



U.S. General Service Administration (GSA)

## **GSA PBS: Rent Exemption Procedures**

7025.2 PBS

Office of Portfolio and Customer Engagement

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### **Purpose:**

This Order provides procedures for handling requests for exemption from GSA Rent charges.

### **Background:**

- 40 U.S.C. § 586(b) authorizes the Administrator of General Services (Administrator) to exempt anyone from charges for space and services (Rent) if the Administrator determines that such charges would be “infeasible or impractical.”
- The Federal Management Regulation (FMR), 41 C.F.R. § 102-85.130, provides that requests for exemption from Rent must be made in writing to the Administrator and submitted in accordance with this Order.
- This Order provides specific procedures for processing Rent exemption requests.
- The Administrator has delegated the authority to grant Rent exemptions to the Commissioner, Public Buildings Service (PBS).
- Since the statute does not specifically define “infeasible” or “impractical,” the Administrator or the Administrator’s designee has discretion to determine when an exemption request may be granted.
- Rent exemptions may be either for an exemption from full Rent or for a partial exemption from full Rent. Unless expressly provided otherwise, the exemption is for one year and will start from the time the exemption is granted, and will be reviewed annually for renewal.

### **Applicability:**

All entities seeking a Rent exemption must formally request an exemption in accordance with this Order.

**Cancellation:**

This Order supersedes and cancels GSA Order, "Rent Exemption Procedures" (PBS 7025.1A, October 21, 2004).

**Roles and Responsibilities:**

- The PBS Office of Portfolio Management and Customer Engagement (PTCE) receives and manages exemption requests.
- The GSA Office of the Chief Financial Officer partners with PTCE to prepare exemption requests for review.
- The PBS Commissioner is responsible for deciding exemption requests.

**Signature**

/S/  
Daniel W. Mathews  
Commissioner  
Public Buildings Service

9/25/2018  
Date

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## **1. Standard Exemption Criteria**

- 1.1. The statute and the FMR provide for an exemption from Rent charges when such charges are determined to be “infeasible or impractical.” However, the terms “infeasible” and “impractical” are not defined in the statute or the FMR. Many situations may result in a Rent exemption request, and it is not possible to list all circumstances when an exemption may be granted. Instead, the Administrator or the Administrator’s designee has discretion to determine when an exemption request may be granted.
- 1.2. In general, exemption requests are granted infrequently. A Rent exemption request will be granted when, among other things:
  - 1.2.1. The Rent charge established for the space in question is less than the expense of billing and collection; or
  - 1.2.2. The entity requesting the exemption provides a certification from a Funds Certifying Official that the entity has not received sufficient appropriations, or does not have sufficient funds available, to make Rent payments to GSA, and the Administrator or the Administrator’s designee determines that the payment of Rent would be infeasible or impractical. In such circumstances, GSA should consider granting a Rent deferral rather than a Rent exemption, and if the Rent exemption is to be granted, the accompanying justification must explain why the exemption is more appropriate than a deferral.

## **2. Procedures for Handling Requests for Exemption from Rent Charges**

- 2.1. The entity requesting an exemption from Rent is responsible for submitting a written justification (including any necessary supporting documentation) on why it is either infeasible or impracticable to pay full Rent. Written requests for total or partial Rent exemptions must be addressed to the PBS Commissioner and submitted through the PBS Office of Portfolio Management and Customer Engagement.
- 2.2. After receiving the request and supporting documentation, the PBS Office of Portfolio Management and Customer Engagement will coordinate with the GSA Office of the Chief Financial Officer and the PBS Regional Commissioner(s) in the region or regions where the property or properties are located to prepare the package for transmittal to the PBS Commissioner.

- 2.3. The PBS Commissioner will respond to the requesting entity within 30 days of receipt of the request. Decisions made by the PBS Commissioner are final and non-appealable.

### **3. Annual Review of Rent Exempt Space**

- 3.1. On an annual basis and no later than June 30th, the PBS Office of Portfolio Management and Customer Engagement will review all Rent exempt space and submit a report to the Commissioner that specifies whether the Rent exemption continues to be necessary or whether it should be discontinued.

### **4. Distinction Between Rent Exemptions and Other Unbilled Space**

- 4.1. The term “Rent exemption” refers only to the space formally granted an exemption by the PBS Commissioner. All other space for which no Rent charge is assessed is referred to as unbilled space.
- 4.2. Unbilled space is to be monitored and is not to be used as a mechanism to grant an “informal exemption” or in any other way to circumvent the PBS Commissioner’s authority to grant Rent exemptions.