



U.S. General Service Administration (GSA)

GSA Instructional Letter: GSA Implementation of Statement of Federal Financial Accounting Standard (SFFAS) [59](#), Accounting and Reporting of Government Land

CFO-IL-24-01

Office of the Chief Financial Officer

ocfo@gsa.gov

1. Purpose

This Instructional Letter (IL) provides the U.S. General Services Administration's (GSA) policy on the implementation and administration of the Federal Accounting Standards Advisory Board's (FASAB) SFFAS 59, including Agency Financial Report (AFR) reporting requirements and controls.

2. Background

SFFAS 59 ensures consistent accounting treatment and reporting of land by Federal agencies.

FASAB determined that the vast holdings and uses of federal land cannot adequately be communicated to the public through monetary measurements. Specifically, limitations inherent in valuations such as the passage of time and inflation make historical cost less relevant to users. Alternative methods needed to routinely appraise or corroborate over 622 million acres of federally owned land are impractical and cost prohibitive. Instead, the FASAB concluded that, consistent with its conceptual framework, reporting estimated acres increases transparency, comparability, consistency, and reliability of land information while either avoiding or at least significantly minimizing the burden and costs that would otherwise be borne by federal land holding agencies if monetary measures were used to recognize land on the balance sheet.

3. Applicability

This IL applies to GSA's Public Buildings Service (PBS).

4. Scope

This IL applies to federally owned land under the jurisdiction, custody and control of GSA.

5. Definitions

Term	Definition
Temporary Land Rights	Land rights, such as temporary easements or rights-of-way, ¹ that are for a specified period of time or limited duration.
Permanent Land Rights	Land rights, such as permanent easements or rights-of-way, that are for an unspecified period of time or unlimited duration.
Acres of land held for disposal or exchange	Federal land pending conveyance to non-federal entities not limited to sale, transfer, exchange, lease, public-private partnership, or donation, or any combination thereof.
Predominant Use	The major or primary current use of an asset during the reporting period and does not include incidental or infrequent uses of the asset. For PBS, an asset is typically considered the entirety of a building and its site.
Conservation and preservation land	<p>One of 3 subcategories for reporting. This sub-category includes land or land rights that are predominantly used for conservation or preservation purposes. Specifically, conservation is generally associated with the protection and proper use of natural resources, whereas preservation is associated with the protection of buildings, objects, and landscapes from use. Examples of land conserved or preserved for significant natural, historic, scenic, cultural, and recreational resources include the following:</p> <ul style="list-style-type: none"> • Wildlife and plant life refuges • Archeological resource sites • Local Native American or ethnic cultural sites • Land encumbered by a Conservation Easement

¹ Rights-of-way may be via an existing law or determined by Court ruling.

Term	Definition
Commercial use land	<p>One of 3 subcategories for reporting. Includes land or land rights that are predominantly used to generate inflows of resources (such inflows may be derived from the land itself or activities performed on the land and regardless of whether the use or activity is intended to produce a profit) from non-federal third parties, usually through special use permits, right-of-way grants, and leases. Such inflows may arise from exchange or non-exchange activities and may or may not be considered dedicated collections. Examples include revenue or inflows derived from:</p> <ul style="list-style-type: none"> • concession arrangements • sales or land exchanges • leases • permits for public use such as commercial filming and photography, advertising displays, temporary use permits for construction equipment storage and assembly yards, well pumps, and other such uses • public-private partnerships
Operational land	<p>One of 3 subcategories for reporting. This includes land or land rights predominantly used for general or administrative purposes. The following functions performed by entities would be included in this sub-category:</p> <ul style="list-style-type: none"> • land used for readiness and training • office building locations and storage, • vacant properties • Land used by occupant Federal agencies in support of their missions

6. Policy

a. All holdings of land acreage under PBS’s jurisdiction, custody and control, which are reportable as assets of the Federal Buildings Fund, must be tracked and updated promptly in the Occupancy Agreement Space Inventory System, which updates Real Estate Across the U.S. (REXUS), PBS’s real property inventory system. This includes properties in excess or surplus status, which must be reported until disposal is complete. PBS must update acreage in REXUS once properties are disposed of, transferred or sold. PBS must maintain supporting documentation of acreage acquired, disposed, transferred or sold. PBS must maintain internal controls to ensure the accuracy and completeness of the acreage data in REXUS, especially to support required reporting at the end of each Fiscal Year.

b. Real Property Disposition (RPD) activities for disposal of other land holding agencies' properties are not under PBS’s jurisdiction, custody and control, and therefore

are not reflected in REXUS and not covered by this IL; however, when RPD receives title on behalf of the United States, such as reverter properties or donations, these are reportable under the requirements of this IL. RPD will regularly provide this information, including acreage, to the GSA Office of the Chief Financial Officer (OCFO).

c. Beginning in Fiscal Year (FY) 2023, new obligations incurred for permanent or temporary land rights must cite the below established Activity Codes on contract documentation. Permanent land rights must cite Activity Code PG313 and temporary land rights must cite Activity Code PG314, along with a Building Number. Project Numbers are optional but must be included if costs will be capitalized.

d. Beginning in FY 2026, permanent land rights must be expensed and continue to be coded to PG313. The cost for temporary land rights must be capitalized and cite Activity Code PG314. Temporary land right cost must be amortized over its term.

e. Beginning in FY 2026, all new acquisitions of land by GSA must be expensed, rather than capitalized, in GSA's financial management system, Pegasys. Land costs must cite Activity Code PG311 along with a new expensed Sub-object Class and expensed Inventory Reporting Information System Project Code. The new expensed Sub-object Class must be established and communicated prior to October 1, 2025.

7. Reporting Requirements

Required Supplemental Information (RSI) about land must be reported in GSA's AFR through FY 2025. RSI must include:

- a. a description of the land and permanent land rights;
- b. its relationship to the entity's mission;
- c. a description of the entity's policies regarding land;
- d. estimated land acreage by predominant use subcategories (Commercial, Conservation and Preservation, or Operational, as defined above in paragraph 5). The majority of PBS's land holdings are considered Operational land, in accordance with the definitions above in paragraph 5. Where the predominant building use is for outlease, the property's acreage is considered Commercial use land. The OCFO, PBS Financial Operations Division will work with PBS to identify such subcategories.
- e. estimated land acreage held for disposal or exchange to non-Federal entities.

The OCFO, PBS Financial Operations Division (BGP) will be responsible for obtaining from PBS and analyzing all RSI data required for this IL and appropriate information for AFR reporting.

In FY 2026, the disclosure information transitions from RSI to a footnote disclosure in the AFR, in accordance with SFFAS 59. In FY 2026, GSA will remove outstanding balances from the asset accounts in the standard General Ledger Accounts for land and permanent land rights in the Federal Buildings Fund. Also beginning in FY 2026, land acquisitions must be recorded as operating expenses for inclusion in the Statement of Net Cost.

8. Contact information

Please contact April Pratt, Director, PBS Financial Operations Division (BGP), at april.pratt@gsa.gov if you have questions related to this document.

9. Signature

/S/
NIMISHA AGARWAL
Chief Financial Officer
Office of the Chief Financial Officer

2/7/2024
Date