

15 FAM 160 FUNDING RESPONSIBILITIES OF OCCUPYING AGENCIES

*(CT:OBO-2; 08-26-2005)
(Office of Origin: OBO)*

15 FAM 161 INTRODUCTION

*(CT:OBO-2; 08-26-2005)
(Uniform State/USAID/Commerce/Agriculture/DIA)*

This section covers the following costs related to U.S. Government-owned or -leased residential, office, and other functional space: leasehold costs, building operating expenses (BOE), costs related to preparing short-term leased (STL) residences for occupancy, telephone costs, taxes, and condominium fees. Funding maintenance and improvement costs is in 15 FAM 600; funding of furniture, furnishings, appliances, and equipment is in 15 FAM 700; and funding of fire protection equipment is in 15 FAM 800. (See also 15 FAM Exhibit [161](#).)

15 FAM 162 U.S. GOVERNMENT OWNED AND LEASED SPACE

15 FAM 162.1 U.S. GOVERNMENT-OWNED/LONG-TERM LEASED (GO/LTL) SPACE

*(CT:OBO-1; 04-29-2005)
(Uniform State/USAID/Commerce/Agriculture/DIA)*

- a. **Long-term leased (LTL) costs for office/functional and residential space** are Bureau of Overseas Buildings Operations (OBO) funds leasehold costs for all LTL office/functional and residential space regardless of the occupying agency, except for certain USAID properties.
- b. **Building operating expenses (BOE) for office/functional and residential space** are building operating expenses for U.S. Government-owned/long-term leased (GO/LTL) office/functional and residential space that is the responsibility of the occupying agency, either directly or through International Cooperative Administrative Support Services (ICASS).

- c. **USAID operating costs** are USAID funds operating costs for USAID-owned or -leased properties. Various funds may be authorized and used for maintenance and repair costs. Operating expenses (OE) funds or one of the project-funded accounts may be charged, if appropriate. The mission should also consider trust funds, if available and with the agreement of the host government, and U.S.-owned currency. USAID will determine which funds are to be used.
- d. **Other costs** include OBO funding for maintenance and repair, minor improvements, capital construction, and major improvement projects for GO/LTL office/functional and residential property under the jurisdiction of the Department of State, with the following exceptions (see 15 FAM 600 and 15 FAM 700):
 - (1) Alterations peculiar to the needs of another agency or for space not normally usable by other agencies (such as dark rooms, libraries, vaults) and subsequent restoration of that space to its normal condition shall be funded by the using agency upon approval from OBO and the parent agency; and
 - (2) Repairs necessitated by deliberate acts or negligence shall be the responsibility of the individual involved or the agency occupying the space, as appropriate under the circumstances.

15 FAM 162.2 SHORT-TERM LEASED (STL) SPACE

(CT:OBO-1; 04-29-2005)

(Uniform State/USAID/Commerce/Agriculture/DIA)

a. Nonresidential space—sole occupancy:

- (1) **Non-State:** For office or functional short-term leased (STL) properties occupied solely by a single agency, lease costs and building operating expenses (BOE) such as utilities, custodial services, and other operating costs, are funded by that agency. Agencies may subscribe to receive BOE services for STL office and functional properties through the International Cooperative Administrative Support Services (ICASS) STL Nonresidential Building Operations Cost Center if that is appropriate based on conditions at post, including the ICASS service provider's ability to provide the service;
- (2) **State:** When State (program) is the sole occupant, the Bureau of Overseas Buildings Operations (OBO) funds lease costs and diplomatic and consular programs (DCP) funds BOE. State may subscribe to receive BOE services for STL office and functional properties through the ICASS STL Nonresidential Building Operations Cost Center if that is appropriate based on conditions at

- post, including the ICASS service provider's ability to provide the service;
- (3) ICASS: For office or functional property occupied by ICASS staff, lease costs and BOE are funded from the ICASS allotment.
- b. **Nonresidential space—joint occupancy:** When office or functional space is occupied by several agencies, those agencies are charged for their proportionate share of lease costs and BOE through ICASS unless the situation complies with all criteria for direct charging per 6 FAH-5 H-902, paragraph c (Cost Distribution Principles).
- c. **Residential space:**
- (1) Non-State: Lease costs for STL residences are funded by the occupant's agency directly. Only in cases that do not meet the criteria for a direct charge (6 FAH-5 H-902, paragraph c) should posts consider charging for STL residential leases through ICASS. Agencies may subscribe to receive BOE services for STL residential properties through the ICASS STL Residential Building Operations Cost Center if that is appropriate based on conditions at post, including the ICASS service provider's ability to provide the service;
- (2) State: For STL residences occupied by Department of State Program employees, OBO funds lease costs and DCP funds BOE. State may subscribe to receive BOE services for STL residential properties through the ICASS STL Residential Building Operations Cost Center if that is appropriate based on conditions at post, including the ICASS service provider's ability to provide the service;
- (3) ICASS: For STL residences occupied by ICASS employees, lease and BOE costs are funded from the ICASS allotment.
- d. **Preparation for occupancy of STL residences:**
- (1) It may be necessary to prepare leased property for occupancy in order to meet safety, hygiene, comfort, and efficiency standards, as well as to meet specific operational requirements. Posts may expend up to \$5,000 from DCP or ICASS funds, as appropriate, to prepare Department of State-held STL residential properties for occupancy. For all other agencies, the occupying agency pays similar make-ready expenses for residential properties. Justification and accounting documentation should be maintained in the lease file;
- (2) Each regional bureau, the Bureau of International Organization Affairs (IO), and parent agency may establish a limitation on make-ready expenses below this ceiling and, at its own discretion, establish guidelines and procedures under which its posts may apply for release from the limitation. This limitation applies to all

agencies under the authority of the chief of mission (COM), except USAID and the Defense Intelligence Agency (DIA), which retain control over such expenditures through their own statutory authority and administrative guidance.

15 FAM 163 RESIDENCES OCCUPIED BY TANDEM COUPLES

(CT:OBO-1; 04-29-2005)

(Uniform State/USAID/Commerce/Agriculture/DIA)

- a. When members of a tandem couple are employed by different agencies and occupy a U.S. Government short-term leased (STL) residence, all costs, including rent, building operating expenses (BOE), and preparation for occupancy, are shared evenly between the two agencies. This may be accomplished through a use agreement. If one member of the tandem couple is an International Cooperative Administrative Support Services (ICASS) employee, the cost sharing can be accomplished through the appropriate reflection of costs and square footage counts in the ICASS software. (See also 15 FAM 237A.)
- b. When members of a tandem couple working for different agencies occupy a U.S. Government-owned/long-term leased (GO/LTL) residence in the custody of the Department of State, the lease cost is paid by the Bureau of Overseas Buildings Operations (OBO) and BOE costs are shared as in paragraph a of this section.
- c. When one member of a tandem couple is authorized designated housing (chief of mission residence (CMR), deputy chief of mission residence (DCMR), or consulate general residence (CGR) when principal officer (PO)), the Department of State will pay all costs.
- d. When one member of a tandem couple is authorized dedicated housing and the housing is STL, the agency for which the unit is dedicated will pay all costs.

15 FAM 164 DISPLACEMENT AND CHANGES IN OCCUPANCY

(CT:OBO-1; 04-29-2005)

(Uniform State/USAID/Commerce/Agriculture/DIA)

- a. **Office or functional space:** When one agency's activities or personnel are moved from assigned office or functional space to accommodate another agency's activities or personnel of another agency, the agency that will occupy the space pays the following:

- (1) Moving costs;
 - (2) Basic fit out of new space for the displaced agency; and
 - (3) Lease costs and building operating expenses (BOE) until funds for the continuing costs of alternative space can be budgeted by the displaced agency, but not to exceed costs accruing to the end of the following fiscal year.
- b. **Residential short-term leased (STL) space:** When personnel of one agency are assigned to STL residential quarters previously funded by another agency, funding responsibility will shift (see also 15 FAM 233). The vacating agency remains responsible for the ongoing lease and related costs of the residential unit until the post interagency housing board (IAHB) assigns it to another agency. The shift in funding responsibility takes place on the date of assignment by the IAHB or the day following the date the employee moves out, if later than the date of assignment, not on the date of occupancy of the unit. (Leases may be retained on units between occupancies for no longer than 90 days; see 15 FAM 313.5.)

15 FAM 165 SECURITY COSTS

(CT:OBO-1; 04-29-2005)

(Uniform State/USAID/Commerce/Agriculture/DIA)

- a. With the exception of the authorities of the USAID Office of Security, the Bureau of Overseas Buildings Operations (OBO) funds major and minor physical security upgrades for nonresidential U.S. Government-owned/long-term leased (GO/LTL) and State-occupied short-term leased (STL) properties, including the installation, maintenance, repair, and rehabilitation of public access and perimeter controls and physical security upgrades. The Bureau of Diplomatic Security (DS) maintains and provides parts for technical security equipment such as simplex and cipher locks, closed-circuit televisions (CCTVs), alarms, and vehicle and personnel barriers.
- b. DS funds security upgrades to U.S. Government-held and privately leased residential properties, within budgetary constraints, for all agencies. Prior authorization and funding must be requested from DS through the regional security officer/post security officer (RSO/PSO).

15 FAM 166 PAYMENTS FOR TELEPHONE SERVICE

15 FAM 166.1 Payment of Initial Installation Costs

(CT:OBO-1; 04-29-2005)

(Uniform State/USAID/Commerce/Agriculture/DIA)

Posts will pay the initial installation costs of telephones in U.S. Government-owned or -leased residences occupied by Department of State program employees using the diplomatic and consular programs (DCP) appropriation allotted by the regional bureaus or the Bureau of International Organization Affairs (IO). International Cooperative Administrative Support Services (ICASS) will fund initial installation for ICASS employees. State will not pay the initial installation costs when residences are occupied by other agency personnel. Telephone installation costs for other agencies require the approval of that agency. Under no circumstances may posts pay for installation of private telephone service in quarters obtained under living quarters allowances (LQAs); the cost of such installation may be claimed by the employee under the Foreign Transfer Allowance (Standardized Regulations, section 240).

15 FAM 166.2 Payment of Continuing Charges

(CT:OBO-1; 04-29-2005)

(Uniform State/USAID/Commerce/Agriculture/DIA)

- a. Except as provided in this section, the occupant is required to pay the continuing service charges on all private telephones in U.S. Government-owned or -leased residential quarters.
- b. Continuing charges on all telephones required in the chief of mission/principal officer (COM/PO) and U.S. Government representative to international organization residences may be reimbursed. However, no reimbursement shall be made for personal calls.
- c. In the absence of the COM or U.S. Government representative to an international organization for more than one month, reimbursement to the chargé d'affaires or acting U.S. representative to an international organization may be made retroactively to the first day of absence by the COM/PO or U.S. representative to an international organization.

15 FAM 166.3 Limitations on Payments for Telephone Service

(CT:OBO-1; 04-29-2005)

(Uniform State/USAID/Commerce/Agriculture/DIA)

As a general rule, the post will pay for the installation and removal of only one standard telephone instrument and the trunk line serving it in each U.S. Government-owned or -leased residence. The post or other agency may pay for the installation and removal of more than one instrument, upon the determination by the chief of mission/principal officer (COM/PO) or U.S. representative to an international organization or other agency head that additional service is required for official business or for security reasons, provided that existing allotments of funds are adequate.

15 FAM 166.4 Telephone Charges for Unassigned Residences

(CT:OBO-1; 04-29-2005)

(Uniform State/USAID/Commerce/Agriculture/DIA)

When U.S. Government-held residential quarters are unassigned, continuing telephone service charges may be paid by the post upon a finding by the single real property manager (SRPM), or his or her designee (for USAID, the executive officer), that such action will be more economical than the payment for removal and subsequent reinstallation, or that subsequent reinstallation cannot be made on a timely basis. In such cases, the vacating agency pays ongoing costs until a new occupant is assigned to the property (see also 15 FAM 164, paragraph b).

15 FAM 167 TAXES AND RATES

15 FAM 167.1 Policy

(CT:OBO-1; 04-29-2005)

(Uniform State/USAID/Commerce/Agriculture/DIA)

The U.S. Government seeks tax exemptions, to the extent possible, on owned and leased real properties.

15 FAM 167.2 General Prohibition Against Payment of Taxes on Conveyance or Registration of Title

(CT:OBO-1; 04-29-2005)

(Uniform State/USAID/Commerce/Agriculture/DIA)

No taxes on U.S. Government-owned or -leased property for the conveyance of title to property or for the registration of title documents, levied by the local government or a political subdivision thereof, shall be paid unless authorized by the funding agency in the first instance of payment.

15 FAM 167.3 Exemption from Taxes

(CT:OBO-1; 04-29-2005)

(Uniform State/USAID/Commerce/Agriculture/DIA)

The post should make best efforts to obtain exemption from taxes and rates on all or any of the following bases:

- (1) By invoking the provisions of treaties and conventions (such as the Vienna Convention on Diplomatic Relations and Vienna Convention on Consular Relations) or other applicable agreements, such as bilateral consular conventions or friendship, commerce and consular rights agreements, or those concluded under authority of the Diplomatic Relations Act (22 U.S.C. 254(a));
- (2) By reciprocity, where applicable; and/or
- (3) By the application of customary international law.

15 FAM 167.4 Occupier's Tax on Leased Property

(CT:OBO-1; 04-29-2005)

(Uniform State/USAID/Commerce/Agriculture/DIA)

- a. The tax structure in some countries places realty taxes on the occupier rather than on the owner or assesses lease taxes on the tenant. Accordingly, the Department of State or USAID, as tenant in officially leased quarters, is liable for the tax in the absence of exemption. Therefore, in countries where there is such occupier's (tenant's) tax, leases should be drawn to permit exemption and the exemption should be secured, as such taxes levied on the tenant mission by the host government are granted exemption under the Vienna Diplomatic and Consular Conventions and certain bilateral agreements.
- b. By comparison, real property taxes that are levied on the owner of property and "passed along" in the lease to the U.S. Government as tenant are generally not granted exemption under governing treaties. In

this instance, since the owner or lessor is unwilling to assume full responsibility for payment of the taxes, the lease should state that the owner or lessor will assume responsibility for making the payment of the taxes and the amount of the tax should be negotiated as part of and included in the total rental amount (but not specifically itemized in the clause regarding rental rate).

15 FAM 167.5 Specific Services Rendered/ Beneficial Rates

(CT:OBO-1; 04-29-2005)

(Uniform State/USAID/Commerce/Agriculture/DIA)

- a. When reporting on taxes assessed against U.S. Government-owned properties, the post should indicate whether the assessment is, in whole or in part, for "specific services rendered," sometimes called "beneficial rates." "Specific services rendered" or "beneficial rates" are the amounts charged (often as taxes) for services that benefit the property directly, such as water or sewer charges, refuse removal, and installation of sewers, gutters, or curbs. Such charges should be quantified in a manner that is reasonably related to the amount of goods or services provided, such as by gallonage or wattage. The U.S. Government normally pays these charges for "specific services rendered" or "beneficial rates" for U.S. Government-owned property without protest but refuses to pay, or pays under protest, general revenue taxes.
- b. For properties held under long-term lease (LTL) and short-term lease (STL), taxes, assessments, and other charges of a public nature are normally considered the lessor's responsibility under the terms of the lease. Only with exception and after negotiation should post agree to assume responsibility for any of these types of payments.

15 FAM 167.6 Tax Payments

(CT:OBO-1; 04-29-2005)

(Uniform State/USAID/Commerce/Agriculture/DIA)

All tax payments, except for those associated with purchases of real property, are paid from post-held building operating expenses (BOE) funds or the user agency's operating expenses (OE) funds.

15 FAM 168 CONDOMINIUM FEES

(CT:OBO-1; 04-29-2005)

(Uniform State/USAID/Commerce/Agriculture/DIA)

- a. Condominium fees typically cover maintenance and utilities for common areas of a building. These costs are normally associated with real property maintenance. Normally, routine maintenance of a property (i.e., building systems, periodic painting, general upkeep) is included in the rental charges for noncondo properties.
- b. Condo fees for State Department short-term leased (STL) properties, exclusive of unit utility costs, whether included in the lease amount or separately denominated and not included as part of the lease payment, are properly chargeable to the Bureau of Overseas Buildings Operations (OBO) function code for leaseholds.
- c. That portion of a condo fee that includes association dues or specific assessments for use of common areas for recreation (e.g., tennis courts, health or exercise facilities, pools) is not a proper charge to the OBO leasehold or maintenance and repair function codes and should be charged to the appropriate diplomatic and consular programs (DCP) or International Cooperative Administrative Support Services (ICASS) account, or to the occupant if the charges are elective.
- d. In certain cases, condominium fees are associated with some U.S. Government-owned/long-term leased (GO/LTL) properties. Condo fees, exclusive of unit utility charges, which are subject to the limitation in paragraph a of this section for GO/LTL properties, logically can be considered as covering routine maintenance of real property and, as such, are properly chargeable to the OBO function code for routine maintenance and repair.
- e. Procedures for payment of condo fees for agencies other than the Department of State should be developed in discussions with agency headquarters, but the occupying agency should pay the fees.

15 FAM 169 ENERGY COST CONTROLS

15 FAM 169.1 Energy Management and Controls

(CT:OBO-1; 04-29-2005)

(Uniform State/USAID/Commerce/Agriculture/DIA)

Posts should reduce energy consumption and costs by using energy efficient products and practices. To the extent possible, posts shall require vendors

and suppliers to provide appropriate data that can be evaluated to assess the lifecycle costs of goods and equipment, including building systems components, lighting systems, and other energy-consuming appliances and equipment. A vigorous policy should be pursued for turning off appliances, equipment, and lighting when not required in all functional and residential space. The Bureau of Overseas Buildings Operations (OBO) can assist posts by providing product information, assistance with audits of electric consumption, and information on energy-savings techniques. Large-scale conversion programs may be funded as special maintenance and repair (M&R) with OBO approval.

15 FAM 169.2 Residential Cost Controls for Utilities

(CT:OBO-1; 04-29-2005)

(Uniform State/USAID/Commerce/Agriculture/DIA)

- a. The single real property manager (SRPM) for the Department of State and the executive officer for USAID are responsible for ensuring that costs of utilities for U.S. Government-held residences are carefully controlled and held to reasonable levels. The SRPM and the USAID executive officer, in coordination with the post interagency housing board (IAHB), shall take appropriate administrative measures, to include establishing utility ceilings for some or all residential quarters, as needed.
- b. To ensure that the use and cost are held to reasonable levels, and as a basis for establishing a ceiling, cost records for U.S. Government-held residential quarters will be maintained and data collected on utilities in comparable privately-leased living quarters allowance/overseas housing allowance (LQA/OHA) quarters. The SRPM and the USAID executive officer, in coordination with the post IAHB, will ensure uniformity among the agencies at post in establishing ceilings or in taking other administrative action to control costs.

15 FAM EXHIBIT 161 CHECKLIST OF COSTS AND FUNDING SOURCES

(CT:OBO-2; 08-26-2005)

This table identifies most major costs and funding sources covered in 15 FAM. Users should consult referenced subchapters for detailed information, keeping in mind that there are many exceptions to the general rules. Funding for USAID-owned and -leased buildings is not reflected in the checklist.

ITEM OF COST	PROPERTY	TYPE	OCCUPANTS	FUNDING	REFERENCE
LEASE COSTS	LTL	O & R	DOS/OA	OBO	117.1
	STL	O & R	DOS only	OBO	117.2
	STL	O & R	OA only	OA	117.2
	STL	O	DOS/OA	ICASS or OBO/OA	117.2
BOE*	GO/LTL/STL	O	DOS/OA	ICASS or DCP/OA	117.1
	GO/LTL/STL	O & R	OA sole*	OA or ICASS	117.1
	STL	O	DOS only	ICASS or DCP	117.2
MAKE READY	STL	R	DOS only	DCP	117.2
	STL	R	OA only	OA	117.2
	STL	R	DOS/OA	ICASS	117.2
PHYSICAL SECURITY UPGRADES	GO/LTL	O	DOS/OA	OBO**	117.5
	STL	O	DOS only	OBO	117.5
	STL (&LQA)	R	DOS/OA	DS	117.5
TECHNICAL SECURITY EQUIPMENT	GO/LTL/STL	O	DOS/OA	DS	117.5
M&R/ IMPROVEMENTS	GO	O & R	DOS/OA	OBO	612.3
	LTL	O & R	DOS/OA	Lessor/OBO	612.3
	STL	O & R	DOS/OA	Lessor	612.3
	GO/LTL	R	Marine SG	OBO	612.3
	STL	R	Marine SG	Lessor	612.3
PROGRAM ALTERATION (OA)	GO/LTL	O	OA	OA	612.3
GROUNDS CARE	GO/LTL	O/R (Apt)	DOS/OA	ICASS or DCP/OA	612.2
	STL	O/R (Apt)	DOS/OA	ICASS or DCP/OA	612.2
	GO/LTL/STL	R	Listed Off	DCP/OA	612.2

ITEM OF COST	PROPERTY	TYPE	OCCUPANTS	FUNDING	REFERENCE
GROUNDS CARE/M&R	GO/LTL/STL	R	Marine SG	DS	612.2
FIRE EQUIPMENT	GO/LTL	O & R	DOS/OA	OBO	812.3
	STL	O & R	DOS/OA	OBO	812.3
	STL	R	OA only	OBO	812.3
	STL	O	OA only	OA	812.3
INITIAL FFA&E	GO/LTL/STL	R	Listed Off	OBO	712.2
	GO/LTL/STL	R	DOS	DCP	712.2
	GO/LTL/STL	R	OA	OA	712.2
	GO/LTL/STL	R	Marine SG	DS	712.2
REPLACEMENT FFA&E	GO/LTL/STL	R	Listed Off	OBO	712.2
	GO/LTL/STL	R	DOS/OA	DCP/ICASS/OA	712.2
	GO/LTL/STL	R	Marine SG	DS	712.2
FURN & LG EQUIPMENT	GO (CAP)	R	DOS/OA	OBO/OA (agreement)	712.2
REPRESENTATIONAL ITEMS	GO/LTL/STL	R	Listed Off	OBO/OA	713.2
CERTAIN ITEMS	GO/LTL/STL	R	Listed Off/DOS	DCP	713.2
REFURB/REDEC	GO/LTL/STL	R	Listed Off	OBO	713.3
EMERGENCY REFURB/REDEC (up to \$1,000/yr)	GO/LTL/STL	R	Listed Off	OBO	712.2
INITIAL FF&E	GO (CAP)	O	DOS/OA	OBO/OA	715.3
	GO/LTL/STL	O	DOS/OA	DCP/OA	715.3
REPLACEMENT FF&E	GO/LTL/STL	O	DOS/OA	DCP/ICASS/OA	715.3
AC UNIT > 36,000 BTU	GO/LTL	O & R	DOS/OA	OBO	717.2
	STL	O & R	DOS/OA	Lessor	717.2
AC UNIT < 36,000 BTU	GO/LTL/STL	O	DOS/OA	DCP/ICASS/OA	717.2
EMERGENCY GENERATORS (& major overhauls)	GO/LTL/STL	O & R	DOS only or DOS + OA	OBO	718.1
	GO/LTL/STL	O & R	OA only	OA	718.1
GENERATOR SERVICE CONTRACT	GO/LTL/STL	O & R	DOS/OA	DCP/OA	718.1

NOTE:

See also telephone installation (15 FAM 166) and condo fees (15 FAM 168).

* Sole tenant agencies in some GO/LTL facilities fund BOE & F&F.

** As authorized and appropriated under Diplomatic Security Act.

Key:

BOE Building operating expenses (see 15 FAM 120)

CAP Capital construction

DCP Post-held funds allotted under diplomatic and consular programs appropriations by regional bureaus

DOS Department of State

DS Bureau of Diplomatic Security

FFA&E	Furniture, furnishings, appliances, and equipment
GO/LTL	U.S. Government (State)-owned/long-term leased
ICASS	International Cooperative Administrative Support Services
LG EQP	Washers, dryers, furnace, water heater, etc.
Listed Off	Listed officers
LQA	Living quarters allowance
M&R	Maintenance and repair
O	Office (nonresidential)
OA	Other Agency (except USAID)
OBO	Bureau of Overseas Buildings Operations appropriations
R	Residential
SG	Security guard
STL	Short-term leased