1.18 REAL PROPERTY LEASES (Object 13)

Non-DGS Rent (Comptroller Object 1301)
Comptroller Object 1301 must be used for private lease agreements whereby rental payments are not paid to the Department of General Services (DGS). Agencies should budget for the entire rental amount in accordance with the terms negotiated by DGS. **Agencies are encouraged to schedule a review of private lease agreements with the DGS Lease Management Division prior to submitting the FY 2017 budget proposal to assure that the lease data is still valid.** For further information, contact:

Robert Suit, Chief, 410-767-1819
DGS Division of Lease Management and Procurement
Room 601, 300 W. Preston Street
Baltimore, MD 21201

NOTE: Rental of garage space must appear as Comptroller Object 0705 unless the entire garage or parking lot is being leased or such spaces are included in the building lease.

Rent Paid to DGS (Comptroller Object 1303)
Comptroller Object 1303 is restricted and must be used for rental payments made to DGS. **The lease schedules (Sections 2.9-2.12) should be used to budget for the three components that comprise this Comptroller Object as follows:**

1. Rental payments to DGS for State Owned Property: Agencies funded only with General Funds and occupying space in buildings operated by DGS do not pay and should not budget for rent for this purpose. Agencies that occupy space in buildings operated by DGS and that are funded with any portion of Non-General Funds are required to pay rent to DGS for the Non-General Fund portion of space occupied. Agencies paying rent to DGS should budget the entire amount in Comptroller Object 1303. **In the FY 2017 request, agencies should budget 2 percent in addition to the FY 2016 appropriation amount (see Section 2.9 – State-owned Property Lease Schedule for FY 2017 charges). Please contact your DBM budget analyst by August 6, 2015 if there are any projected changes to your square footage needs. DBM will make any needed adjustments in the FY 2017 Governor's Allowance.**

2. Lease oversight charges: Charges are based on the number of leases and square footage per agency administered by the DGS Lease Management Division. Agencies should budget for lease oversight charges in accordance with the schedule in Section 2.10. DBM will make appropriate adjustments in the FY 2017 Governor's Allowance.

3. Reimbursable Leases: The reimbursable lease schedule covers debt service and operating costs of buildings owned by local jurisdictions that the State will acquire once bond obligations have been satisfied. Agencies should budget for reimbursable leases in accordance with the lease schedule in Section 2.11.

Section 2.12 lists the total DGS rent charges by agency.

Schedule of Real Property Leases

A DA-24 form is to be completed for each program or subprogram in which funding for rent is requested. All information requested on the form must be entered separately for each lease, existing and proposed. Where leases are funded in various subprograms, make an entry for each funding component and create a total for the lease. The information contained on the DA-24 form should be reconciled to the total dollar amounts for Comptroller Objects 1301 or 1303. Where appropriate, the leases should be listed and totaled by the Comptroller Object. Agencies may submit an Excel spreadsheet with this information instead of using the DA-24 form. Consult with the assigned DBM budget analyst if you have questions or need assistance.