

**Army Regulation 405–45**

**Real Estate**

# **Real Property Inventory Management**

**Headquarters  
Department of the Army  
Washington, DC  
1 November 2004**

**UNCLASSIFIED**

# ***SUMMARY of CHANGE***

AR 405-45

Real Property Inventory Management

This revision, dated 1 November 2004--

- o Transfers responsibilities from major Army command and installation commanders to the Installation Management Agency and garrison commanders.
- o Revises appendix A to bring it up to date.
- o Adds a glossary.

This revision:

- o Separates real property policy from procedures (chap 2).
- o Eliminates data element definitions (chap 2).
- o Eliminates all references to manual reporting medium to include card entries and keypunching instructions (chap 2).
- o Accommodates automated reporting of the real property inventory.
- o Rescinds DA Form 2014-R, Jan 77, DA Form 4580-R, Jan 77, DA Form 4581-R, Jan 77, DA Form 4581-1-R, Jan 77, and DA Form 4581-2-R, Jan 77.

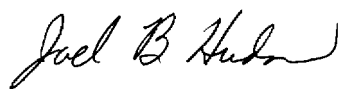
Real Estate

Real Property Inventory Management

By order of the Secretary of the Army:

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General, United States Army  
Chief of Staff

Official:



JOEL B. HUDSON  
Administrative Assistant to the  
Secretary of the Army

**History.** This publication is a rapid action revision. The portions affected by this rapid action revision are listed in the summary of change.

**Summary.** This regulation provides policy for the managing and accounting of Army real property.

**Applicability.** This regulation applies to all elements of the Active Army, the Army National Guard/Army National Guard of the United States, and the U.S. Army Reserve having accountability for

or occupying Department of the Army real property.

**Proponent and exception authority.**

The proponent of this regulation is the Assistant Chief of Staff for Installation Management. The Assistant Chief of Staff for Installation Management has the authority to approve exceptions or waivers to this regulation that are consistent with controlling law and regulations. The Assistant Chief of Staff for Installation Management may delegate this approval authority, in writing, to a division chief within the proponent agency or a direct reporting unit or field operating agency of the proponent agency in the grade of colonel or the civilian equivalent. Activities may request a waiver to this regulation by providing justification that includes a full analysis of the expected benefits and must include formal review by the activity's senior legal officer. All waiver requests will be endorsed by the commander or senior leader of the requesting activity and forwarded through their higher headquarters to the policy proponent. Refer to AR 25–30 for specific guidance.

**Army management control process.**

This regulation does not contain management control provisions.

**Supplementation.** Supplementation of this regulation and establishment of command and local forms are prohibited without prior approval from Headquarters, Department of the Army, ATTN: DAIM-MD, Washington, DC 20310-2600.

**Suggested improvements.** Users of this regulation are invited to send comments and suggested improvements on DA Form 2028 (Recommended Changes to Publications and Blank Forms) directly to Headquarters, Department of the Army (DAIM-MD), Washington, DC 20310-2600.

**Distribution.** This publication is available in electronic media only and is intended for command levels C, D, and E for the Active Army, the Army National Guard/Army National Guard of the United States, and the U.S. Army Reserve.

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# Chapter 1 Introduction

## Section I General

### 1–1. Purpose

This regulation and Department of the Army Pamphlet (DA Pam) 405–45 set forth the requirements, authority, policy, and responsibility for the accountability and management of all real property and interest therein. The real property inventory is a basic source of information on status, cost, area, capacity, condition, use, and management of real property at the installation and major Army command (MACOM) level. This regulation will be the basis for supplying real property information to offices of congressional committees, the Department of Defense (DOD), Headquarters, Department of the Army (HQDA), General Services Administration, and other interested Government agencies. Inquiries or requests for information by committees of the U.S. Congress or individual members of the U.S. Congress will be coordinated with the Office of the Chief, Legislative Liaison, in accordance with Army Regulation (AR) 1–20.

### 1–2. References

Required and related publications and prescribed and referenced forms are listed in appendix A.

### 1–3. Explanation of abbreviations and terms

Abbreviations and terms used in this regulation are explained in the glossary.

### 1–4. Responsibilities

Responsibilities are listed in section II of chapter 1.

### 1–5. Scope

*a.* To provide policy and guidance for the accountability and management of real property located in the United States, under the control of the Department of the Army (DA), U.S. possessions and territories, the Commonwealth of Puerto Rico, and foreign countries. That is, all real property owned, leased, or otherwise acquired and controlled by the DA, including property and improvements acquired from other DOD departments and Government agencies. This is to include privately owned buildings, structures, and utility systems located on Army installations and privately owned facilities leased by the Army or otherwise under Army control at locations other than Army installations. An inventory of such property will be continuously updated and reported semiannually or as otherwise directed by the Assistant Chief of Staff for Installation Management (ACSIM).

*b.* Do not include in this inventory—

- (1) Property in and officially designated a combat zone.
- (2) Property acquired in support of peacekeeping missions.
- (3) River, harbor, and flood control property under jurisdiction of the Assistant Secretary of the Army for Civil Works.
- (4) Property in the National Industrial Reserve, property disposed of subject to right of recapture or National Security Clause, unless such property is under Army military control.
- (5) Property acquired or constructed for contingency operations or property of a classified nature where public knowledge of location could pose a threat to military operations or cause endangerment to life and/or safety of military or DOD personnel. This information will be gathered and maintained by Third Army, Fort McPherson, GA.
- (6) State-owned National Guard real property not on an Active Army installation.

*Note.* State-owned National Guard property physically located on an Active Army installation will be reported by that Active Army installation with an ownership code of 9 (See DA Pam 405–45, table D–7 for ownership codes).

### 1–6. Statutory authority

The authority to maintain real property records, inventory, and accountability is detailed in section 410, title IV, of the National Security Act of 1947 (50 USC 401), as amended by Section 2721, Title 10, United States Code (10 USC 2721).

### 1–7. Applicability

This regulation is applicable to all Army installations and MACOMs having accountability for or occupying DA real property. This includes DOD agencies using Army property acquired by permit.

## **Section II Responsibilities**

### **1–8. The Assistant Secretary of the Army (Installations and Environment)**

The Assistant Secretary of the Army (Installations and Environment) (ASA(I&E)) will—

- a.* Establish and oversee implementation of policies for the accountability of Army controlled and/or managed military real property and interests therein.
- b.* Approve accountability reports of real property that are subject to the reporting requirements of the U.S. Congress.
- c.* Approve or ratify exceptions to the policies regarding the accountability of real property.

### **1–9. The Assistant Chief of Staff for Installation Management**

ACSIM will—

- a.* Oversee the accountability of Army real property.
- b.* Serve as the proponent, to include staffing, for AR 405–45 and DA Pam 405–45.
- c.* Oversee the procedural and technical aspects of the accountability of military real property and interests therein, including assignment of every Army site and garrison to Installation Management Agency (IMA), base closure activity, or non-IMA activity.
- d.* Formulate, execute, and review real property-related policies, plans, and programs.
- e.* Provide guidance for installation real property inventory and management.
- f.* Develop criteria for the effective accountability of Army real property.
- g.* Maintain a central inventory of Army real property and analyze the inventory for accuracy.
- h.* Approve automated systems to maintain the official real property database/records at HQDA, installation and State Area Commands (for Federally owned real property). See paragraph 2–1*c* for additional information on automated systems.
- i.* Manage implementation of the Stewart B. McKinney Homeless Assistance Act (42 USC 11411), as amended by Part 581, Title 24, Code of Federal Regulations (24 CFR 581), concerning vacant land and excess, surplus, unutilized, and underutilized buildings.
- j.* Provide procedures and guidance for activation and inactivation of installations.
- k.* Assign site numbers for all Federal installations. (See DA Pam 405–45 for instructions on assigning installation numbers.)
- l.* Report real property capital improvements regardless of funding source in accordance with the Chief Financial Officers Act of 1990 (Public Law (PL) 101–576).
- m.* Ensure that management and information systems, as well as all related real property management processes, will adhere to and comply with DOD-approved standards and methods documented as part of the Business Enterprise Architecture (BEA) and Business Management Modernization Program (BMMP).
- n.* Obtain Office of the Secretary of Defense approval and certification for any expenditures meeting documented BEA/BMMP thresholds.

### **1–10. The Chief, U.S. Army Corps of Engineers**

The Chief, U.S. Army Corps of Engineers (USACE) is responsible for all real estate actions, to include acquisition, management, outgrants, and disposals.

### **1–11. The Director, Installation Management Agency**

The director, IMA will—

- a.* Provide oversight of real property accounting in accordance with this regulation.
- b.* Ensure real property accountability quality control at and provide technical assistance to assigned garrisons.
- c.* Direct garrison commanders to account for and be responsible for the proper custody, safekeeping, efficient, and effective use of all Army buildings, structures, utilities, and land under their control.
- d.* Direct execution of Army real property programs and management concepts to ensure installation readiness.
- e.* Provide staff assistance visits to garrisons to assess compliance with and provide assistance for real property accountability.
- f.* Furnish technical assistance and guidance to garrisons for real property accountability.

### **1–12. Commanders of garrisons, garrison equivalents, and regional readiness commands**

Commanders of garrisons, garrison equivalents, and regional readiness commands will—

- a.* Account for and be responsible for the proper custody, safekeeping, efficient, and effective use of all Army buildings, structures, utilities, and land under the control/management of the installation/garrison commander. This

includes real property built by other Army entities, the other Services, DOD agencies, or the private sector on the installation.

*b.* Document and maintain real property accountability records for all real property on a continuous basis, ensuring the accuracy, completeness, and timeliness of real property information.

*c.* Report information on all real property items for the installation and any subordinate installations/sites assigned.

*d.* Retain custody and accountability for excess and surplus real property and ensure the protection and maintenance of such property pending its transfer to another installation or Federal agency, disposal, or reassignment by HQDA.

*e.* Appoint, in writing, a real property accountable officer (RPAO) who is accountable for all real property.

*f.* Ensure that a physical inventory for all heritage assets is conducted at least once every 3 years and that real property information is recorded. Report the status of heritage physical inventory through IMA annually as of 30 September.

*g.* Ensure that a physical inventory of all property, plant, and equipment real property is conducted at least once every 5 years and that information maintained on file in real property records accurately reflects physical inventory. Report the status of physical inventory through IMA annually as of 30 September.

*h.* Conduct a change of garrison command inventory, visually with the RPAO, and certify results through IMA within 90 days after assumption of garrison command.

### **1–13. U.S. Property and Fiscal Officers**

U.S. Property and Fiscal Officers (USPFOs) are the state RPAOs for Federal real property that has been licensed to states for the Army National Guard. USPFOs will provide DD Form 1354 (Transfer and Acceptance of Military Real Property) for facilities constructed on Army installations to installation RPAOs for real property inventory (RPI) purposes only, in accordance with National Guard Regulation (NGR) 405–80, in order for accountable real property to be included in installation RPIs. State-owned real property will be reported only to the Chief, National Guard Bureau.

### **1–14. Heads of Defense agencies**

Defense agencies that use Army property acquired by permit will provide real property inventory input data to their supporting installations or appropriate accountable MACOMs as required by existing agreements.

### **1–15. Contracting officers and contractors of Government-owned/contractor-operated, and contractor-owned/contractor-operated facilities**

*a.* Contracting officers for Government-owned, contractor-operated and contractor-owned/contractor-operated (COCO) facilities will ensure that contractors are made responsible for Government-owned property under Federal Acquisition Regulation (FAR), Part 45. Contracting officers also will ensure that property accountability and record keeping requirements are adequate to meet Army requirements and are included in formal contracts. Unless these requirements are specified in contracts, the Government staff remains responsible. (See AR 735–5, para 10–7 for additional information on contractor-operated property accounts.)

*b.* Contractors will manage facilities under their control, provide accountable property officers with real property information necessary for accountability and management, and ensure facilities under their control are protected and maintained in accordance with their contracts.

### **1–16. Real property accountable officers**

*a. Appointment.* RPAOs will be appointed, in writing, by installation commanders or their designee. Individuals assigned to this position must be U.S. citizens. RPAOs will be Federal Government employees. RPAO responsibilities are not contractible. However, contractors may perform certain functions in support of RPAOs. Installation commanders have the authority to appoint RPAOs at subordinate installations if those subordinate installations maintain the accountable records.

*b. Responsibilities.* RPAO responsibilities include, but are not limited to—

(1) Being accountable for all buildings, structures, utilities, and land under the control of their commanders regardless of the type of ownership.

(2) Ensuring the accuracy, completeness, and timeliness of real property information.

(3) Ensuring all occupied facilities are assigned to the occupants/users. Vacant facilities at active, semi-active, inactive, or excess installations will be assigned to the accountable offices and reported as vacant. Vacant facilities at contractor-operated installations may be unassigned.

(4) Ensuring compliance with current reporting requirements.

(5) Reviewing and validating DD Form 1354 information for accuracy before placing the form in real property inventories.

*c. Change in accountable officer.* When the installation or activity real property account is assigned to a new accountable officer a current RPI will be filed with the appointment directive.

## **Section III Reporting**

### **1–17. Frequency of reporting**

Real property inventory will be reported to HQDA semiannually (March and September), unless otherwise specified by HQDA.

### **1–18. Security classification of reports**

Real property inventory will be unclassified. The worldwide summary report extracted from these databases is unclassified and is available to the public under the auspices of the Freedom of Information Act (5 USC 552), as amended by PL 104–231.

## **Chapter 2 Inventory Policy**

### **2–1. Real property inventory**

*a. Policy.* The Army will maintain real property accountability records and an inventory on both a quantitative and monetary basis, and report thereon as directed by DOD Instruction (DODI) 4165.14 to the President and to the U.S. Congress. Real property officers are accountable for the completeness and accuracy of all real property records. All facilities located on Army installations or COCO sites will be reported in real property inventories with the appropriate ownership codes. This includes privately owned buildings, structures, and utility systems.

*b. Procedure.* In accordance with 10 USC 2682, each host installation will be responsible for all physical real property inventory accountability on the installation. This establishes the accountability basis for an inventory of all DOD real property that rests with the military departments. It does not mean that other agencies will not have references and relationships in their business information to real property. This limits only the official record of inventory to installation real property records. Although DOD agencies may have sole beneficial occupancy and use of a facility for their business purposes, the facility will be carried on the respective host installation inventory for real property accountability purposes. Activities that for economy or other reasons are located within the confines of another installation and occupying portions of the land, buildings, and structures of the parent are considered to be tenants.

*c. Accountability.* Installations will use HQDA-approved automated systems to maintain official records databases. DA Pam 405–45 and the automated systems user documentation prescribe entry and maintenance of the data.

(1) The information previously required to be entered on now obsolete DA Form 2877 (Real Property Record), will be maintained on local automated systems. Data elements not prescribed herein may be maintained on manual records. All installations will retain any existing manual DA Forms 2877 for historical purposes. Continuous update of the manual forms is not required.

(2) Where accountability for two or more installations or activities is assigned to a single installation or activity, the real property records and files for each installation will be maintained separately and retain their unique installation numbers.

### **2–2. Facility assignments**

All real property facilities will have at least one assignment record for each facility category use. Installations may assign multiple and/or joint use of a facility. The sum of a use's assigned areas/capacities may not exceed the use area/capacity.

### **2–3. Facility numbering**

All facilities on an installation will have a unique, five-character, facility number. The reuse of facility numbers is prohibited for 5 years. All buildings and structures on the installation will be numbered as prescribed herein. The assignment or change of numbers will be subject to approval by the installation commander. One number only will be used to identify a building or structure. Buildings that are connected by corridors will be considered separate buildings and will be assigned individual numbers. For administrative purposes, letters and/or numbers only may identify apartments, wings, or other similar portions of buildings or structures. Building wing/apartment identifiers will not be included in a building's five-character facility number. Temporary identifying numbers may be assigned to hutments, tent floors, winterized tents, and similar facilities. Temporary symbols will be included in reports to authorities above the installation commander level.

*a. Assigning numbers.* When a new building is to be constructed, the permanent number will be assigned and furnished to the design and construction agency in advance of design so that it will appear on the drawings and identify the building during and after the construction phase.

*b. Changing numbers.* When a building or structure is moved from one area to another, it will be renumbered to



conform with numbers allotted to the new location. If two or more buildings are joined to form a single building, only one number will identify the new structure.

#### **2-4. Equipment**

- a.* Equipment acquired with equipment funds is not real property. See DA Pam 420-11 for instructions.
- b.* Installed equipment is an item affixed and built into a separate real property facility as an integral part of the facility. This type of equipment is necessary to make the facility functional. Such items, if removed, would destroy or reduce the usefulness of the separate real property facility. Installed equipment is not reported as an item of separate real property except as noted in *d*, below. However, the costs of installed equipment are included with the facility in which they are affixed.
- c.* Equipment-in-place is nonexpendable equipment of a movable nature that is affixed to real property, but removable without destroying or reducing the usefulness of the facility. Equipment-in-place is personal property and requires property book accountability, therefore, it is not real property.
- d.* If a real property utility system such as an air conditioning system is housed in one facility, but serves more than one facility or a large single facility, the system requires one use record with a category code for the facility and one use record with a category code for the utility system.

#### **2-5. Voucher register and file**

Real property offices will maintain voucher registers of all vouchers, detailing acquisitions, capital improvements, disposals, capital decreases, area/capacity changes, and category code changes pertaining to accountable real property at installations. Real property offices will assign voucher numbers sequentially and file them by fiscal year.

#### **2-6. Category code**

Real property facilities will be assigned a category code(s) in accordance with AR 415-28 and DA Pam 415-28.

#### **2-7. Ingranted or outgranted real property**

Facilities that are ingrated by lease, easement, license, permit, or similar real estate instrument will be provided by the supporting U.S. Army Corps of Engineers District Engineer Office on DD Form 1354 or validated grant instrument to the installation. The accountable installation is responsible for ingrated or outgranted facilities, and a reportable record must be established using the existing facility numbers for each grant. The initial cost to Government for leases will be entered as zero. For ingrated facilities, lease acquisition costs will be entered in the grant data. When facilities are ingrated for a term of less than 1 year, accountability in the automated real property system is not required.

#### **2-8. Conversion and diversion**

Installation commanders may approve, in writing, facility conversions or diversions from design/current use for any purpose, except as indicated in AR 405-70, paragraph 3-6*d*. All such conversions and diversions will be reported in applicable facility use and assignment records. A conversion is a permanent change in both the design use and current use of a facility. A diversion is a temporary change in the current use of a facility not to exceed 3 years. Changes to a facility design use category code that remain in the same three-digit series as the original category code do not require approval.

#### **2-9. DD Form 1354 (Transfer and Acceptance of Military Real Property)**

- a.* DD Form 1354 is used to transfer accountability, record completed construction, and make changes in unit of measure values (area or other measure), costs, and design use category codes for facilities.
- b.* The U.S. Army Corps of Engineers District Engineer Office will prepare DD Form 1354 for the transfer of completed construction projects that it monitored, then furnish completed forms to real property offices.
- c.* Local project officers will prepare and sign DD Form 1354 for installation projects, then furnish completed forms to real property offices.
- d.* In lieu of DD Form 1354, approved forms such as DA Form 337 (Request for Approval of Disposal of Buildings and Improvements) and DA Form 4283 (Facilities Engineering Work Request) may be vouchered and used to change real property inventory data. In any case, all changes to real property require vouchered documents.

#### **2-10. Stewart B. McKinney Homeless Assistance Act (42 USC 11411)**

The Stewart B. McKinney Homeless Assistance Act (42 USC 11411), as amended by 24 CFR 581, requires all Federal agencies to identify all real property that is either underutilized or excess to the Department of Housing and Urban Development. A McKinney Act determination is required before any disposal action can be taken.

#### **2-11. Facility maintenance, repair, and capital improvements projects**

All projects that are determined by project engineers and/or Directorate of Public Works business management offices to be capital improvements will be capitalized on separate vouchers and recorded in real property inventories if the costs of the work performed exceed \$25,000. Capital improvements at lesser amounts may be capitalized at the

installation's discretion. See DA Pam 420-11 for further guidance. See DA Pam 405-45 for a detailed discussion of capital improvements projects and appropriate definitions.

### **2-12. Utility distribution adjustments**

Any increases or decreases in utility distribution systems will be recorded to real property inventories regardless of costs. Capitalization threshold procedures do not apply to distribution systems.

### **2-13. Reporting nonappropriated fund real property**

All property purchased with nonappropriated funds (NAFs) remain NAF property even if converted to non-NAF category codes. Conversely, if property purchased with appropriated funds (APFs) is converted to NAF property, it is still APF property. The type of funding determines how property is reported. Property should be depreciated by the NAF if it was purchased with NAFs and depreciated by the Army if it was purchased with APFs. Moreover, there may be two costs for NAF property: one for estimated costs representing funds that were nonappropriated and another for the total cost to Government for funds that were appropriated (for example, NAF improvements to an appropriated funded facility).

*Note.* These were previously reported under the "Estimated Value" field, as directed by previous versions of this AR. Do not convert funds that were appropriated into the nonappropriated, and do not convert the nonappropriated costs into appropriated costs.

## **Appendix A References**

### **Section I Required Publications**

#### **AR 1–20**

Legislative Liaison. (Cited in para 1–1.)

#### **AR 405–70**

Utilization of Real Property. (Cited in para 2–8.)

#### **AR 415–28**

Real Property Category Codes. (Cited in para 2–6.)

#### **AR 735–5**

Policies and Procedures for Property Accountability. (Cited in para 1–15a.)

#### **DA Pam 405–45**

Real Property Inventory Management. (Cited in paras 1–1, 1–5b(6), 1–9b, 1–9k, 2–1c, and 2–11.)

#### **DA Pam 415–28**

Guide to Army Real Property Category Codes. (Cited in para 2–6.)

#### **DA Pam 420–11**

Facilities Engineering: Project Definition and Work Classification. (Cited in paras 2–4a and 2–11.)

#### **FAR, Part 45**

Government Property. (Cited in para 1–15a.) (Available at [www.arnet.gov/far](http://www.arnet.gov/far).)

#### **NGR 405–80**

Army National Guard Program. (Cited in para 1–13.) (Available at [www.ngbpdc.ngb.army.mil/arngfiles.asp](http://www.ngbpdc.ngb.army.mil/arngfiles.asp).)

#### **10 USC 2682**

Facilities for Defense Agencies. (Cited in para 2–1b.) (Available at [www.gpoaccess.gov/uscode/index.html](http://www.gpoaccess.gov/uscode/index.html).)

#### **10 USC 2721**

Property Records: Maintenance on Quantitative and Monetary Basis. (Cited in para 1–6.) (Available at [www.gpoaccess.gov/uscode/index.html](http://www.gpoaccess.gov/uscode/index.html).)

### **Section II Related Publications**

#### **AR 405–10**

Acquisition of Real Property and Interests Therein

#### **24 CFR 581**

Housing and Urban Development: Use of Federal Real Property to Assist the Homeless. (Available at [www.gpoaccess.gov/cfr/index.html](http://www.gpoaccess.gov/cfr/index.html).)

#### **DODI 4165.14**

Inventory of Military Real Property. (Available at [www.dtic.mil/whs/directives](http://www.dtic.mil/whs/directives).)

#### **PL 101–576**

Chief Financial Officers Act of 1990. (Available at <http://thomas.loc.gov>.)

#### **PL 104–231**

Electronic Freedom of Information Act Amendments of 1996. (Available at <http://thomas.loc.gov>.)

**5 USC 552**

Freedom of Information Act. (Available at [www.gpoaccess.gov/uscode/index.html](http://www.gpoaccess.gov/uscode/index.html).)

**42 USC 11411**

Use of Unutilized and Underutilized Public Buildings and Real Property to Assist the Homeless. (Available at [www.gpoaccess.gov/uscode/index.html](http://www.gpoaccess.gov/uscode/index.html).)

**50 USC 401**

National Security Act of 1947. (Cited in para 1–6.) (Available at [www.gpoaccess.gov/uscode/index.html](http://www.gpoaccess.gov/uscode/index.html).)

**Section III**

**Prescribed Forms**

**DD Form 1354**

Transfer and Acceptance of Military Real Property

**Section IV**

**Referenced Forms**

**DA Form 337**

Request for Approval of Disposal of Buildings and Improvements

**DA Form 2028**

Recommended Changes to Publications and Blank Forms

**DA Form 4283**

Facilities Engineering Work Request

## **Glossary**

### **Section I Abbreviations**

#### **ACSIM**

Assistant Chief of Staff for Installation Management

#### **APF**

appropriated fund

#### **AR**

Army regulation

#### **ASA(I&E)**

Assistant Secretary of the Army (Installations and Environment)

#### **BEA**

Business Enterprise Architecture

#### **BMMP**

Business Management Modernization Program

#### **CFR**

Code of Federal Regulations

#### **COCO**

contractor-owned/contractor-operated

#### **DA**

Department of the Army

#### **DA Pam**

Department of the Army Pamphlet

#### **DOD**

Department of Defense

#### **DODI**

Department of Defense Instruction

#### **FAR**

Federal Acquisition Regulation

#### **HQDA**

Headquarters, Department of the Army

#### **IMA**

Installation Management Agency

#### **MACOM**

major Army command

#### **NAF**

nonappropriated fund

#### **NGR**

National Guard regulation

#### **PL**

public law

**RPAO**

real property accountable officer

**RPI**

real property inventory

**USACE**

U.S. Army Corps of Engineers

**USC**

United States Code

**USPFO**

U.S. Property and Fiscal Officer

**Section II****Terms****Acquisition cost**

The original purchase cost less any purchase discounts.

**Base**

A five-character designation representing an aggregation of contiguous or near contiguous, common mission supporting real properties under the jurisdiction of the Department of Defense, controlled by and at which an Army organization is permanently assigned.

**Building**

A facility constructed on a space of land, covered by a roof, enclosed by walls, and usually with flooring.

**Capitalization**

The cost of actions which increase or decrease (demolition only) the material worth of an item of real property. Each instance of a capital improvement (increase or decrease) is vouchered against the facility by separate voucher. When a facility is completely demolished the final voucher will bring the final cost to the Government to zero.

**Capital decrease**

Any activity that disposes of real property or any maintenance activity that decreases the real property asset's capacity or size, usually as part of a renovation. This includes the removal of installed equipment and partial demolitions.

**Capital improvement**

Any maintenance activity to improve a facility when the activity increases the real property asset's capacity, size, efficiency, or useful life, if the activity was undertaken to improve or expand the efficiency of an asset that was in good working order. When a facility component has failed, is in the incipient stages of failing, or is no longer performing the functions for which it was designated such maintenance activity to correct or prevent failure it is a repair expense and not a capital improvement.

**Capital lease**

A lease agreement that transfers substantially all the benefits and risks of ownership from the lessor to the lessee. Department of Defense capital leases must meet one of the following criteria: transfers ownership of the property to the lessee by, or at, the end of the lease term; the lease contains an option to purchase the leased property at a bargain price; the non-cancelable portion of the lease term is equal to or greater than 75 percent of the estimated economic life of the leased property; or the present value of rental and other minimum lease payments, excluding that portion of the payments representing executory costs (such as insurance, maintenance, and taxes), equals or exceeds 90 percent of the fair market value of the leased property.

**Category code**

A series of numerical codes used to classify and categorize Department of Defense real property based on usage of the facility. These code numbers are based on nine basic functional classes directed by the Department of Defense.

**Condition**

Indicates whether a facility is/is not serviceable for a useful purpose.

**Construction**

The erection or assembly of a new facility or the addition, expansion, extension, alteration, conversion, or replacement of an existing facility. Includes equipment installed and made a part of such facilities, and related engineering and design efforts, site preparation, excavation, filling and landscaping, or other land improvements.

**Conversion**

A permanent change in the functional use of all or part of a building or structure. The building or structure category code is changed to reflect the conversion category code.

**Cost to U.S. Government of improvement on leased or rent-free land**

The appropriated and nonappropriated costs, expressed in hundreds of dollars, the U.S. Government expended for the purchase or construction of an item of real property on leased or rent-free land. Nonappropriated cost expressed in dollars and cents will be reported as estimated value.

**Demolition**

Disposal by removal or disassembly of existing buildings, structures, and utilities to provide a clear site.

**Director of public works**

The individual designated as responsible for the maintenance and management of real property facilities.

**Diversion**

A temporary change, not to exceed 3 years, in the functional use of all or part of a building or structure. No major structural changes or modifications will be made. The design use category code on the real property record is not changed; only the current use category code changes. The facility can be returned to its original purpose without significant use of labor or funds.

**Disposal**

Any authorized method of permanently divesting the Army of control of and responsibility for real estate and real property.

**Easement**

A real estate instrument that grants the right to use property for a specific purpose. It may be temporary or permanent. Easements are granted under several authorities.

**Equipment-in-place**

A special category of personal property (not real property) consisting of capital equipment and other nonexpendable equipment of a movable nature that has been fixed in place or attached to real property, but not as an integral part of the facility. Therefore, such equipment may be severed or removed from a facility without severely damaging, destroying or reducing the usefulness of the facility. Equipment-in-place is personal property and does not include installed building equipment. It is accounted for on property book records (not real property records).

**Excess installation**

No longer needed by the Army. See definition for "excess real property" below.

**Excess real property**

Any real property under the control of any Federal agency that the head of the agency determines is not required for agency needs and discharge of the responsibilities of the agency or the installation where the property is located. The excess status is assigned to the real property once a formal report of excess has been processed. Real property that has been determined excess to the Department of the Army must be screened with other Department of Defense elements before it is excess to Department of Defense.

**Facility**

A real property entity consisting of one or more of the following: a building, a structure, a utility system, or underlying land. All real property facilities are categorized by one or more category codes from DA Pam 415-28. Also called a "real property facility".

**Fair Market Value/Fair Value**

An objective, equitable estimate of the value of real property based on the cost of a similar asset or the price that an impartial buyer would be willing to pay for the asset or a similar asset.

**Fee owned**

Real property for which the US has all right, title, and interest rather than a partial or limited interest.

**Fee simple**

Same as fee owned. May also be referred to as “fee”.

**Heritage assets**

Plant, property, and equipment items that are expected to be preserved indefinitely because these assets are unique for one or more of the following reasons: historical or natural significance, cultural, educational or artistic (for example, aesthetic) importance, or significant architectural characteristics.

**Improvements**

An addition or betterment to land and costing labor or capital (for example, buildings, pavements, and roads, and other structures more or less permanently attached to the land).

**Inactive installation**

No current mission for this installation, but may be reactivated. Also an installation that cannot be disposed due to external constraints such as environmental contamination.

**Ingrant**

A lease, license, easement, or permit which authorizes the Army use of real property controlled by other military departments, Federal agencies, State and local governmental agencies, and private organizations or individuals.

**Installation**

An aggregation of contiguous or near contiguous, common mission-supporting real property holdings under the jurisdiction of or possession controlled by the Department of the Army or by a State, commonwealth, territory, or the District of Columbia, and at which an Army unit or activity (Active, Army Reserve, or Army National Guard) is assigned. An installation is a single site or a grouping of two or more sites for the purposes of real property inventory control. The real property accountable officer is at the installation level.

**Installation, active**

An installation being utilized regularly in its entirety or in part for its intended purpose. Land acquired for an intended installation will be reported as an “active” installation whether or not any construction has been completed.

**Installation, inactive**

An installation that is not in use, either intermittently or otherwise, by Active Army or Reserve component organizations other than care taking detachments. Inactive installations are retained in a layaway status in support of mobilization requirements, approved future missions, or pending disposal or transfer to another Federal agency. Portions of an installation may be placed in an inactive status.

**Installation, excess**

An installation for which there is no foreseeable Department of the Army requirement.

**Installation, semi-active**

An installation that is not in continuous use by Army organizations other than an Active Army garrison required to support intermittent use of Reserve component or field exercise requirements. An installation that is in custody of a non-Army agent charged with support of Reserve component training and/or maintenance of the installation as a mobilization base.

**Installed building equipment**

Items of equipment that are affixed and built into the facility as an integral part of the facility. To qualify as installed building equipment the equipment must be necessary to make the facility complete, and if removed, would destroy or severely reduce the usefulness of the facility.

**Interservice, Interdepartmental, and Interagency Support Agreement**

An agreement which defines support services and the basis for calculating reimbursement for the services. A supporting outgrant may still be required, depending on use of real property.

**Land**

Real estate that is fee-owned by the Federal Government and or under custody and accountability of the Army. Includes land acquired by purchase, condemnation, donation, transfer, permit, lease or other means. Includes reclaimed



or accredited lands if title is vested in the Federal Government and such lands are under custody and accountability of the Army.

### **Lease**

A written real estate instrument that conveys a possessory interest in real property, usually exclusive, for a period of time for a specified consideration. A lease carries a present interest and estate in the land for the period specified. The estate of the lessee, or tenant, is called the term and the estate of the lessor, or landlord, is the reversion. Generally, the lessee may occupy and use the premises for any lawful purpose not injurious to the reversion. However, the lease may contain express provisions or conditions restricting the use of the property.

### **License**

A real estate instrument that grants permission to use property for a specified purpose without conveying an interest in the property. A license is a bare authority to an individual, an organization, a corporation, a State or local governmental entity, or another Federal agency, to do a specified act or series of acts on the licensor's property without acquiring any estate therein, and authorizes an act which would otherwise constitute a trespass. Use is not exclusive and there is no alienation of title, ownership, or control of Government property. The license instrument provides written evidence of the permission granted and of the obligations, responsibilities, and liabilities imposed on the licensee. A license may be issued pursuant to specific authority, as a lesser right under lease or easement authorities, or pursuant to the general administrative powers of the Secretary of the Army.

### **Modernization**

Alteration of facilities solely to implement new or higher standards, to accommodate new functions, or to replace building components that exceed the overall service life of the facilities.

### **Nonappropriated funds**

Funds the U.S. Government expends for the purchase or construction of an item of real property on Government-owned land, and other uses, that are not appropriated by the U.S. Congress. The dues, surcharges, certain purchases, and unit fund contributions paid by military personnel generate these funds. Nonappropriated funds are applied to meet the morale, welfare, and recreational requirements of soldiers and their families.

### **Outgrant**

A legal document that conveys or grants the right to use Army-controlled real property by setting the terms and conditions of non-Army use of Army-owned real property. Types of real property outgrants are leases, licenses, easements, and permits. The following written agreements are not real estate instruments and are not outgrants: consents, memoranda, and Interservice Support Agreements.

### **Permit**

A real estate instrument similar to a license by which one Federal agency or Military Service grants permission to another Federal agency or Military Service to use property for a specified purpose without conveying an ownership interest in the property. A real estate permit is generally used to authorize use of Department of the Army real property by another Military Service or component. Wherever a permit is used, a license could also be used to authorize use of Army property by another Federal agency

### **Personal property**

Any Government property not considered real property.

### **Private organization**

A self-sustaining, non-Federal entity constituted or established and operated on a Department of the Army installation by individuals acting outside any official capacity as officers, employees, or agents of the Federal government or its instrumentalities. It must have the written consent of the installation commander or higher authority to operate on a Department of the Army installation.

### **Property, plant, and equipment (general)**

The Department of Defense account to which real property construction is debited upon acceptance of real property. Property, plant, and equipment are tangible assets that have an estimated life of 2 or more years, are not intended for sale in the ordinary course of business, and are intended to be used or available for use by the Army/Department of Defense.

**Real estate**

Interests in real property are referred to as rights or estates, hence real estate is similar to real property. See definition for “real property” below.

**Real property**

Real property consists of lands and improvements to land, buildings, and structures, including improvements and additions, and utilities. It includes equipment affixed and built into the facility as an integral part of the facility (such as heating systems), but not movable equipment (such as plant equipment). In many instances, this term is synonymous with “real estate”.

**Real property accountable officer**

An officer or Department of the Army civilian assigned to public works (facilities engineering) functions and appointed in writing by the garrison commander for whom the real property records are being maintained. Responsibilities include inventory management, assets accounting, assigning space, space utilization, and real estate.

**Real property inventory**

A detailed inventory of each item of real property. It serves as the basic source of information for the category, status, cost, area, capacity, condition, use, construction material, and capital improvements for each item of real property as defined by category code in DA Pam 415–28. The real property inventory is maintained at installation level and then aggregated at Headquarters, Department of the Army.

**Replacement**

Constructing a new facility to replace the function of the existing facility or simply tearing the existing facility down and building a new one.

**Site**

Land and the improvements thereon under the control of the Department of Army. Sites are at a fixed location at which Army functions are or may be carried on and which has been established by directive of the Department of Army or by an overseas command under delegated authority. Such land and improvements within a common boundary utilized as a post or camp, with functions such as command and control, training, troop housing, and airfield operations, generally will be designated as a single site. Within a common boundary, a site may include discrete parcels of land, that although are not contiguous, are close enough to be considered a single site.

**Structure**

A real property facility that is classified as other than land, a building, or utility.

**Surplus real property**

Any excess real property not required for the needs and discharge of the responsibilities of all Federal agencies, as determined by the General Services Administration administrator.

**Tenant**

Any activity or organization that would fund facility sustainment of real property with a different Service appropriation than that of the host or main installation tenant.

**Transfer**

Change of jurisdiction over real property from one Federal agency or department to another, including military departments and Defense agencies.

**Utility**

A distribution system, commodity source, or commodity collection point that provides a common service or commodity to more than one building or structure, for example, water, electricity, sewage, and so forth.

**Vacant area**

All unoccupied space in buildings that is not programmed or committed for use during the next 12 months. All space reported as vacant area will be assumed to be available for use by others. Vacant area does not include areas outgranted.

**Voucher register**

A serial-numbered document register maintained by the real property accountable officer to record all transactions that affect real property.

**Section III****Special Abbreviations and Terms**

This section contains no entries.

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