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MEMORANDUM TO ASSISTANT REGIONAL ADMINISTRATORS, PBS
REGIONAL PORTFOLIO DIRECTORS
REGIONAL REALTY SERVICES OFFICERS

FROM: *Cathy Kronopolus*
CATHY KRONOPOLUS
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REAL PROPERTY ASSET MANAGEMENT – PV

for SAMUEL J. MORRIS III *Darryl Roberts*
ASSISTANT COMMISSIONER FOR OFFICE OF
REAL ESTATE ACQUISITION – PR

SUBJECT: Revised Policy on the Determination of Operating or Capital Lease
Classification for Budget Scorekeeping Purposes

1. Purpose. This Realty Services Letter (RSL) transmits revised policies on determining whether to classify a lease as an operating lease or a capital lease for budget scorekeeping purposes.
2. Backaround.
 - a. On October 30, 2006, Assistant Commissioners William H. Matthews and Christopher Reutershan jointly issued RSL 2006-08, Determination of Operating Leases and Lease Scoring, to address budget scorekeeping as required by Office of Management and Budget Circular No. A-11, Appendix B.
 - b. This revised RSL replaces the guidance and accompanying form provided under RSL 2006-08.
3. Effective Date/Expiration Date. This RSL is effective immediately and will expire 5 years from the date of issuance unless modified, cancelled, or reissued.
4. Cancellation. RSL 2006-08, Determination of Operating Leases and Lease Scoring, is canceled.
5. Applicability. This RSL applies to all real property leasing activities.
6. Instructions/Procedures. See Attachment I .

Attachments:

1. Determination of Operating or Capital Lease Classification for Budget Scorekeeping Purposes
2. Lease Scorekeeping Classification Summary Matrix
3. Lease Scorekeeping Classification Workbook
4. Determination of Operating Lease Classification for Lease Extension