropriations.
- ▣ Funding sources and amounts are entered in the SUM Tab of the Exhibit 54 and the Fixed Costs Tab for security costs.

# What is covered in Exhibit 54

- ▣ Only for the summer submission, the Fixed Costs Tab determines Security and O&M delegation costs.
- ▣ Figures must be consistent with the Homeland Security (Federal Protective Service) out-year estimates and cost of living percentage increases (provided by the SCO).
- ▣ Non-Federal Security Costs – provide actual costs paid for building security not to FPS for direct leased assets.

# Inflation Factors



- ▣ Exhibit 54 - Includes an OMB approved inflation factor for each year.
- ▣ This inflation factor is provided to you by the Space Coordination Office on the revised blank Exhibit 54.
- ▣ Inflation factors can only be used for rent increases where formulae exist within the Exhibit 54; bureaus will not separately make inflation adjustments to enter into the Exhibit 54.

# Summary

- ❑ The Exhibit 54 provides a summary of GSA provided space and direct leases and funding. As such it is a useful tool for senior management to understand the implications of space cost changes and out-year costs.
- ❑ The Exhibit 54 is set up to project rent for planned inventory changes. This projected rent becomes the basis for how much of your budget must be set aside (“fixed”).
- ❑ Rent increases do not result in automatic budget increases; increases are additional funds that the bureau must set aside from mission funds to pay for rent.
- ❑ Increases in rent may result in less funding for mission related activities and assist in making tough decisions about funding space versus mission.

**Thanks for your time and  
the work you do to support the budget process.**

# Contact/Links

Link to OMB Circulars:

<http://www.whitehouse.gov/omb/circulars/index.html>

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