



COMPTROLLER

OFFICE OF THE UNDER SECRETARY OF DEFENSE

1 100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100

April 9, 2024

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(FINANCIAL OPERATIONS)

SUBJECT: Department of the Air Force Real Property Capitalization Threshold Exception to Policy Waiver (FPM24-07)

The Department of the Air Force (DAF) is granted an exception to the Department of Defense Financial Management Regulation (DoD FMR) Volume 4, Chapter 24, "Real Property," subparagraph 2.4.8.

According to the DoD FMR, the capitalization threshold for real property assets within the DAF General Fund and Working Capital Fund is set at \$250,000. However, recognizing the evolving landscape of construction costs and aiming to streamline the management of real property assets, the DAF requests to raise this threshold to \$1 million. This adjustment is intended to better align with the DAF's current financial realities and focus resources on significant real property assets.

An analysis provided by the DAF indicates approximately 96 percent of its real property assets would be appropriately captured with a \$1 million capitalization threshold. This figure falls well within the DAF's materiality calculation, supporting the rationale behind the requested adjustment. After a comprehensive review, my office has determined that the DAF's proposed capitalization threshold of \$1 million is justified and aligned with the objectives outlined in its analysis.

The DoD FMR will be updated with this change at its next update. My staff point of contact for this subject is Ms. Dzenana Dzanic at 703-508-9277 or [dzenana.dzanic.civ@mail.mil](mailto:dzenana.dzanic.civ@mail.mil).

Thomas C. Steffens  
Deputy Chief Financial Officer