



Foreign Affairs Manual

15 FAM – Overseas Buildings Operations

Change Transmittal: OBO-27

Date: March 8, 2012

15 FAM 310 GENERAL POLICY AND GUIDELINES

15 FAM 320 WAIVER/APPROVAL PROCEDURES FOR SHORT-TERM LEASES (STLS)

15 FAM 330 LEASE PROCEDURES

15 FAM 350 REQUIRED LEASE DOCUMENTATION

Changes

1. This Change Transmittal issues the following major revisions to 15 FAM 310:
 - **15 FAM 311.3, Leasehold Management:** OBO manages the OBO 7400 leasehold account. This consolidates oversight of lease waivers; management of the Real Property Application (RPA) database; control of real property records and archives; and funding for leased real property in a single office;
 - **15 FAM 311.4, Major Leases:** [This is a new section.] To protect the financial interest of the Department, the Department must obtain appraisals/appropriate documentation (market study, field research)

for major leases, which are defined as having an annual rent greater than \$500,000, or an aggregate lease liability greater than \$2 million over the initial lease term;

- **15 FAM 312.7, Short-Term Leasing Authority:** OBO or USAID must approve rental costs that exceed the maximum allowable amount of \$50,000 per year; the rental benchmarks established by the Rental Benchmark Program; maximum space standards regardless of rental costs; and annual leases exceeding \$25,000 for posts that have not established rental benchmarks;
 - **15 FAM 313.1, Alterations, Improvements, and Repairs to Short-Term Lease (STL) Properties:** Alteration costs must not be included in the rent as an additional expense by the landlord. It may be funded separately by post, agency, or DS, or a combination of these sources;
 - **15 FAM 313.3, Leases of Designated Residences:** All new or replacement designated residences must meet the Architectural Barriers Act of 1968 (42 U.S.C. 4151, et seq) to the extent possible;
 - **15 FAM 313.9, Thirty-Six Months' Notification:** [This is a new section.] Each post must notify the Office of Building Acquisitions and Sales (OBO/PRE/BAS) and the Office of Real Property Management (OBO/PRE/RPM) 36 months prior to the expiration of every functional and dedicated lease of the post's intention regarding the lease(s) upon expiration. Options include terminate, extend, expand, reduce, consolidate with other space, renegotiate terms, increase/decrease landlord services, and upgrade the space; and
 - **15 FAM Exhibit 312.2, Lease Waiver Request Format for Functional Space:** Posts must submit the Electronic Lease Waiver Request for major leases as defined in 15 FAM 311.4.
2. This Change Transmittal issues the following major revisions to 15 FAM 320:
- **15 FAM 321, Waivers for Leases with Rentals in Excess of \$25,000 or Exceeding the Rental Benchmarks for Post:** Posts must submit requests for waivers/approval to OBO through the Electronic Lease Waiver Request (E-LWR) application;
 - **15 FAM 322, Waivers for Leases Exceeding Space Standards:** In cases where an agency believes the space standard will adversely affect an employee's ability to perform official responsibilities, the justification for such request must document the representational

requirements of the employee, providing supporting information from the current or previous incumbent. To justify a waiver, the representational requirements must exceed the estimates outlined in 15 FAM 264.3-3. Such requests must be approved first by the single real property manager (SRPM) and the post interagency housing board (IAHB) and then subsequently by the chief of mission (COM);

- **15 FAM 324, Leases with Offshore Payments or Payments in Other Than Local Currency:** Payments in other than local currency must be permissible under local law. Offshore payment requires a separate telegraphic waiver from the Directorate of Planning and Real Estate, Office of Real Property Management, Bureau of Overseas Buildings Operations (OBO/PRE/RPM);
 - **15 FAM Exhibit 321, Electronic Lease Waiver Request:** Provides guidance for submitting this request;
 - **15 FAM Exhibit 323(1), Using the "Time Value of Money" Concept to Calculate Advance Payment of Rent:** This exhibit was formerly 15 FAM Exhibit 323(A); it has been renumbered to current FAM style. Minor changes have been made to the exhibit; and
 - **15 FAM Exhibit 323(2), Requests for Approval of Advance Payments:** This exhibit was formerly 15 FAM Exhibit 323(B); it has been renumbered to current FAM style. Minor changes have been made to the exhibit.
3. This Change Transmittal issues the following major revisions to 15 FAM 330:
- **15 FAM 332.1, When to Consider Long-Term Leases (LTLs):** When subleasing, posts must attempt to recover maintenance costs to the extent possible; and
 - **15 FAM 332.2, Submitting Proposals for Long-Term Leases (LTLs):** Posts must submit proposals for long-term leases to OBO, using the Electronic Lease Waiver Request (E-LWR).
4. This Change Transmittal issues the following major revision to 15 FAM 350:
- **15 FAM 352, State Lease Documents:** Provides detailed instructions for executing lease documents in the name of the United States of America or the Secretary of State.
5. **15 FAM 320 Crosswalk:**

From Prior Issuance	To Current Issuance
Exhibit 323(A), Using the "Time Value of Money" Concept to Calculate Advance Payment of Rent	Exhibit 323(1), Using the "Time Value of Money" Concept to Calculate Advance Payment of Rent
Exhibit 323(B), Requests for Approval of Advance Payments	Exhibit 323(2), Requests for Approval of Advance Payments

6. If the subchapter issuance changed less than half the words, we formatted the changed text in *dark magenta italic*. If the subchapter issuance changed more than half the words, we did not use *dark magenta italic*. The CT line in each section shows when that section last changed.
7. Officers are reminded that Department-issued materials not codified in the Foreign Affairs Manual or its supplemental Foreign Affairs Handbook series generally have no regulatory validity (see 2 FAM 1115.2).
8. The office responsible for the material in this subchapter is the Bureau of Overseas Buildings Operations (OBO). Please direct questions concerning content, substance, and interpretation to this office. Administrative questions on the Foreign Affairs Manual or Handbooks can be directed to A/GIS/DIR, Office of Directives Management.

Filing Instructions for Paper Copies

1. Remove and discard old subchapter 15 FAM 310 (CT:OBO-8; 05-24-2006) and insert revised subchapter 15 FAM 310 (CT:OBO-27; 02-08-2012).
2. Remove and discard old subchapter 15 FAM 320 (CT:OBO-8; 05-24-2006) and insert revised subchapter 15 FAM 320 (CT:OBO-27; 02-08-2012).
3. Remove and discard old subchapter 15 FAM 330 (CT:OBO-8; 05-24-2006) and insert revised subchapter 15 FAM 330 (CT:OBO-27; 02-08-2012).
4. Remove and discard old subchapter 15 FAM 350 (CT:OBO-8; 05-24-2006) and insert revised subchapter 15 FAM 350 (CT:OBO-27; 02-08-2012).
5. After inserting the material in the binder, insert this Change Transmittal immediately following the CT Checklist, then fill in the entry line for CT:OBO-27, and initial.

Distribution Notice

1. The Foreign Affairs Manual and Handbooks (unclassified) official version

can be found on the State Department's Intranet site.

2. All posts and offices keeping paper versions of the Foreign Affairs Manual are responsible for maintaining the FAM on a current basis (see 2 FAM 1116.5).
3. Use **KFAM** and **AINF** TAGS on **all** communications on FAM/FAH issues.