



Office of Government-wide Policy

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The U. S. Government Aircraft Cost Accounting Guide (CAG) sets forth the principles for assisting Federal agencies in implementing an accounting system; provide direction on how to employ the cost data to assist flight programs with the acquisition, justification and use of aircraft in support of flight program missions. This CAG will enable Federal agencies to report to Federal Aviation Interactive Reporting System (FAIRS) and do calculations necessary to comply with other direction in the current editions of:

- a. OMB Circular A-11, Preparation, Submission, and Execution of the Budget,
- b. OMB Circular A-76, Performance of Commercial Activities,
- c. OMB Circular A-126, Improving the Management and Use of Government Aircraft,
- d. 41 Code of Federal Regulations 102-33, Management of Government Aircraft,

The users of this guide include, but not limited to, aviation managers, as well as accounting, finance, and acquisition personnel of any Federal agency that operates aircraft in support of its assigned function.

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U.S. Government Aircraft Cost Accounting Guide

Developed by

The Interagency Committee for Aviation Policy

and the

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1.0 INTRODUCTION

The purpose of this U.S. Government Aircraft Cost Accounting Guide (CAG) is:

- To assist Federal agencies in implementing an accounting system to collect, analyze, and report cost data related to operating aircraft.
- To give agencies direction on how to employ the cost data they collect to justify the use of aircraft to support travel, recover the cost of operating aircraft on behalf of others.
- To justify the acquisition and in-house operation of aircraft, and determine aircraft program cost-effectiveness.

If properly implemented, the cost accounting system described in this guide can become a valuable tool to help aviation managers make sound decisions for acquiring, managing, and disposing of aircraft.

This CAG adopts widely accepted aviation cost accounting practices and incorporates guidance contained in the current version OMB Circular A-126. An accounting system developed following the guidance in this CAG will enable Federal agencies to report to the Federal Aviation Interactive Reporting System (FAIRS), do the calculations necessary to comply with other direction in 41 Code of Federal Regulations 102-33 and OMB Circulars A-126, A-76 and A-11, and produce financial statements (balance sheets, income/expense statements, and cash flow statements) as well as various management reports.

In addition, this CAG shows how the financial information generated by the proposed accounting system would correlate with the U.S. Government's existing Object Class Code system of budgeting as well as with the U.S. Government Standard General Ledger (SGL) System of accounting.

Intended users of this guide include aviation managers in Federal agencies, as well as accounting, finance, and acquisition personnel of any Federal agency that operates aircraft in support of its assigned function. To implement the accounting system described in this CAG will require the use of trained financial and accounting personnel. This guide is therefore designed to do the following:

- Assist Federal managers in understanding and complying with the required processes,
- Give guidance to Federal finance and accounting personnel in establishing and operating the accounting system, and
- Facilitate communication between program management, accounting, and finance staffs by establishing a common base of understanding.

2.0 GOVERNMENT AIRCRAFT COST ACCOUNTING REQUIREMENTS

OMB Circular A-126 directs the General Services Administration (GSA) and the Federal agencies to minimize costs and improve the management and use of Government aviation resources. The circular prescribes cost accounting guidance that Federal agencies must follow in acquiring, managing, and disposing of aircraft.

Also through Circular A-126, OMB has charged GSA with specific responsibilities:

- Operating a Government-wide aircraft management information system (FAIRS),
- Developing generic aircraft information systems standards,
- Providing technical assistance to agencies in establishing automated aircraft information and cost accounting systems and conducting the cost analyses required by Circular A-126,
- Providing statistical reports and studies related to the information collected through the Government-wide management information system.
- Providing performance indicators

In 41 Code of Federal Regulations 102-33, "Management of Government Aircraft," GSA (with advice from the Federal agencies) has codified the direction contained in OMB Circular A-126. 41 CFR 102-33 directs Federal agencies to report cost information through the Federal Aviation Interactive Reporting System (FAIRS).

OMB Circular A-76, "Performance of Commercial Activities" and FMR 102-33 directs Federal agencies to compare the costs of owning and operating aircraft with the costs of hiring aircraft as commercial aviation services (CAS).

2.1 Reporting Government Aircraft Costs

2.1.1 Federal Aviation Interactive Reporting System (FAIRS)

To comply with direction in OMB Circular A-126, GSA has developed the Federal Aviation Interactive Reporting System (FAIRS) to collect and analyze data on the inventories, cost, and usage of Government aircraft. Government aircraft (manned or unmanned) are (1) Federal aircraft (i.e., owned, borrowed, loaned, or bailed) or are (2) aircraft hired as commercial aviation services (CAS) (i.e., leased, lease-purchased, rented, chartered, hired under full service contracts, or hired under Inter-Service Support Agreements - ISSA).

The Federal agencies that are members of the Interagency Committee for Aviation Policy (ICAP) worked closely with GSA to develop the data elements, functional specifications, and business rules for FAIRS. FAIRS is a highly secure, web-based system that consists of a basic application for entering and approving data, a database to store the data, and a query tool that allows users to retrieve and analyze data from the database as well as an inventory listing and self-paced training modules. The current version of FAIRS was made operational in February 2007.

Through the FAIRS application, agencies report on their Federal aircraft inventories and the cost, missions, and flight time of their Federal aircraft as well as the cost, missions,

and flight time of aircraft they hire as commercial aviation services (CAS). The FAIRS business rules (see Appendix E) establish the frequency and format for this reporting.

FAIRS cost data elements are defined in Appendix D. The Cost Accounting Guide (CAG) Correlation Matrix in Section 2.4 shows the relationships among the elements as defined in FAIRS and A-126 and the data elements that support the Capital Asset Planning (CAP) Tool.

2.1.2 Federal Agencies' Accounting Systems

The quality of the data collected in FAIRS is a direct reflection of the quality of the reporting agencies' cost accounting and statistical data gathering. To report to FAIRS accurately and completely, Federal agencies need their own accounting systems that can track costs by model, tail number, location, and contract assignment. They need accounting systems that are based on standard accounting principles and concepts and that are automated to facilitate handling the large quantities of data involved. The model accounting system described in this guide incorporates standard accounting practices, is applicable to any Government organization because it is based on the U.S. Government Standard General Ledger System (SGL), dated August 2008, and should fulfill agencies' needs for reporting and management information.

Central to any accounting system is the use of a set of definitions for financial elements and a Chart of Accounts that groups and assigns a number to each asset, liability, cost element, and sub-element. The elements are selected and defined by each operator in such a way that they:

- Cover all areas of asset, liability, owner's equity, expense, and revenue for that operator,
- Can be collected without undue difficulty by that operator,
- Provide the basis for generating the required reports in the required format.

This guide recommends a set of Federal Government Aircraft Cost Elements (see Section 2.4), a standard Chart of Accounts (see Section 3.2.1) and shows how that Chart of Accounts can be expanded as required for different types of operations. The guide also identifies how agencies can obtain needed data through the use of standard forms (see Appendix C). The forms are also available in Excel format for incorporation in a digital data collection system.

Because no two aviation operations are identical, this guide focuses on underlying principles, and the model system based on these principles can be adapted. The concepts and approaches are applicable to any sized operation regardless of how many aircraft, operating locations, and contracts are involved. Management and accounting personnel will have to work together to adapt the system described in this CAG to meet the needs of their operation. The key to a successful accounting system is first to define what output is required and then work backwards from that point to ensure that the system has the right input to produce the required output.

2.2 Accounting for Government Aircraft Costs (OMB Circular A-126)

Federal agencies need accounting systems whose output helps them comply with the requirements in OMB Circular A-126. Circular A-126 directs Federal agencies to accumulate the costs associated with their aircraft programs and use those costs to do the following: (1) justify the use of Government aircraft in lieu of commercially available aircraft to support travel, and the use of one Government aircraft in lieu of another to support travel; (2) recover the costs of operating Government aircraft, when appropriate; (3) determine the cost-effectiveness of various aspects of Federal agencies' aircraft programs; and (4) conduct the cost comparisons required by OMB Circular A-76.

Agencies should use the Federal Government Aircraft Cost Elements defined in this CAG (see section 2.4 and Appendix D) to comply with these requirements, as described in detail below.

2.2.1 Justifying the Use of Aircraft to Support Travel

Before authorizing the use of a Government aircraft to support travel, on a trip-by-trip basis, Federal agencies must do the following:

- 1) Compare the cost of all reasonable travel alternatives, including:
 - a) The cost of the city-pair fare for scheduled commercial airline service or the cost of the lowest available full coach fare, if a city-pair fare is not available to the traveler.
 - b) The cost of using government aircraft, whether owned or hired as a commercial aviation service (CAS). These costs must be obtained from the aircraft management office of the agency providing the government aircraft.
 - c) Travel by other available modes of transportation that are capable of meeting the travel requirements.
- 2) Consider the cost of non-productive or lost work time while in travel status and other relevant costs (e.g., landing fees, tolls, parking, etc.) when comparing the costs of using government aircraft in lieu of scheduled commercial airline service and other available modes of transportation.
NOTE: The cost of non-productive or lost work time must be computed based on gross actual hourly costs to the government. These hourly costs should include benefits, but may not include the use of multipliers based on salary, position, or any other factor.
- 3) Approve the most cost-effective alternative that meets the agency's needs.

Agencies that propose to use their Government aircraft to support recurring travel between locations are encouraged to develop standard trip cost justifications. These justifications should summarize the projected costs of using Government aircraft and

scheduled airlines between those locations. The justifications should also show comparative costs for varying passenger loads. Agencies that choose this approach would be able to see at a glance the minimum number of official travelers needed to justify the use of a particular aircraft or aircraft type for a trip between locations.

Cost comparisons must be calculated as based on the-following:

Agencies should develop a **variable cost rate** for each aircraft or aircraft type (i.e., make and model) in their inventories before the beginning of each fiscal year. These rates should be developed as follows:

1. Accumulate or allocate to the aircraft or aircraft type all historical costs (for the previous 12 months, or longer periods, as appropriate) grouped under the variable cost category defined in GSA regulations. These costs should be obtained from the agency's accounting system.
2. Reduce or eliminate short-term data volatilities, as needed, by factoring in or out seasonal, cyclic, and infrequent variable cost components, such as engine overhauls and accident repairs, and allocating those costs over time as appropriate.
3. Adjust the historical variable costs from Step 1 for inflation and for any known upcoming cost changes to project the new variable cost total. The inflation and escalation factors used must conform to OMB Circulars A-11 and A-76, as appropriate.
4. Divide the total variable costs of the aircraft or aircraft type by the flight time corresponding to the historical data timeframe for the aircraft or aircraft type to compute the projected variable cost or usage rate (per flight time).

To compute the variable cost of using an agency's own aircraft for a proposed trip, multiply the variable cost rate computed in Step 3 (above) by the estimated flight time for the trip. The variable cost of using a government aircraft for a trip should include, as appropriate, all time required to position or reposition the aircraft prior to and after the trip, if no follow-on trip is scheduled.

Flight Time is the amount of time, expressed in hours and tenths of an hour, from when the aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing.

Agencies should develop a projected hourly cost for each of their Federal aircraft at the beginning of each fiscal year.

Examples of components that constitute "variable costs" are as follows. For more specific information on these Federal Government Aircraft Cost Elements see Section 2.4.

Variable Crew Costs

Scheduled and Unscheduled Maintenance Labor – Variable
Scheduled and Unscheduled Maintenance Parts – Variable
Scheduled Maintenance Contract Out – Variable
Scheduled Engine Overhaul, Refurbishment, Major Comp. Repair—
Variable
Fuel, Other Fluids, Oxygen
Variable Lease Costs
Flight Support
Ground Servicing

CAS aircraft trip cost: the amount that the agency will be charged for the trip by the organization that provides the aircraft. If another Federal agency provides the aircraft at no charge, the comparison number to use is the owning agency's Federal aircraft cost as defined above (i.e., projected hourly cost times the flight time for the trip).

Commercial airline service cost: for all official travelers only (do not include costs for space available passengers in this calculation), the sum of the current Government contract fare (or the lowest fare available) for the trip in question plus the costs of any additional (i.e., beyond what is required for travel on Federal or CAS aircraft) ground or air travel, per diem, miscellaneous related costs (e.g., taxis, parking, etc.), and any lost work time (computed at gross hourly costs to the Government, including benefits). Travel by Federal or CAS aircraft is presumed to be the baseline against which the use of commercial airline travel is measured.

2.2.2 Recovering the Cost of Operations When Appropriate

Under the Economy Act of 1932, as amended (31 USCS 1535) and various acts appropriating funds or establishing working funds to operate aircraft, Federal agencies are required to recover the costs of operating their aircraft for use by other Federal agencies, other governments (e.g., state, local, or foreign), or non-official travelers. Depending on the statutory authorities under which an agency acquired or operates an aircraft, that agency may use either of two methods for establishing the rates charged for using its aircraft:

Variable Cost Recovery Rate: This is the same as the Federal Aircraft Trip Cost in Section 2.2.1 above (Justifying the Use of Government Aircraft for Travel). If an agency decides to base the charge for using its aircraft solely on this rate, it must recover any associated fixed costs separately from the appropriation that supports the mission for which the procurement of the aircraft was justified. The fixed costs are as follows (see information on the Federal Government Aircraft Cost Elements shown in Section 2.4):

Fixed Crew Costs
Scheduled (Calendar) Maintenance Labor -- Fixed

Scheduled (Calendar) Maintenance Parts – Fixed
 Scheduled (Calendar) Maintenance Refurb -- Fixed
 Scheduled (Calendar) Maintenance Contract Out – (Fixed)
 Fixed Lease Costs
 Operations Overhead
 Administrative Overhead
 Insurance Premium Costs (or Self-Insurance Costs)
 Depreciation

Full Cost Recovery Rate: This includes Fixed costs directly attributable to the aircraft or aircraft type and adjusted for inflation, as prescribed in OMB Circular A-76, and for any known upcoming cost changes *plus* any insurance premium costs (or self-insurance costs) and annual depreciation or replacement costs *plus* operations and administrative overhead allocated to the aircraft or aircraft type based on the percentage of annual flight time projected for the aircraft or aircraft type *divided* by the annual flight time projected for the aircraft or aircraft type *then add to the result* the Variable Cost Recovery Rate *then multiply that result by* the estimated number of flight time for the trip.

So, Full Cost Recovery Rate =

$$\text{Flight Time (Var Cost RR + } \frac{\text{Allocated Adj Fixed Costs + Insur+ AnnDeprec + Ops \& Admin Overhead}}{\text{Projected Annual flight time}} \text{) For trip}$$

See Appendices D and F for definitions and the CAG Correlation Matrix, Section 2.4, for correlation with the data elements that support the CAP Tool.

2.2.3 Determining Aircraft Program Cost-Effectiveness

Although cost data are not the only measures of effectiveness of a Federal agency's aircraft program, they can be very useful in identifying opportunities to reduce aircraft operational costs. Developing performance indicators that measure the impact on mission accomplishment contributed by the aviation program and provides a tool for measuring the impact of future aviation program investments. Such information will be utilized in supporting budget requests and periodic agency reviews of the effectiveness of the aviation program's performance. These opportunities might also include changing maintenance practices, purchasing fuel at lower costs, and the replacement of old, inefficient aircraft with aircraft that are more fuel-efficient and have lower operations and maintenance costs. See FMR 102-33 for Performance Indicators.

The most common measures used to evaluate the cost-effectiveness of various aspects of an aircraft program are expressed as the cost per flying hour or flight time or per passenger mile for certain types of aircraft costs. These measures include, but are not limited to maintenance costs/flying hour or flight time; fuel and other fluids cost/flying hour; accident repair costs/flying hour (or per aircraft); readiness rates (full/partial mission capable) and variable cost per passenger mile. Agencies should use the

Federal Government Aircraft Cost Elements in Section 2.4 to develop their own cost-effectiveness measures.

2.3 Justifying Acquisition and In-House Operation of Government Aircraft

Justifying the acquisition and in-house operation of aircraft, and determine aircraft program cost-effectiveness, is required by 41 Code of Federal Regulations 102-33, “Management of Government Aircraft” and mandated by Office of Management and Budget (OMB) Circulars A-126, “Improving the Management and Use of Government Aircraft” and A-11, Part 7, “Planning, Budgeting, Acquisition, and Management of Capital Assets”. GSA has also developed a Capital Asset Programming Guide and Tool to assist agencies in doing their A-11 requirements.

2.4 Federal Government Aircraft Cost Elements

Following is a listing of the Federal Government Aircraft Cost Elements, which include all the cost elements required by FAIRS as well as other costs that agencies need to accumulate. These Federal Government Aircraft Cost Elements are generally the same as the cost data elements in FAIRS and follow FAIRS’ definitions (see Appendix D which also includes the corresponding Charts of Accounts Code). However, some of the elements that agencies need to collect are not captured in FAIRS. **The tables below cross-reference the Federal Government Aircraft Cost Elements to the specific requirements in FAIRS and OMB Circulars A-126 and data elements that support the CAP Tool. (Also, see the Appendix D for a more detailed breakout of the data elements as well as the corresponding Chart of Account Codes. Definitions for A-126 elements are in Appendix F.)**

The Federal Government Aircraft Cost Element matrix is divided into four sections, as follows:

VARIABLE COSTS: The variable costs of operating aircraft are those costs that vary depending on how much the aircraft are used. For instance, variable maintenance costs include unscheduled maintenance costs and costs of maintenance scheduled on the basis of actual flying time or flight time because these vary with aircraft usage:

VARIABLE COSTS:

Federal Government Aircraft Cost Elements	Needed to Report to FAIRS	Needed for Cost Comparisons (A-126)	Needed for CAP Tool
Flight Support—Commercial	X (56)	X (Landing & Tie Down Fees)	X (Landing & Tie Down Fees)
Flight Support—Federal	X (57)	X (Landing & Tie Down Fees)	X (Landing & Tie Down Fees)
Fuel and Additives—Commercial	X (92)	X (Fuel and Other Fluids)	X (Fuel and Other Fluids)
Fuel and Additives—Federal	X (93)	X (Fuel and Other Fluids)	X (Fuel and Other Fluids)
Ground Servicing—Commercial	X (59)	X (Landing & Tie Down Fees)	X (Ground Servicing)
Ground Servicing—Federal	X (60)	X (Landing & Tie Down Fees)	X (Ground Servicing)
Lubricants and Oil—Commercial	X (153)	X (Fuel and Other Fluids)	X (Fuel and Other Fluids)

Federal Government Aircraft Cost Elements	Needed to Report to FAIRS	Needed for Cost Comparisons (A-126)	Needed for CAP Tool
Lubricant and Oil—Federal	X (154)	X (Fuel and Other Fluids)	X (Fuel and Other Fluids)
Oxygen Servicing—Commercial	X (61)	X ((Landing & Tie Down Fees)	X (Oxygen Servicing)
Oxygen Servicing—Federal	X (62)	X (Landing & Tie Down Fees)	X (Oxygen Servicing)
Scheduled Maintenance Contract Out—Commercial	X (236)	X (Maintenance Contracts Variable)	X (Maintenance Contracts Variable)
Scheduled Maintenance Contract Out—Federal	X (237)	X (Maintenance Contracts Variable)	X (Maintenance Contracts Variable)
Scheduled Maintenance Engine Overhaul—Commercial	X (245)	X (Engine Overhaul, Refurbishment, Major Component Repair)	X (Engine Overhaul, Refurbishment, Major Component Repair)
Scheduled Maintenance Engine Overhaul—Federal	X (246)	X (Engine Overhaul, Refurbishment, Major Component Repair)	X (Engine Overhaul, Refurbishment, Major Component Repair)
Scheduled Maintenance Labor--Commercial	X (252)	X (Maintenance Labor Variable)	X (Maintenance Labor Variable)
Scheduled Maintenance Labor—Federal	X (253)	X (Maintenance Labor Variable)	X (Maintenance Labor Variable)
Scheduled Maintenance Parts—Commercial	X (261)	X (Maintenance Parts Variable)	X (Maintenance Parts Variable)
Scheduled Maintenance Parts—Federal	X (262)	X (Maintenance Parts Variable)	X (Maintenance Parts Variable)
Scheduled Maintenance Refurbishment—Commercial	X (273)	X (Engine Overhaul, Refurbishment, Major Component Repair)	X (Engine Overhaul, Refurbishment, Major Component Repair)
Scheduled Maintenance Refurbishment —Federal	X (274)	X (Engine Overhaul, Refurbishment, Major Component Repair)	X (Engine Overhaul, Refurbishment, Major Component Repair)
Scheduled Maintenance Service Life Enhancement Program (SLEP-LEP) - Commercial	X (277, 280)	X (Maintenance Costs Variable)	X (Maintenance SLEP/LEP)
Scheduled Maintenance Service Life Enhancement Program (SLEP-LEP) - Federal	X (278, 281)	X (Maintenance Costs Variable)	X (Maintenance SLEP/LEP)
Scheduled Maintenance Time Between Overhaul (TBO) Component—Commercial	X (283, 286)	X (Engine Overhaul, Refurbishment, Major Component Repair)	X (Engine Overhaul, Refurbishment, Major Component Repair)
Scheduled Maintenance Time Between Overhaul (TBO) Component—Federal	X (284, 287)	X (Engine Overhaul, Refurbishment, Major Component Repair)	X (Engine Overhaul, Refurbishment, Major Component Repair)
Unscheduled Maintenance & Repairs Labor—Commercial	X (302)	X (Maintenance Labor Variable)	X (Maintenance Labor Variable)
Unscheduled Maintenance & Repairs Labor—Federal	X (303)	X (Maintenance Labor Variable)	X (Maintenance Labor Variable)
Unscheduled Maintenance & Repairs Parts—Commercial	X (304)	X (Maintenance Parts Variable)	X (Maintenance Parts Variable)
Unscheduled Maintenance & Repairs Parts—Federal	X (305)	X (Maintenance Parts Variable)	X (Maintenance Parts Variable)
Variable Crew – Commercial	X (323)	X (Crew Costs Variable)	X (Crew Costs Variable)
Variable Crew – Federal	X (324)	X (Crew Costs Variable)	X (Crew Costs Variable)
Variable Lease Cost—Commercial	X (330)	X (Lease Costs Variable)	X (Lease Costs Variable)

Federal Government Aircraft Cost Elements	Needed to Report to FAIRS	Needed for Cost Comparisons (A-126)	Needed for CAP Tool
Variable Lease Cost—Federal	X (331)	X (Lease Costs Variable)	X (Lease Costs Variable)

FIXED COSTS: The fixed costs of operating aircraft are those that result from owning and support of the aircraft and that do not vary according to aircraft usage. These include maintenance and inspection costs that are incurred on a calendar basis, as well as the cost of maintenance labor that is not incurred as a result of specific maintenance actions on specific aircraft:

Federal Government Aircraft Cost Elements	Needed to Report to FAIRS	Needed for Cost Comparisons (A-126)	Needed for CAP Tool
Administrative Overhead Cost - Commercial	X (10)	X (Administrative Overhead)	X (Administrative Overhead)
Administrative Overhead Cost - Federal	X (11)	X (Administrative Overhead)	X (Administrative Overhead)
Depreciation		X (Depreciation)	X (Depreciation)
Fixed Crew—Commercial	X (41)	X (Crew Costs Fixed)	X (Crew Costs Fixed)
Fixed Crew—Federal	X (42)	X (Crew Costs Fixed)	X (Crew Costs Fixed)
Fixed Lease—Commercial	X (50)	X (Lease Costs Fixed)	X (Lease Costs Fixed)
Fixed Lease—Federal	X (51)	X (Lease Costs Fixed)	X (Lease Costs Fixed)
Flight Support – Commercial	X (64)	X (Landing and Tie Down Fees)	X (Landing and Tie Down Fees)
Flight Support – Federal	X (65)	X (Landing and Tie Down Fees)	X (Landing and Tie Down Fees)
Ground Servicing – Commercial	X (67)	X (Landing and Tie Down Fees)	X (Ground Servicing)
Ground Servicing – Federal	X (68)	X (Landing and Tie Down Fees)	X (Ground Servicing)
Insurance Premium Cost	X (147)		
Litigation Settlement Cost	X (151)		
Operations Overhead Cost - Commercial	X (164)	X (Operations Overhead)	X (Operations Overhead)
Operations Overhead Cost - Federal	X (165)	X (Operations Overhead)	X (Operations Overhead)
Other Commercial Costs	X (191)	X (Operations Overhead)	X (Operations Overhead)
Other Federal Costs	X (192)	X (Operations Overhead)	X (Operations Overhead)
Oxygen Servicing - Commercial	X (69)	X (Landing and Tie Down Fees)	X (Oxygen Servicing)
Oxygen Servicing – Federal	X (70)	X (Landing and Tie Down Fees)	X (Oxygen Servicing)
Scheduled (Calendar) Maintenance Contract Out—Commercial	X (203)	X (Maintenance Contracts Fixed)	X (Maintenance Contracts Fixed)
Scheduled (Calendar) Maintenance Contract Out—Federal	X (204)	X (Maintenance Contracts Fixed)	X (Maintenance Contracts Fixed)
Scheduled (Calendar) Maintenance Labor—Commercial	X (206)	X (Maintenance Labor Fixed)	X (Maintenance Labor Fixed)
Scheduled (Calendar) Maintenance Labor—Federal	X (207)	X (Maintenance Labor Fixed)	X (Maintenance Labor Fixed)
Scheduled (Calendar) Maintenance Parts—Commercial	X (215)	X (Maintenance Parts Fixed)	X (Maintenance Parts Fixed)
Scheduled (Calendar) Maintenance Parts—Federal	X (216)	X (Maintenance Parts Fixed)	X (Maintenance Parts Fixed)
Scheduled (Calendar) Maintenance Refurbishment - Commercial	X (227)	X (Maintenance Costs Fixed)	X (Maintenance Costs Fixed)
Scheduled (Calendar) Maintenance Refurbishment—Federal	X (228)	X (Maintenance Costs Fixed)	X (Maintenance Costs Fixed)

Federal Government Aircraft Cost Elements	Needed to Report to FAIRS	Needed for Cost Comparisons (A-126)	Needed for CAP Tool
Scheduled Maintenance – Aircraft Inspection - Commercial	X (233)	X (Maintenance Costs Fixed)	X (Maintenance Costs Fixed)
Scheduled Maintenance – Aircraft Inspection - Federal	X (234)	X (Maintenance Costs Fixed)	X (Maintenance Costs Fixed)
Scheduled Maintenance – Engine Inspection - Commercial	X (242)	X (Maintenance Costs Fixed)	X (Maintenance Costs Fixed)
Scheduled Maintenance – Engine Inspection - Federal	X (243)	X (Maintenance Costs Fixed)	X (Maintenance Costs Fixed)
Scheduled Maintenance – Engine Overhaul - Commercial	X (248)	X (Maintenance Costs Fixed)	X (Maintenance Costs Fixed)
Scheduled Maintenance – Engine Overhaul - Federal	X (249)	X (Maintenance Costs Fixed)	X (Maintenance Costs Fixed)
Self-Insurance Cost	X (289)	X (Self-Insurance Cost)	
Unscheduled Maintenance – Aircraft Inspection - Commercial	X (296)	X (Maintenance Costs Fixed)	X (Maintenance Costs Fixed)
Unscheduled Maintenance – Aircraft Inspection - Federal	X (297)	X (Maintenance Costs Fixed)	X (Maintenance Costs Fixed)
Unscheduled Maintenance – Engine Inspection - Commercial	X (299)	X (Maintenance Costs Fixed)	X (Maintenance Costs Fixed)
Unscheduled Maintenance – Engine Inspection - Federal	X (300)	X (Maintenance Costs Fixed)	X (Maintenance Costs Fixed)
Unscheduled Maintenance Labor – Re-Engine Commercial	X (317)	X (Maintenance Costs Fixed)	X (Maintenance Costs Fixed)
Unscheduled Maintenance Labor – Re-Engine Federal	X (318)	X (Maintenance Costs Fixed)	X (Maintenance Costs Fixed)
Unscheduled Maintenance Parts – Re-Engine Commercial	X (320)	X (Maintenance Costs Fixed)	X (Maintenance Costs Fixed)
Unscheduled Maintenance Parts – Re-Engine Federal	X (321)	X (Maintenance Costs Fixed)	X (Maintenance Costs Fixed)

MISCELLANEOUS COSTS: Agencies should record certain other costs of their aircraft, including the cost of acquisition and modification. These costs are used in the calculations required by Circular A-126:

Federal Government Aircraft Cost Elements	Needed to Report to FAIRS	Needed for Cost Comparisons (A-126)	Needed for CAP Tool
Accident Repair Costs		X (Accident Repair Costs)	
Acquisition Value	X (6)	X (Aircraft Cost)	
Modification Cost	X (159)	X (Aircraft Cost)	
Cost of Capital		X (Cost of Capital)	

OTHER REQUIRED DATA: Certain other, non-cost data must also be recorded (such as flight time) to assist with the analysis of aviation operations.

3.0 A STANDARD GOVERNMENT AIRCRAFT COST ACCOUNTING SYSTEM, BASED ON A ‘CHART OF ACCOUNTS’

The **Chart of Accounts** is a systematic listing of all accounts used by the organization. The chart of accounts helps to organize the accounting records of an organization and to ensure consistent reporting of similar transactions.

It is impossible to forecast future needs beyond perhaps one or two years. It is therefore important to set up an accounting system that has as much flexibility as possible so that it can support all management levels within the organization and change as the organization grows. In practical terms, this means it is worthwhile to set up a system that has significantly more capability than needed at present. The chart of accounts is the place where flexibility can be built into your accounting system. Generally, the accounts on a chart of accounts are grouped by type in order of their appearance on the organization's financial statements. The first digit of the account number will indicate the major heading of the account. For example, any asset account usually begins with a "1" and a "2" normally indicates liabilities. The second digit of the account number normally indicates the major account within a heading (for example, "11" is a cash asset account). The third digit in the account number indicates the sub account within the major account classification. The account numbers 111 and 112 could represent cash assets on hand in bank A and bank B. In this manner, the subsidiary accounts can be "rolled up" into their major accounts and the major accounts can be "rolled up" into their proper headings.

3.1 Federal Standard General Ledger System (SGL) Chart of Accounts for Aircraft

Below are sections taken directly from the SGL and which explain its background and objectives.

Background:

In early 1984, an interagency group was formed at the direction of the Office of Management and Budget (OMB) under the leadership of the Department of Transportation. OMB tasked the interagency group to develop a standard general ledger chart of accounts for Government-wide use by modifying the currently existing Department of Defense Uniform Chart of Accounts. The criteria provided by OMB to the interagency group were that the standard general ledger chart of accounts should:

- Provide control over all financial transactions and resource balances,
- Satisfy basic OMB and Treasury reporting requirements (Program and Financing Report, Budget Execution Report, and related Treasury Reports), and
- Integrate proprietary and budgetary accounting.

Purpose and Scope:

This standard general ledger is intended to be complete at a high level. All Federal agency transactions and resource balances will generally be

captured in the accounts provided or in subsidiary accounts that roll up to the accounts provided.

The purpose of the U.S. Government Standard General Ledger is to provide a uniform chart of accounts and supporting transactions to be used to standardize Federal agency accounting and to support the preparation of standard external reports.

The U.S. Government Standard General Ledger includes accounts and transactions, which can be incorporated into individual agency general ledger systems. The accounts presented meet the basic financial statement and budget execution reporting requirements of departments and agencies. All agencies within the government will not need to use all of the general ledger accounts provided. Only those accounts that are applicable should be used in a given situation. Likewise, the transactions provided do not include all transactions that may occur in an agency. The U.S. Government Standard General Ledger provides agencies the flexibility to establish such sub accounts and transactions as necessary.

The Chart of Accounts:

The chart of accounts provides the basic structure of the U.S. Government Standard General Ledger. It incorporates both the traditional proprietary accounts and budgetary accounts. Both the proprietary and budgetary sections are self-balancing within themselves. A four-digit account numbering system has been provided using the following basic structure as contained in the U.S. Government Standard General Ledger, TFM, Part 1, Section 1 (Chart of Accounts), dated August 2008

1000	Assets
2000	Liabilities
3000	Net Position
4000	Budgetary
5000	Revenue and Other Financing Sources
6000	Expenses
7000	Gains, Losses and Miscellaneous Items
8000	Memorandum

Agencies may expand this numbering system to as many digits as are needed to accommodate agency specific needs with the provision that any expansion continues to roll-up to the basic account structure provided. The chart of accounts does not include statistical or memorandum accounts as these accounts are primarily agency specific. For consistency, it is recommended that the agencies use parts of the 90000 series for their aircraft statistical use.

3.1.1 Collection of Statistical Data

Much of the information needed for the effective management of aircraft is based on the usage of each aircraft. This statistical data along with the costs on each aircraft, or major component of an aircraft, allows the manager to determine the cost per hour one needs to charge to break even on the Income Statement. *This cost per hour is often the rate needed to do a quick review of outside resources to ensure that the Government rate is in line with what the private sector would charge for the same or equal service.* Also, most of the required upward (GSA, and OMB) reporting demands that costs and hours, by individual aircraft, be maintained (Flight, Alert and Research & Development (R&D)).

The entry of the flight time in the 90000 series accounts could, and probably should, be the data that causes the generation of the hours revenues information required for the 52000 (Revenue) series accounts.

3.2 Setting Up the Chart of Accounts

The standard accounts and sub-accounts contained in the SGL are the basis for the chart of accounts illustrated in this cost accounting guide. Each agency needs to expand these accounts and sub accounts in order to meet its reporting and management requirements. When agencies begin setting up their own charts of accounts, they should consider consulting the SGL because it contains a great deal of information regarding basic accounts and transactions.

A complete copy of the SGL account number account summary may be obtained by contacting:

Department of the Treasury
Financial Management Service
Liberty Center (UCP 734)
401 14th Street, SW
Washington, DC 20227
(Tel: (202) 208-1751)

Alternatively, the information can be obtained at the Department of the Treasury website: www.fms.treas.gov/ussgl/

3.2.1 Chart of Accounts

Chart of accounts supporting most aspects of a typical aviation operation is illustrated in this section and will be used in FAIRS. The basis for this chart of accounts is the SGL. Every attempt has been made to match the typical aviation operation chart of accounts and the SGL chart of accounts. Accounts and sub accounts that are the same in both are shown in bold.

The chart of accounts shown on the following pages can be used as a model no matter what the size of the operation. Agencies with many aircraft, locations, etc., may have more sub account numbers. They will also have a decimal system with additional digits to distinguish between aircraft, locations, and contracts; however, the basic accounts and sub accounts will not change. The illustrated chart of accounts offers the greatest detail for expense items (account 60000) because OMB cost comparisons and FAIRS focus primarily on the reporting of expenses. In other areas, detail is shown where an aviation operation will have a specific expense or income. The chart of accounts shown can be expanded in other areas, as required, using the SGL as a guide. Note that an agency has a great deal of latitude in assigning account numbers to account descriptions. If the aviation accounting system is internally complex or resides as a subset of accounts in a general accounting system, compound account numbers may be necessary for data processing. **The numbers assigned to the accounts in this guide are REQUIRED and will be the basis of the FAIRS cost type code that INL will affix to the FAIRS application.**

On the following chart of accounts, the letters “P” and “S” are used to denote the type of account for each account number. An account number marked with a “P” means that it is a “posting” account and data can be entered (“posted”) into that account number. If the account number is marked with an “S” it means that it is a “summary” account that sums the cost data in one or more sub-accounts.

CHART OF ACCOUNTS - AVIATION OPERATION

Account Number	Account Description	Type of Account	Normal Balance
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Note: "S" denotes a summary account. "P" denotes a posting account.

"CR" = Credit, "DR" = Debit, "DC" = Debit or Credit

Items in **Bold** correspond directly to the same item on the US Government Standard General Ledger

10000 Assets

10100	Fund Balance with Treasury (Cash)	P	DR
13100	Accounts Receivables	P	DR
15000	Inventories	S	DR
15100	Inventory for Agency Operations	S	DR
15110	Fuel	P	DR
15120	Parts	P	DR
17000	Fixed Assets (General Property, Plant & Equip)	S	DR
17300	Buildings, Improvements & Renovations	P	DR
17390	Accumulated Depreciation on Buildings, Improvements and Renovations	P	CR
17400	Other Structures and Facilities	P	DR
17490	Accumulated Depreciation	P	CR
17500	Aircraft Equipment	S	DR
17510	Aircraft Value	P	DR
17520	Aircraft Modifications	P	DR
17530	Equipment Other Than Aircraft	P	DR
17590	Accumulated Depreciation on Equipment	P	CR
18100	Assets Under Capital Lease	S	DR
18110	Aircraft	P	DR
18120	Other Assets	P	DR
18190	Accumulated Depreciation on Assets under Capital Lease	P	CR

20000 Liabilities

21100	Accounts Payable	P	CR
21400	Accrued Interest Payable	P	CR
21500	Payable for Transfers of Currently Invested Balances	S	CR
21510	Engine Overhaul Reserve	P	CR
21520	Aircraft Refurbishment Reserve	P	CR
21530	Major Comp. Rebuild/Overhaul Reserve	P	CR
21540	Life Limited Item Reserve	P	CR
22100	Accrued Funded Payroll and Leave	P	CR
23100	Liability for Advances and Prepayments	P	CR
29000	Other Liabilities	S	CR
29200	Self Insurance Reserves	P	CR
29300	Capital Lease Liability	P	CR

30000 Net Position

All 32000 account item has been removed from the new SGL, dated August 2008.

31000	Unexpended Appropriations - Cumulative	P	CR
31010	Unexpended Appropriations - Appropriations		

	Received	S	CR
31020	Unexpended Appropriations - Transfers-In	P	CR
31030	Unexpended Appropriations - Transfers-Out.	P	DR
33100	Cumulative Results of Operations	P	CR

40000 Budgetary

The agencies should use the same account numbers here as are shown in the US Government Standard Federal Ledger Chart of Accounts (**Supplement 2, dated August 2008**).

50000 Revenue and Other Financing Sources

52000	Revenue from Services Provided - Cost Offset for CAS and Federal Aircraft (Total Commercial and Federal Summary Cost)	S	CR
52100	Revenue from Government Agencies Cost Offset for CAS and Federal Aircraft (Federal)	S	CR
52110	Revenue from Government Agencies Cost Offset for CAS Aircraft (Federal)	P	CR
52120	Revenue from Government Agencies Cost Offset for Federal Aircraft (Federal)	P	CR
52200	Revenue from State Agencies	P	CR
52300	Revenue from Foreign Governments	P	CR
52400	Other Revenues Cost Offset for CAS and Federal Aircraft (Commercial)	S	CR
52410	Other Revenues Cost Offset for CAS Aircraft (Commercial)	P	CR
52420	Other Revenues Cost Offset for Federal Aircraft (Commercial)	P	CR

60000 Expenses

61000	Operating Expenses/Program Costs	S	DR
61110	Fuel and additives	S	DR
61111	Fuel and additives – Bulk and Retail (Commercial)	S	DR
61112	Fuel and additives– Bulk and Retail (Federal)	S	DR
61114	Fuel and additives – Bulk (Commercial)	P	DR
61115	Fuel and additives – Bulk (Federal)	P	DR
61116	Fuel and additives – Retail (Commercial)	P	DR
61117	Fuel and additives – Retail (Federal)	P	DR
61120	Lubricants and Oil	S	DR
61122	Lubricants and Oil – (Commercial)	P	DR
61124	Lubricants and Oil – (Federal)	P	DR
61130	Variable Lease Costs	S	DR
61132	Variable Lease Costs (Commercial)	P	DR
61134	Variable Lease Costs (Federal)	P	DR
61140	Fixed Lease Costs	S	DR
61142	Fixed Lease Costs (Commercial)	P	DR
61144	Fixed Lease Costs (Federal)	P	DR
61150	Variable Crew Costs (Total Commercial and Federal)	S	DR
61151	Variable Crew Costs		

	(Total Commercial)	S	DR
61152	Variable Crew Costs (Total Federal)	S	DR
61154	Variable Crew Costs - Travel Expenses (Commercial)	P	DR
61155	Variable Crew Costs - Travel Expenses (Federal)	P	DR
61156	Variable Crew Costs - Wages -Hourly, Part-Time or Overtime (Commercial)	P	DR
61157	Variable Crew Costs - Wages -Hourly, Part-Time or Overtime (Federal)	P	DR
61160	Fixed Crew Costs (Total Commercial and Federal)	S	DR
61161	Fixed Crew Costs (Total Commercial)	S	DR
61162	Fixed Crew Costs (Total Federal)	S	DR
61164	Fixed Crew Costs - Wages and Benefits (Commercial)	P	DR
61165	Fixed Crew Costs - Wages and Benefits (Federal)	P	DR
61166	Fixed Crew Costs - Training Costs (Commercial)	P	DR
61167	Fixed Crew Costs - Training Costs (Federal)	P	DR
61168	Fixed Crew Costs - Other Costs Associated with Crew (Commercial)	P	DR
61169	Fixed Crew Costs - Other Costs Associated with Crew (Federal)	P	DR
61170	Flight Support Costs (Variable) (Include Costs for Flight Support, Ground and Oxygen Servicing (Total Commercial and Federal)	S	DR
61171	Flight Support Costs (Variable) Include Commercial Costs for Flight Support, Ground and Oxygen Servicing	S	DR
61172	Flight Support Costs (Variable) Includes Federal Costs for Flight Support, Ground and Oxygen Servicing	S	DR
61174	Flight Support Costs – (Variable) (Commercial)	P	DR
61176	Flight Support Costs – (Variable) (Federal)	P	DR
61180	Ground Servicing and Oxygen (Variable)	S	DR
61182	Ground Servicing (Variable) (Commercial)	P	DR
61184	Ground Servicing (Variable) (Federal)	P	DR
61186	Oxygen Servicing (Variable) (Commercial)	P	DR
61188	Oxygen Servicing (Variable) (Federal)	P	DR
61190	Flight Support (Fixed) (Include Costs for Flight Support, Ground and Oxygen Servicing (Total Commercial and Federal)	S	DR
61192	Flight Support Costs (Fixed) – (Commercial)	P	DR
61193	Flight Support Costs (Fixed) – (Federal)	P	DR
61194	Ground Servicing and Oxygen (Fixed)	S	DR
61195	Ground Servicing (Fixed) – (Commercial)	P	DR
61196	Ground Servicing (Fixed) – (Federal)	P	DR
61197	Oxygen Servicing (Fixed) – (Commercial)	P	DR
61198	Oxygen Servicing (Fixed) – (Federal)	P	DR

61200	Variable Maintenance Costs	S	DR
61201	Scheduled Maintenance Labor (Total Commercial and Federal)	S	DR
61202	Scheduled Maintenance Labor (Total Commercial)	S	DR
61203	Scheduled Maintenance Labor (Total Federal)	S	DR
61204	Unscheduled Maintenance and Repairs Labor - Wages and Benefits	S	DR
61205	Scheduled and Unscheduled Maintenance Parts (Total Commercial and Federal)	S	DR
61206	Scheduled Maintenance Parts (Commercial)	S	DR
61207	Scheduled Maintenance Parts (Federal)	S	DR
61208	Unscheduled Maintenance and Repairs Parts (Total Commercial)	S	DR
61209	Unscheduled Maintenance and Repairs Parts (Total Federal)	S	DR
61210	Scheduled and Unscheduled Maintenance Labor (Includes Commercial and Federal)	S	DR
61212	Scheduled Maintenance Labor - Wages and Benefits (Commercial)	P	DR
61213	Scheduled Maintenance Labor - Wages and Benefits- (Federal)	P	DR
61214	Unscheduled Maintenance and Repairs Labor - Wages and Benefits (Commercial)	P	DR
61215	Unscheduled Maintenance and Repairs Labor - Wages and Benefits (Federal)	P	DR
61216	Scheduled Maintenance Labor - Training (Commercial)	P	DR
61217	Scheduled Maintenance Labor - Training (Federal)	P	DR
61218	Scheduled Maintenance Labor - Other cost associated with labor (Commercial)	P	DR
61219	Scheduled Maintenance Labor - Other cost associated with labor (Federal)	P	DR
61220	Scheduled Maintenance Parts - Airframe	S	DR
61221	Scheduled Maintenance Parts - Airframe (Commercial)	P	DR
61223	Scheduled Maintenance Parts - Airframe (Federal)	P	DR
61225	Unscheduled Maintenance Part and Repairs Parts – Airframe	S	DR
61227	Unscheduled Maintenance Part and Repairs Parts - Airframe (Commercial)	P	DR
61229	Unscheduled Maintenance Part and Repairs Parts – Airframe (Federal)	P	DR
61230	Scheduled Maintenance Parts - Avionics	S	DR
61231	Scheduled Maintenance Parts - Avionics (Commercial)	P	DR
61233	Scheduled Maintenance Parts - Avionics (Federal)	P	DR
61235	Unscheduled Maintenance Part and Repairs		

	Parts – Avionics	S	DR
61237	Unscheduled Maintenance Part and Repairs Parts – Avionics (Commercial)	P	DR
61239	Unscheduled Maintenance Part and Repairs Parts – Avionics (Federal)	P	DR
61240	Scheduled Maintenance Parts - Engine	S	DR
61241	Scheduled Maintenance Parts - Engine (Commercial)	P	DR
61243	Scheduled Maintenance Parts - Engine (Federal)	P	DR
61245	Unscheduled Maintenance Part and Repairs Parts – Engine	S	DR
61247	Unscheduled Maintenance Part and Repairs Parts - Engine (Commercial)	P	DR
61249	Unscheduled Maintenance Part and Repairs Parts - (Federal)	P	DR
61250	Scheduled Maintenance Contract Out	S	DR
61252	Scheduled Maintenance Contract Out (Commercial)	P	DR
61254	Scheduled Maintenance Contract Out (Federal)	P	DR
61260	Engine Overhaul Expense (Variable)	S	DR
61262	Engine Overhaul Expense (Variable) (Commercial)	P	DR
61264	Engine Overhaul Expense (Variable) (Federal)	P	DR
61270	Aircraft Refurbishment Expense (Variable)	S	DR
61272	Aircraft Refurbishment Expense (Variable) (Commercial)	P	DR
61274	Aircraft Refurbishment Expense (Variable) (Federal)	P	DR
61280	Scheduled Maintenance Time Between Overhaul (TBO) Components (Variable) - Major Component Rebuild and Overhaul Expense	S	DR
61284	Scheduled Maintenance Time Between Overhaul (TBO) Components (Variable) - Major Component Rebuild and Overhaul Expense (Commercial)	P	DR
61286	Scheduled Maintenance Time Between Overhaul (TBO) Components (Variable) - Major Component Rebuild and Overhaul Expense (Federal)	P	DR
61290	Scheduled Maintenance Time Between Overhaul (TBO) Components (Variable) - Life Limited Item Expense	S	DR
61294	Scheduled Maintenance Time Between Overhaul (TBO) Components (Variable) - Life Limited Item Expense (Commercial)	P	DR
61296	Scheduled Maintenance Time Between Overhaul (TBO) Components (Variable) - Life Limited Item Expense (Federal)	P	DR
61300	Fixed Maintenance Costs (Total Commercial and Federal)	S	DR
61301	Scheduled Calendar Maintenance Parts (Total Commercial and Federal)	S	DR
61302	Scheduled Calendar Maintenance Parts (Total Commercial)	S	DR

61303	Scheduled Calendar Maintenance Parts (Total Federal)	S	DR
61310	Scheduled Calendar Maintenance Labor (Total Commercial and Federal)	S	DR
61311	Scheduled Calendar Maintenance Labor (Total Commercial)	S	DR
61312	Scheduled Calendar Maintenance Labor (Total Federal)	S	DR
61314	Scheduled Calendar Maintenance Labor - Wages and Benefits (Commercial)	P	DR
61315	Scheduled Calendar Maintenance Labor - Wages and Benefits (Federal)	P	DR
61316	Scheduled Calendar Maintenance Labor - Training (Commercial)	P	DR
61317	Scheduled Calendar Maintenance Labor - Training (Federal)	P	DR
61318	Scheduled Calendar Maintenance Labor - Other Cost Associated with Labor (Commercial)	P	DR
61319	Scheduled Calendar Maintenance Labor - Other Cost Associated with Labor (Federal)	P	DR
61320	Scheduled Calendar Maintenance Parts - Airframe	S	DR
61321	Scheduled Calendar Maintenance Parts - Airframe (Commercial)	P	DR
61323	Scheduled Calendar Maintenance Parts - Airframe (Federal)	P	DR
61330	Scheduled Calendar Maintenance Parts - Avionics	S	DR
61331	Scheduled Calendar Maintenance Parts - Avionics (Commercial)	P	DR
61333	Scheduled Calendar Maintenance Parts - Avionics (Federal)	P	DR
61340	Scheduled Calendar Maintenance Parts - Engine	S	DR
61341	Scheduled Calendar Maintenance Parts - Engine (Commercial)	P	DR
61343	Scheduled Calendar Maintenance Parts - Engine (Federal)	P	DR
61350	Scheduled Calendar Maintenance - Contract Out	S	DR
61351	Scheduled Calendar Maintenance - Contract Out (Commercial)	P	DR
61353	Scheduled Calendar Maintenance Contract Out (Federal)	P	DR
61360	Scheduled and Unscheduled Maintenance Aircraft Inspection (Fixed) (Total Commercial and Federal)	S	DR
61361	Scheduled and Unscheduled Maintenance Aircraft Inspection (Fixed) (Total Commercial)	S	DR
61362	Scheduled and Unscheduled Maintenance Aircraft Inspection (Fixed) (Total Federal)	S	DR
61363	Scheduled Maintenance Aircraft Inspection (Fixed)	S	DR
61364	Scheduled Maintenance Aircraft Inspection (Fixed) (Commercial)	P	DR

61365	Scheduled Maintenance Aircraft Inspection (Fixed) (Federal)	P	DR
61366	Unscheduled Maintenance Aircraft Inspection (Fixed)	S	DR
61367	Unscheduled Maintenance Aircraft Inspection (Fixed) (Commercial)	P	DR
61368	Unscheduled Maintenance Aircraft Inspection (Fixed) (Federal)	P	DR
61370	Scheduled and Unscheduled Maintenance Engine Inspection (Fixed) (Total Commercial and Federal)	S	DR
61371	Scheduled and Unscheduled Maintenance Engine Inspection (Fixed) (Total Commercial)	S	DR
61372	Scheduled and Unscheduled Maintenance Engine Inspection (Fixed) (Total Federal)	S	DR
61373	Scheduled Maintenance Engine Inspection (Fixed)	S	DR
61374	Scheduled Maintenance Engine Inspection (Fixed) (Commercial)	P	DR
61375	Scheduled Maintenance Engine Inspection (Fixed) (Federal)	P	DR
61376	Unscheduled Maintenance Engine Inspection (Fixed)	S	DR
61377	Unscheduled Maintenance Engine Inspection (Fixed) (Commercial)	P	DR
61378	Unscheduled Maintenance Engine Inspection (Fixed) (Federal)	P	DR
61380	Scheduled Maintenance (Fixed) Engine Overhaul	S	DR
61382	Scheduled Maintenance (Fixed) Engine Overhaul (Commercial)	P	DR
61384	Scheduled Maintenance (Fixed) Engine Overhaul (Federal)	P	DR
61390	Unscheduled Maintenance Labor and Parts (Fixed) – Re-Engine	S	DR
61391	Unscheduled Maintenance Labor (Fixed) – Re-Engine	S	DR
61392	Unscheduled Maintenance Parts (Fixed) – Re-Engine	S	DR
61394	Unscheduled Maintenance Labor (Fixed) – Re-Engine (Commercial)	P	DR
61395	Unscheduled Maintenance Labor (Fixed) – Re-Engine (Federal)	P	DR
61396	Unscheduled Maintenance Parts (Fixed) – Re-Engine (Commercial)	P	DR
61397	Unscheduled Maintenance Parts (Fixed) – Re-Engine (Federal)	P	DR
61400	Depreciation Expense	S	DR
61410	Aircraft	P	DR
61420	Buildings	P	DR
61430	Other Structures and Facilities	P	DR
61440	Equipment	P	DR
61460	Assets Under Capital Lease	P	DR
61500	Operations Overhead (Total Commercial and Federal)	S	DR
61501	Operations Overhead Cost		

	(Total Commercial Cost)	S	DR
61502	Operations Overhead Cost		
	(Total Federal Cost)	S	DR
61510	Personnel Costs		
	- Administration and Management	S	DR
61512	Personnel Costs		
	- Administration and Management		
	(Commercial)	P	DR
61513	Personnel Costs		
	- Administration and Management		
	(Federal)	P	DR
61520	Building and Ground Maintenance	S	DR
61522	Building and Ground Maintenance (Commercial)	P	DR
61523	Building and Ground Maintenance (Federal)	P	DR
61530	Janitorial Services	S	DR
61532	Janitorial Services (Commercial)	P	DR
61533	Janitorial Services (Federal)	P	DR
61540	Hangar Fees	S	DR
61542	Hangar Fees (Commercial)	P	DR
61543	Hangar Fees (Federal)	P	DR
61550	Tie Down Fees at Base	S	DR
61552	Tie Down Fees at Base (Commercial)	P	DR
61553	Tie Down Fees at Base (Federal)	P	DR
61560	Shop Equipment	S	DR
61562	Shop Equipment (Commercial)	P	DR
61563	Shop Equipment (Federal)	P	DR
61570	Shop Parts	S	DR
61572	Shop Parts (Commercial)	P	DR
61573	Shop Parts (Federal)	P	DR
61580	Aircraft Components	S	DR
61582	Aircraft Components (Commercial)	P	DR
61583	Aircraft Components (Federal)	P	DR
61600	Other Direct Costs	S	DR
61610	Other Direct Costs (Commercial)	P	DR
61620	Other Direct Costs (Federal)	P	DR
61700	Scheduled Calendar Maintenance		
	Refurbishment	S	DR
61710	Scheduled Calendar Maintenance		
	Refurbishment (Commercial)	P	DR
61720	Scheduled Calendar Maintenance		
	Refurbishment (Federal)	P	DR
61800	Scheduled Maintenance Service Life		
	Enhancement Program (SLEP-LEP)		
	Labor and Parts (Variable) –	S	DR
61810	Scheduled Maintenance Service Life		
	Enhancement Program (SLEP-LEP)		
	Labor (Variable)	S	DR
61814	Scheduled Maintenance Service Life		
	Enhancement Program (SLEP-LEP)		
	Labor (Variable) – (Commercial)	P	DR
61816	Scheduled Maintenance Service Life		
	Enhancement Program (SLEP-LEP)		
	Labor (Variable) – (Federal)	P	DR
61820	Scheduled Maintenance Service Life		
	Enhancement Program (SLEP-LEP)		
	Parts (Variable)	S	DR

61824	Scheduled Maintenance Service Life Enhancement Program (SLEP-LEP) Parts (Variable) – (Commercial)	P	DR
61826	Scheduled Maintenance Service Life Enhancement Program (SLEP-LEP) Parts (Variable) – (Federal)	P	DR
63000	Interest Expense	S	DR
63100	Interest Expenses on Borrowing From the Bureau of the Public Debt and/or the Federal Financing Bank	P	DR
63200	Interest Expenses on Securities	P	DR
65000	Commercial Aviation Services (CAS)	S	DR
65100	In-House Cost (CAS)	S	DR
65110	In-House Cost (CAS) (Commercial)	P	DR
65120	In-House Cost (CAS) (Federal)	P	DR
65200	Paid-Out Cost (CAS)	S	DR
65210	Paid-Out Cost (CAS) (Commercial)	P	DR
65220	Paid-Out Cost (CAS) (Federal)	P	DR
66000	Administrative Overhead	S	DR
66010	Administrative Costs (Commercial)	P	DR
66020	Administrative Costs (Federal)	P	DR
68000	Other Expenses	P	DR
69000	WCF/Reserve Expenses	S	DR
69010	Self-Insurance	S	DR
69011	Hull Insurance	P	DR
69012	Liability Insurance	P	DR
69500	Reserve Contribution	S	DR
69510	Variable Expense Reserve	S	DR
69512	Engine Overhaul Reserve	P	DR
69514	Major Component Rebuild and Overhaul Reserve	P	DR
69516	Life Limited Item Reserve	P	DR
69520	Fixed Expense Reserves	S	DR
69522	Aircraft Refurbishment Reserves	P	DR
69526	Life Limited Item Reserve	P	DR
70000	GAINS, LOSSES AND OTHER MISCELLANEOUS EXPENSES		
71000	Gains on Disposition of Assets – Other	S	DC
71100	Gains on Disposition of Assets - Other	P	CR
71900	Other Gains	P	CR
72000	Losses	S	DR
72100	Loss on Disposition of Assets - Other	P	DR
72300	Litigation Settlement Costs	P	DR
72500	Accident Repair Cost	P	DR
72900	Other Losses	P	DR
74000	Prior-Period Adjustments Due to Corrections of Errors	P	DC
90000	Aircraft Statistical Use		
91000	Fixed Wing (FW) Flying Hours	S	
91100	FW Single Engine (SE) – Flying Hours	S	
91110	FW SE Reciprocating – Flying Hours	P	
91120	FW SE Turbine – Flying Hours	P	
91130	FW SE Jet Powered – Flying Hours	P	

91140	UAS FW SE – Flying Hours	P
91200	FW Multi-Engine (ME) – Flying Hours	S
91210	FW ME Reciprocating – Flying Hours	P
91220	FW ME Turbine– Flying Hours	P
91230	FW ME Jet Powered – Flying Hours	P
91240	UAS FW ME – Flying Hours	P
92000	Helicopter (HE) Flying Hours	S
92100	HE Single Engine (SE) – Flying Hours	S
92110	HE SE Reciprocating– Flying Hours	P
92120	HE SE Turbine– Flying Hours	P
92130	UAS HE SE – Flying Hours	P
92200	HE Multi Engine (ME) – Flying Hours	S
92210	HE ME Reciprocating – Flying Hours	P
92220	HE ME Turbine – Flying Hours	P
92230	UAS HE ME – Flying Hours	P
93000	Fixed Wing (FW) Flight Time Hours	S
93100	FW Single Engine (SE) – Flight Time	S
93110	FW SE Reciprocating – Flight Time	P
93120	FW SE Turbine – Flight Time	P
93130	FW SE Jet Powered – Flight Time	P
93140	UAS FW SE – Flight Time	P
93200	FW Multi-Engine (ME) – Flight Time	S
93210	FW ME Reciprocating – Flight Time	P
93220	FW ME Turbine – Flight Time	P
93230	FW ME Jet Powered – Flight Time	P
93240	UAS FW ME – Flight Time	P
94000	Helicopter (HE) Flight Time	S
94100	HE Single Engine (SE) – Flight Time	S
94110	HE SE Reciprocating – Flight Time	P
94120	HE SE Turbine – Flight Time	P
94130	UAS HE SE – Flight Time	P
94200	HE Multi Engine (ME) – Flight Time	S
94210	HE ME Reciprocating – Flight Time	P
94220	HE ME Turbine – Flight Time	P
94230	UAS HE ME – Flight Time	P
95000	Fixed Wing (FW) Ground Utilization Alert Time	S
95100	FW Single Engine (SE) – Alert Time	S
95110	FW SE Reciprocating – Alert Time	P
95120	FW SE Turbine – Alert Time	P
95130	FW SE Jet Powered – Alert Time	P
95140	UAS FW SE – Alert Time	P
95200	FW Multi-Engine (ME) – Alert Time	S
95210	FW ME Reciprocating – Alert Time	P
95220	FW ME Turbine – Alert Time	P
95230	FW ME Jet Powered – Alert Time	P
95240	UAS FW ME – Alert Time	P
96000	Helicopter (HE) Ground Utilization Alert Time	S
96100	HE Single Engine (SE) – Alert Time	S
96110	HE SE Reciprocating – Alert Time	P
96120	HE SE Turbine – Alert Time	P
96130	UAS HE SE – Alert Time	P
96200	HE Multi Engine (ME) – Alert Time	S
96210	HE ME Reciprocating – Alert Time	P
96220	HE ME Turbine – Alert Time	P

96230	UAS HE ME – Alert Time	P
97000	Fixed Wing (FW) Ground Utilization	
	Research and Development (R&D) Time	S
97100	FW Single Engine (SE) – R&D Time	S
97110	FW SE Reciprocating – R&D Time	P
97120	FW SE Turbine – R&D Time	P
97130	FW SE Jet Powered – R&D Time	P
97140	UAS FW SE – R&D Time	P
97200	FW Multi-Engine (ME) – R&D Time	S
97210	FW ME Reciprocating – R&D Time	P
97220	FW ME Turbine – R&D Time	P
97230	FW ME Jet Powered – R&D Time	P
97240	UAS FW ME – R&D Time	P
98000	Helicopter (HE) Ground Utilization	
	Research and Development (R&D) Time	S
98100	HE Single Engine (SE) – R&D Time	S
98110	HE SE Reciprocating– R&D Time	P
98120	HE SE Turbine – R&D Time	P
98130	UAS HE SE – R&D Time	P
98200	HE Multi Engine (ME) – R&D Time	S
98210	HE ME Reciprocating – R&D Time	P
98220	HE ME Turbine – R&D Time	P
98230	UAS HE ME – R&D Time	P
99000	Total Aircraft Utilization Time	S
99100	Total Flight Time	S
99200	Total Ground Utilization Time	S
99210	Total Ground Utilization Time – Alert Time	S
99220	Total Ground Utilization Time – R&D Time	S

3.3 Expanding and Changing the Chart of Accounts

As mentioned earlier, flexibility is a major attribute of any well-designed accounting system. It allows for the uncertainties of the future. A well-designed chart of accounts must be able to change as the structure and objectives of the organization change. The following highlights areas Government agencies should consider when designing their chart of accounts be based on the required chart of accounts required for FAIRS.

3.3.1 Expansion of the Account Numbering System

First, a Government agency might want to consider the number of digits used to identify the accounts. The SGL and many commercial charts of accounts use four digits; however, this may not be enough. The size of the organization, the amount of activity, and the level of detail required are factors to consider when determining the length of the account numbers. The chart of accounts illustrated in this guide uses five-digit account numbers because of the large number of sub accounts required in the expense section.

3.3.2 Spacing of Accounts

An organization should also consider the amount of numeric spaces left between account numbers when developing the chart of accounts. If no numeric spaces are left between sub accounts, adding a new sub account becomes a major problem since the entire chart of accounts will need to be redone. Therefore, most charts of accounts, including the one illustrated in this guide, insert numeric spaces between the sub accounts to allow for easy expansion and changes.

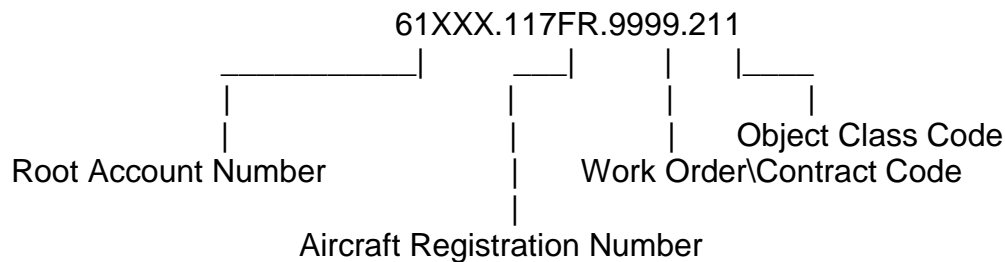
3.4 Maximizing Accounting Flexibility by Expanding the Chart of Accounts

In order to receive the maximum benefit from an accounting system, the information must be able to be consolidated and presented in formats that are useful to multiple management levels within the organization. **The aviation operations manager will need and want to know the detailed costs for operating each aircraft in order to make sound fleet management decisions.** On the other hand, the organization's administrative managers may only need summary information to support their management activities.

These various information needs must be accommodated by the chart of accounts. The chart of accounts must be structured so that it collects the financial data in account breakouts that meet the most detailed information requirements. It must also provide a mechanism that allows these detailed account breakouts to be rolled up into the summary information accounts required by administrative users of the accounting data. Expanding the chart of

accounts by adding suffixes attached to the root account number will provide the required mechanism.

The following example illustrates how agencies can build account numbers supporting data collection for a range of management requirements.



3.4.1 Accounting for Costs by Aircraft

Accounting systems are designed to provide financial information about an organization. Without additional manipulation, they do not provide information about a particular aircraft. Therefore, except where a one aircraft operation exists, a system of costing must be used that allows the accumulation of cost data for an individual aircraft as well as adding the costs for each individual aircraft into a total cost for the organization. This method of accounting is called "job costing" or "cost accounting." In this guide, the task is accomplished by adding additional digits to the account number.

For example, assume that an organization owns and operates three aircraft and needs to track all operating costs to a specific airframe. The root account number for fuel is 61110. Expanding the account number by adding a code that links the cost to a specific airframe is easy. Simply use the aircraft's registration numbers to expand the chart of account. Account 61110 becomes a summary account for three sub accounts (61110.105NA, 61110.108NA, and 61110.540FS). This allows the aviation manager to sort fuel cost data by specific airframe, and it also allows the aircraft specific costs to be summarized into one root account that can be reported to administrative management within the organization.

3.4.2 Accounting for Costs by Object Class Codes

Although the Federal Government is moving toward a general ledger system of accounting, the object class code system of appropriating and obligating funds is still in use. Agencies should consider expanding their chart of accounts to include object class code information. This will eliminate the need to operate dual accounting systems or to perform data conversions before reporting budgetary information to required users. For example, the root account number for variable cost avionics parts is 61230 in the chart of accounts illustrated in this guide. The object class code 26.0 is designated for

supplies and materials. Attaching the appropriate object class codes as suffixes to the account numbers results in account numbers (i.e., 61230.XXXXX.9999.260) that allow the accounting data to be easily sorted and reported by object class code.

Refer to the Office of Management and Budget's Circular A-11 which details the (i) purpose and (ii) reporting requirements and format for the object class codes. Your agencies' finance personnel are familiar with this process.

3.4.3 Accounting for Costs by Work Order Number

Some agencies may find it beneficial to sort on all costs associated with a certain project. Again, this can be accomplished by adding a suffix to the end of the root account number. Imagine that an aircraft is undergoing an engine overhaul that has been assigned work order number 0123. At a minimum, an engine overhaul performed by in-house mechanics will require labor costs and parts costs. Assigning a unique work order number to the engine overhaul project will allow all of these costs to be consolidated into the total cost for completing the engine overhaul.

If agencies need to separate labor and parts expenditures, they will want to develop separate accounts (i.e., for organizations that do not have overhaul reserves in a working capital fund, change the illustrated chart of accounts to make 61261 engine overhaul expense parts - commercial and 61262 engine overhaul expense labor - commercial). The expanded account numbers would then be 61261.XXXXX.0123 and 61262.XXXXX.0123. The 0123 work order number will link the costs contained in separate accounts to a specific project. With a working capital fund, the engine overhaul would be charged to 21500.XXXXX.0123, or if you desire to have parts separate from labor 21501.XXXXX.0123 and 21502.XXXXX.0123.

3.4.4 Other Possibilities

Obviously, agencies can add any suffix to the root account numbers that will make the accounting data more useful for their purposes. Some other possibilities may include: mission activity, site location, and contract code. Agencies interested in tracking the accounting data in several ways will want to attach more than one suffix to the root account numbers. In deciding which options to include, remember to start by considering what output the system will have to produce and work backwards from there. Make sure to build flexibility into the system otherwise updating the chart of accounts will become a very difficult process.

3.5 Chart of Account Definitions (Based on Federal Government Cost Elements)

This section shows supporting definitions for the chart of accounts outlined in the previous section. Government agencies can use these definitions to obtain more information on selected accounts. The explanation for each selected account contains a description of the account, the source document(s) that flow into the account, where

the account information flows with respect to OMB cost comparisons, such as A-11, A-76, A-126 and FAIRS, and additional comments about the account and related sub accounts.

Reserve accounts are also described in the following pages. These can be used in Working Capital Fund (WCF) programs. These accounts cannot be incorporated into the accounting system for appropriated programs; however, managers should still calculate these reserve expenses in order to realize the true cost of operating the aviation program. These calculated reserve expenditures must also be incorporated into cost comparison studies and life cycle cost analyses. Examples of these reserve accounts include: reserve for engine overhaul, reserve for aircraft refurbishment, reserve for component rebuild and overhaul, and reserve for retirement items. Other expenses that may not be actual cash outlays (and therefore not tracked in all agencies' accounting systems) but that need to be included in cost comparisons are interest expense, depreciation and self-insurance expense.

Of particular interest is the source of labor, parts, supplies, materials and services that support aircraft operations or aviation programs. FAIRS requires that agencies report whether their aviation funds are spent with a commercial source or a Federal source (which can be internally within the reporting agency or with another Federal agency). Cost account records must be established for tracking the expenditures in these categories. For example, in account 61160 'Fixed Crew Costs' requires separate accounting for salaries paid to Federal Employees (Federal source) or to contract employees (commercial source). If both types of costs exist, the agency may track them discretely by establishing additional accounts for each type of expense (61164 'Wages and Benefits – Commercial', and 61165 'Wages and Benefits – Federal').

3.6 Cost Accounting Guide Correlation Matrix

Appendix D shows how the cost accounting system and Chart of Accounts discussed in this guide support the various cost elements that are required to be collected for the FAIRS system input, as well as for A-126 analyses and CAP Tool. See section 2.4 for correlation matrix.

ITEM: Fund Balance with Treasury

ACCOUNT: 10100

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

All funds on deposit with Treasury. This account is maintained by fund to show the amount of monies received, net disbursements, cash advances received from other agencies, and net reimbursements collected and deposited to the Treasury.

SOURCE: All collection documents and all disbursement documents.

COMMENTS:

All cash received is immediately deposited into the Treasury and therefore becomes *funds*. Likewise all payments made by a Federal finance system are disbursements from the Treasury, and from the appropriate fund.

Receipts are usually:

Debit to this account

Credit to Accounts Receivable 13100

Disbursements are usually:

Debit to the Accounts Payable 21100

Credit to this account

A-126:	Not Applicable
FAIRS:	Not Applicable
OBJECT CLASS:	Not Applicable to asset accounts

ITEM: Accounts Receivable

ACCOUNT: 13100

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

Amounts due from others when the right to receive funds accrues, which may result from the performance of services or the delivery of goods. This account is maintained to show the amount billed and still receivable from the public or other government agencies for materials or services that are reimbursable to this fund. The accounts receivable file supports this account.

SOURCE: Bills issued to customers for services provided or goods furnished. Also bad debt write-off or disputed balance adjustments may result in credits to Accounts Receivable.
Collections received reduce this account balance.

COMMENTS:

Record of services provided or goods furnished must cause a revenue to an account in the 50000 series and an offsetting receivable to this account. When a customer pays the resulting bill, a reduction to this account occurs. A supporting accounts receivable file must be maintained for each and every customer; this supporting file is called a subsidiary file.

Increases to this account are:

Debit to this account for the value of service provided

Credit to a revenue account in the 50000 series for an amount equal to the bill that was sent to the customer

Decreases to this account are:

Debit to Fund Balance with Treasury (Cash) account 10100

Credit to this account for the amount of the collection from a customer

A-126:	Not Applicable
FAIRS:	Not Applicable
OBJECT CLASS:	Not Applicable to asset accounts

ITEM: Inventories

**ACCOUNT: 15000
Summary Account**

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

The cost/value of tangible personal property held as inventory for sale or transfer as operating materials and supplies consumed in normal operations.

SOURCE: This is a summary account – the posting accounts are 15110 and 15120

COMMENTS:

This account is used when an organization has an inventory of spare parts or fuel or other items held in storage for later use in normal operations. No transactions are posted to this account.

A-126:	Not Applicable
FAIRS:	Not Applicable
OBJECT CLASS:	Not Applicable

ITEM: Inventories – Inventory for Agency Operations

**ACCOUNT: 15100
Summary Account**

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

The cost/value of tangible personal property held as inventory for sale or transfer as operating materials and supplies consumed in normal operations.

SOURCE: This is a summary account – the posting accounts are 15110 and 15120

COMMENTS:

This account is used when an organization has an inventory of spare parts or fuel or other items held in storage for later use in normal operations. No transactions are posted to this account.

A-126:	Not Applicable
FAIRS:	Not Applicable
OBJECT CLASS:	Not Applicable

ITEM: Inventories -- Fuel

ACCOUNT: 15110

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

The cost/value of tangible personal property (aviation fuel) held as inventory for sale or transfer as operating materials and supplies consumed in normal operations.

SOURCE: Bulk fuel purchase receipts track fuel brought in and fuel issue tickets track fuel taken out.

COMMENTS:

This account is used when an organization has a fuel stores site with the capacity to take on large quantities of fuel for later issue to a specific aircraft. It is very important that the units (gallons) of fuel be tracked as well as the value.

Fuel receipts cause:

Debit to this account

Credit to Accounts Payable account 21100

Fuel issues cause:

Debit to the appropriate expense account (probably Fuel 61115)

Credit to this account

A-126:	Not Applicable
FAIRS:	Not Applicable
OBJECT CLASS:	26.XX

ITEM: Inventories - Parts

ACCOUNT: 15120

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

The cost/value of tangible personal property (aircraft parts) held in reserve as inventory for future sale, because it is not readily available in the immediate area or because there is more than a remote chance that it will eventually be needed.

SOURCE: Purchase orders for aircraft parts that are going to become a stores item to be issued at a later time to a specific aircraft.

COMMENTS:

This account is used when an organization has the ability to staff and operate an aircraft parts room and has determined that the local sources for aircraft parts are less than adequate to service their needs. A secure parts room with a serviceable parts inventory system is very important to the operation of an inventory of aircraft parts.

Receipt of parts:

Debit this account

Credit Accounts Payable 21100

Issue of a part from inventory:

Debit the appropriate expense account (such as; 61223, 61229, 61233, 61239, 61243 or 61249 and 61323, 61333 or 61343)

Credit this account

A-126:	Not Applicable
FAIRS:	Not Applicable
OBJECT CLASS:	26.XX

ITEM: Fixed Assets (General Property, Plant and Equipment)

**ACCOUNT: 17000
Summary Account**

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

The cost of government-owned property, plant and equipment (such as aircraft, tugs, trucks, hangars, other buildings, etc.) under the control of this aviation organization. This account includes aircraft and building improvements and renovations, as well as aircraft and buildings acquired under lease-purchase agreements. Also included is any accumulated depreciation on these assets.

SOURCE: This is a summary account. Posting accounts are 17300 through 17590

COMMENTS:

The assets included here are all aircraft, equipment and buildings used to produce the aviation services for the agency. It is important to include only the assets that are actually owned by the agency. Aircraft, buildings and equipment that are leased using operating leases or short term leases should not be included here. On the other hand, assets that are acquired through lease-to-purchase or capital leases must be included in account 18110 – 18190.

A-126:	Not Applicable
FAIRS:	Not Applicable
OBJECT CLASS:	Not Applicable

ITEM: Buildings, Improvements and Renovation

ACCOUNT: 17300

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

The cost of government-owned buildings under the control of this aviation organization. This account includes building improvements and renovations.

SOURCE: Purchase order or contracts for the capital construction of the building, or a property transfer document that transfers the building to the aviation activity.

COMMENTS:

Be sure to capitalize only buildings and improvements that are the responsibility of the aviation activity. In doing so ensure that the building or improvement was paid for with aviation funds or transferred from another agency. Also, verify that the buildings transferred-in are removed from the losing agency books concurrent with the capitalization on the aviation activities' books.

Paying for a building:
Debit this account
Credit Accounts Payable 21100

Receiving a transferred building:
Debit this account
Credit Transfers-in from Others without Reimbursement

A-126: Not Applicable
FAIRS: Not Applicable
OBJECT CLASS: 32.XX

ITEM: Accumulated Depreciation on Buildings, Improvements and Renovations

ACCOUNT: 17390

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

Accumulates depreciation charged to expense for buildings.

SOURCE: Periodic expense reporting document that records the depreciation.

COMMENTS:

This account accumulates the aggregate of all periods depreciation expenses over the life of the building(s). This account carries a credit balance to offset a portion of the debit balance of the building account, thereby reducing the net value of the assets as the building(s) age and are used up (deteriorate) over their productive life.

Booking of depreciation expense:

Debit the expense account 61420 (Depreciation Expense - Buildings)

Credit this account

OBJECT CLASS:

This side of the above entry does not need an object class; however, many finance systems will require an object class on the expense side of this document. If this is the case, be sure to use the same object class on both sides of the entry so they offset each other and therefore have no effect on the budgetary reports, such as the SF-225. Suggest that either object class 25.XX or 26.XX be used.

A-126: Not Applicable

FAIRS: Not Applicable

OBJECT CLASS: Not Applicable

ITEM: Other Structures and Facilities

ACCOUNT: 17400

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

The cost or appraised value of government-owned structures and facilities (other than buildings) that are purchased by the aviation activity and/or are under the control of the aviation activity.

SOURCE: Purchase order or contracts for the capital construction of the structure or facility, or a property transfer document that transfers it to the aviation activity.

COMMENTS:

See the Comments on the page for account 17300. The same processes apply to this account.

A-126:	Not Applicable
FAIRS:	Not Applicable
OBJECT CLASS:	32.XX

ITEM: Accumulated Depreciation

ACCOUNT: 17490

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

Accumulates depreciation charged to expense for structures and facilities.

SOURCE: Periodic expense reporting document that records the depreciation.

COMMENTS:

This account accumulates the aggregate of all period's depreciation expenses over the life of the structures and facilities. This account carries a credit balance to offset a portion of the debit balance of the structures and facilities account, thereby reducing the net value of the assets as they age and are used up (deteriorate) over their productive life.

Booking of depreciation expense:

Debit the expense account 61430 (Depreciation Expense - Other Structures and Facilities)

Credit this account

A-126: Not Applicable

FAIRS: Not Applicable

OBJECT CLASS:

This side of the above entry does not need an object class; however, many finance systems will require an object class on the expense side of this document. If this is the case, be sure to use the same object class on both sides of the entry so they offset each other and therefore have no effect on the budgetary reports, such as the SF-225. Suggest that either object class 25.XX or 26.XX be used.

ITEM: Equipment

**ACCOUNT: 17500
Summary Account**

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

This account is maintained to show the cost of aircraft, aircraft modifications, mission equipment and other equipment used to support the aviation operation. The amounts shown are either the purchase price and/or the estimated market value of aircraft and equipment at the time they are transferred without cost.

SOURCE: This is a summary account. Posting is done to accounts 17510 - 17590

COMMENTS:

It is critical that an aviation activity has detailed capitalization records on each aircraft, aircraft modification and price of major equipment used. Therefore ensure that the subsidiary records are complete and accurate. Also, verify that aircraft or equipment transferred-in are removed from the losing agency's books concurrent with the capitalization on the aviation activities' books.

A-126:	Not Applicable
FAIRS:	6
OBJECT CLASS:	Not Applicable

ITEM: Equipment - Aircraft

ACCOUNT: 17510

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

This account is maintained to show the cost of aircraft purchased and/or the estimated market value of aircraft at the time they are transferred without cost. This account is supported by subsidiary records showing the description, location, cost or appraised value, and other essential acquisition data on each individual aircraft.

SOURCE: Purchase order or contracts for the purchase of the aircraft, or a property transfer document that transfers the aircraft to the aviation activity.

COMMENTS:

It is critical that an aviation activity has detailed capitalization records on each aircraft; therefore ensure that the subsidiary records are complete and accurate. Also, verify that the aircraft transferred-in are removed from the losing agency's books concurrent with the capitalization on the aviation activities' books.

Paying for an aircraft:
Debit this account
Credit Accounts Payable 21100

Receiving a transferred aircraft:
Debit this account
Credit Transfers-in from Others without Reimbursement

A-126:	Aircraft Cost
FAIRS:	7
OBJECT CLASS:	31.XX

ITEM: Equipment – Aircraft Modifications

ACCOUNT: 17520

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

This account is maintained to show the cost of major modifications accomplished on aircraft when purchased or at a later date when its mission changes. This account is supported by subsidiary records showing the description, location, cost or appraised value, and other essential acquisition data on the modifications performed for each individual aircraft.

SOURCE: Purchase order or contracts for the modification of the aircraft

COMMENTS:

It is critical that an aviation activity has detailed capitalization records on each aircraft; therefore ensure that the subsidiary records are complete and accurate.

Paying for an aircraft modification:

Debit this account

Credit Accounts Payable 21100

A-126:	Aircraft Cost
FAIRS:	159
OBJECT CLASS:	31.XX

ITEM: Equipment - Other Than Aircraft

ACCOUNT: 17530

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

Tangible items of a durable nature used in the operations of an aircraft activity including but not limited to items such as word processors, typewriters, personal computers, calculators, furniture, copiers, machinery, automotive equipment, and ADP equipment (excluding ADP software). This account is supported by subsidiary records showing the descriptions, location, cost or appraised value, and other essential capitalization data.

SOURCE: Purchase order or contracts for the purchase of equipment, or a property transfer document that transfers the equipment to the aviation activity.

COMMENTS:

It is critical that an aviation activity has detailed capitalization records on all equipment. Therefore ensure that the subsidiary records are complete and accurate. Also, verify that equipment transferred in is removed from the losing agency's books concurrent with the capitalization on the aviation activities' books. Note that your agency may have capitalization levels below which acquisitions are not capitalized.

Paying for equipment:

Debit this account

Credit Accounts Payable 21100

Receiving a transferred equipment:

Debit this account

Credit Transfers-in from Others without Reimbursement

A-126: Not Applicable

FAIRS: Not Applicable

OBJECT CLASS: 31.XX

ITEM: Accumulated Depreciation on Equipment

ACCOUNT: 17590

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

Accumulates depreciation charged to expense for equipment. Depreciation on aircraft must be kept separate from all other equipment depreciation through the use of a subsidiary file on aircraft.

SOURCE: Periodic expense reporting document that records the depreciation.

COMMENTS:

The accumulated depreciation on aircraft should be maintained on a subsidiary record for each aircraft. This account carries a credit balance to offset a portion of the debit balance of the equipment account, thereby reducing the net value of the assets as they age and are used up (deteriorate) over their productive life.

Booking of depreciation expense on aircraft:

Debit the expense account 61410 (Depreciation Expense - Aircraft)

Credit this account

Booking of depreciation expense on equipment, other than aircraft:

Debit the expense account 61440 (Depreciation Expense - Equipment)

Credit this account

A-126: Not Applicable

FAIRS: Not Applicable

OBJECT CLASS:

This side of the above entry does not need an object class; however, many finance systems will require an object class on the expense side of this document. If this is the case, be sure to use the same object class on both sides of the entry so they offset each other and therefore have no effect on the budgetary reports, such as the SF-225. Suggest that either object class 25.XX or 26.XX be used.

ITEM: Assets under Capital Lease

**ACCOUNT: 18100
Summary Account**

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

This account is maintained to show the value of aircraft, aircraft modifications, mission equipment and other equipment used for the aviation operation and acquired through a capital lease or lease-to-purchase agreement.

SOURCE: This is a summary account. Posting is done to accounts 18110 - 18190

COMMENTS:

It is critical that an aviation activity has detailed capitalization records on each aircraft, major equipment item used. Therefore ensure that the subsidiary records are complete and accurate.

A-126:	Not Applicable
FAIRS:	Not Applicable
OBJECT CLASS:	Not Applicable

ITEM: Assets Under Capital Lease - Aircraft

ACCOUNT: 18110

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

The value of aircraft being leased under terms which are essentially equivalent to an installment purchase.

SOURCE: The total cost of the capitalized portion of an aircraft lease contract.

COMMENTS:

The amount to be capitalized should include the total cost of the lease (excluding interest and taxes) except for any use payment amount that is based on a flying hour or flight time consumption of the aircraft. Most lease contracts will have the asset value included in the payments that are based on the passage of time (days, months, or other calendar periods), while the usage cost if any will have the payment amount based on the number of hours of flight time.

The posting of this account is as follows:

Debit this account for the total capital amount of the lease

Credit Capital Lease Liability (account 29300)

A-126:	Not Applicable
FAIRS:	Not Applicable
OBJECT CLASS:	31.XX

ITEM: Assets Under Capital Lease - Other Assets

ACCOUNT: 18120

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

The value of assets being leased under terms which are essentially equivalent to an installment purchase.

SOURCE: The contractual document that establishes the lease (total cost of the capitalized portion of the lease contract).

COMMENTS:

This account provides for the capitalization of major assets that are purchased through a long-term lease purchase contract (excluding interest and taxes).

The posting of this account is as follows:

Debit this account for the total capital amount of the lease

Credit Capital Lease Liability (account 29300)

A-126:	Not Applicable
FAIRS:	Not Applicable
OBJECT CLASS:	31.XX

ITEM: Accumulated Depreciation on Assets under Capital Lease

ACCOUNT: 18190

FINANCIAL STATEMENT: Balance Sheet - Asset

DEFINITION:

Accumulates depreciation charged to expense for assets under capital lease. Keep a separate subsidiary file for aircraft.

SOURCE: Periodic expense reporting document that records the depreciation.

COMMENTS:

This account carries a credit balance to offset a portion of asset accounts 18110 and 18120, thereby keeping the asset portion of the Balance Sheet adjusted for the amount of the asset that has been consumed in the production of the services of the aviation activity.

Debit expense account 61460 (Depreciation Expense - Assets Under Capital Lease)

Credit this account

A-126: Not Applicable

FAIRS: Not Applicable

OBJECT CLASS:

This side of the above entry does not need an object class; however, many finance systems will require an object class on the expense side of this document. If this is the case, be sure to use the same object class on both sides of the entry so they offset each other and therefore have no effect on the budgetary reports, such as the SF-225. Suggest that either object class 25.XX or 26.XX be used.

ITEM: Accounts Payable

ACCOUNT: 21100

FINANCIAL STATEMENT: Balance Sheet - Liability

DEFINITION:

Amounts owed to another Federal or non-Federal entity for goods and other property ordered and received, and for services rendered by other than employees.

SOURCE: All purchase orders and contracts, when the item or service is received.

COMMENTS:

Entries to this credit balance account usually come about by the receipt of a good or service that was previously ordered. The cost side of the entry can be either an expense or an asset purchase.

Debit to any number of expense accounts or a capital asset account

Credit to this account

To liquidate this account (pay for the item):

Debit this account

Credit account 10100 (Fund Balance with Treasury)

A-126:	Not Applicable
FAIRS:	Not Applicable
OBJECT CLASS:	Not applicable to this account

ITEM: Accrued Interest Payable

ACCOUNT: 21400

FINANCIAL STATEMENT: Balance Sheet - Liability

DEFINITION:

Interest **accrued and** owed on money borrowed for the acquisition of an asset through a lease-to-purchase, capital lease or other financed purchase.

SOURCE: **Shown on the periodic loan payment statement from the lender. Also can be calculated using the** Lease-to-purchase or capital lease contract. This document will contain a table or other means that allows calculation of interest due.

COMMENTS:

Entries to this credit balance account occur at the beginning of the loan period for the entire interest amount due during the term of the lease purchase or capital lease. This amount is reduced each month or quarter as each monthly or quarterly payment is made.

To liquidate this account (pay for the item):

Debit this account

Credit account 10100 (Fund Balance with Treasury)

A-126:	Not Applicable
FAIRS:	Not Applicable
OBJECT CLASS:	Not Applicable

ITEM: Payable for Transfers of Currently Invested Balances

**ACCOUNT: 21500
Summary Account**

FINANCIAL STATEMENT: Balance Sheet - Liability

DEFINITION:

A reserve account that accumulates the periodic expense associated with the overhaul or replacement of major aircraft components (such as engines, transmissions, landing gear, etc.), as well as the periodic expense associated with the periodic refurbishment and repainting of the aircraft. When actual component overhaul, replacement or refurbishment occurs this account is reduced by the amount of actual expense.

SOURCE: This is a summary account. Postings are done to accounts 21510 - 21540

COMMENTS:

This account can be successfully implemented only when agencies establish working capital funds. The amount in this account will increase or decrease as reserves are accumulated or overhauls are paid for.

It is important that agencies operating aircraft through year specific appropriations understand the concept of reserves even though they will not have reserve accounts set up in their official accounting system. They will need to calculate what the reserves would be for each accounting period and report these expenditures in the cost comparisons and cost reporting required by OMB and GSA.

A-126:	Not Applicable
FAIRS:	Not Applicable
OBJECT CLASS:	Not Applicable

ITEM: Reserve - Engine Overhaul

ACCOUNT: 21510

FINANCIAL STATEMENT: Balance Sheet - Liability

DEFINITION:

A reserve account that accumulates the periodic expense amount from account 69512, engine overhaul, until the actual overhaul occurs. When actual engine overhaul occurs this account is reduced by the amount of actual expense. Only an engine overhaul or rebuild that renews the time- between overhaul life of the engine is to be charged to this reserve account. The overhaul can be caused by a premature failure of the engine or by reaching the established time between overhaul life.

SOURCE: Vendor invoices, Time sheets, Historical data

COMMENTS:

This account can be successfully implemented only when agencies establish working capital funds. The amount in this account will increase or decrease as reserves are accumulated or overhauls are paid for. The debit and credit entries required to record the transaction for accumulating funds in the reserve account for engine overhaul follow:

Debit Engine Overhaul Expense (expense account number 69512).

Credit Reserve Engine Overhaul (liability account number 21510), and

At the time of the engine overhaul, the reserve account will have to be reduced by the cost for completing the overhaul. To record this transaction:

Debit Reserve Engine Overhaul account (liability account 21510)

Credit Accounts Payable account (liability account 21100)

At the time the invoice is paid, the transaction is recorded as follows:

Debit Accounts Payable account (liability account 21100)

Credit Cash account (asset account 10100)

It is important that agencies operating aircraft through year specific appropriations understand the concept of reserves even though they will not have reserve accounts set up in their official accounting system. They will need to calculate what the reserves would be for each accounting period and report these expenditures in the cost comparisons and cost reporting required by OMB and GSA.

A-126: Not Applicable

FAIRS: Not Applicable

OBJECT CLASS: 11.XX. 12.XX. 21.XX. 22.XX. 23.XX. 25.XX. and 26.XX

ITEM: Reserve - Aircraft Refurbishment

ACCOUNT: 21520

FINANCIAL STATEMENT: Balance Sheet - Liability

DEFINITION:

A reserve account that accumulates the periodic expense amount from account 69522, aircraft refurbishment, until actual refurbishment occurs. When actual aircraft refurbishment occurs this account is reduced by the amount of actual expense.

SOURCE: Vendor invoices

COMMENTS:

This account can be successfully implemented only when agencies establish working capital funds. The amount in this account will increase or decrease as reserves are accumulated or refurbishments are paid for.

It is important that agencies operating aircraft through year specific appropriations understand the concept of reserves even though they will not have reserve accounts set up in their official accounting system. They will need to calculate what the reserves would be for each accounting period and report these expenditures in the cost comparisons and cost reporting required by OMB and GSA.

Recording the transaction is as shown above for "Reserve-Engine Overhaul"

A-126:	Not Applicable
FAIRS:	Not Applicable
OBJECT CLASS:	11.XX. 12.XX. 21.XX. 22.XX. 23.XX. 25.XX. and 26.XX.

ITEM: Reserve - Component Rebuild and Overhaul

ACCOUNT: 21530

FINANCIAL STATEMENT: Balance Sheet - Liability

DEFINITION:

A reserve account that accumulates the periodic expense amount from account 69514, component rebuild and overhaul, until actual overhauls occur. When actual component overhauls occur, this account is reduced by the amount of the actual expense. Only a component overhaul or rebuild that causes a new useful life in specified hours or future cycles should be charged to this reserve account.

SOURCE: Vendor invoices

COMMENTS:

This account can be successfully implemented only when agencies establish working capital funds. The amount in this account will increase or decrease as reserves are accumulated or overhauls are paid for.

It is important that agencies operating aircraft through year specific appropriations understand the concept of reserves even though they will not have reserve accounts set up in their official accounting system. They will need to calculate what the reserves would be for each accounting period and report these expenditures in the cost comparisons and cost reporting required by OMB and GSA.

Recording the transaction is as shown above for "Reserve-Engine Overhaul"

A-126:	Not Applicable
FAIRS:	Not Applicable
OBJECT CLASS:	11.XX. 12.XX. 21.XX. 22.XX. 23.XX. 25.XX. and 26.XX.

ITEM: Reserve – Life Limited Item

ACCOUNT: 21540

FINANCIAL STATEMENT: Balance Sheet - Liability

DEFINITION:

A reserve account that accumulates the periodic expense amount from account 69516 and 69526, retirement item replacement, until actual replacements occur. When actual retirement item replacement occurs, this account is reduced by the amount of the actual expense.

SOURCE: Vendor invoices

COMMENTS:

This account can be successfully implemented only when agencies establish working capital funds. The amount in this account will increase or decrease as reserves are accumulated or overhauls are paid for.

It is important that agencies operating aircraft through year specific appropriations understand the concept of reserves even though they will not have reserve accounts set up in their official accounting system. They will need to calculate what the reserves would be for each accounting period and report these expenditures in the cost comparisons and cost reporting required by OMB and GSA.

Recording the transaction is as shown above for "Reserve-Engine Overhaul"

A-126:	Not Applicable
FAIRS:	Not Applicable
OBJECT CLASS:	11.XX. 12.XX. 21.XX. 22.XX. 23.XX. 25.XX. and 26.XX.

ITEM: Accrued Funded Payroll and Leave

ACCOUNT: 22100

FINANCIAL STATEMENT: Balance Sheet - Liability

DEFINITION:

The estimated liability for salaries, wages, and funded annual leave and sick leave that have been earned but are unpaid. (Refer to FASAB SFFAS No. 1, "Accounting for Selected Assets and Liabilities," paragraph 84.)

SOURCE: Payroll records of earned but unpaid salaries, wages, benefits, and annual leave.

COMMENTS:

This account is only used at the end of an accounting cycle (ie. month-end, quarter-end, or year-end). The payroll system must be able to provide a value of these costs that can be prorated over the various expense accounts. The **prorated amount** should be based on the best estimate of what the employees have been working on during the unpaid period, or a statistical analysis of what the costs have been charged to in the recent pay periods.

At the end of an accounting cycle the posting should be:
Debit the various expense accounts in the 60000 series
Credit this account

At the beginning of the next accounting cycle the posting would be a reversal of the above entry.

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable to this account

ITEM: Liability for Advances and Prepayments

ACCOUNT: 23100

FINANCIAL STATEMENT: Balance Sheet - Liability

DEFINITION:

Payment received in advance of performance of activities for which revenue has not been earned.

SOURCE: Collections received as the result of service agreements for future goods and services to be furnished.

COMMENTS:

When a customer desires to advance money for future services based on a service agreement, the aviation activity should have the processes to handle the advance. The funds are received into the aviation cash account (10100 Fund Balance with Treasury) and a liability is set up in this account. When the services are performed and a bill is issued, the bill is liquidated from this account.

When the funds are received:

Debit account 10100

Credit this account, a subsidiary file must be maintained for each customer that has made advance payments

After the service has been provided and a bill has been issued (an Accounts Receivable 13100 has been set up):

Debit this account for the amount of the outstanding Accounts Receivable for this customer

Credit Accounts Receivable and the appropriate subsidiary file

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable to this account

ITEM: Other Liabilities

**ACCOUNT: 29000
Summary Account**

FINANCIAL STATEMENT: Balance Sheet - Liability

DEFINITION:

This account is a summary account that can be used for liabilities (i.e., amounts owed to others) that don't fit any other category of liability. The two that are used in the chart of accounts are a "self insurance reserve" and a "capital lease liability".

SOURCE: This is a summary account. Posting is done to accounts 29200 - 29300

COMMENTS:

For details of how to use this account, see the posting accounts 29200 and 29300

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable

ITEM: Other Liabilities - Self Insurance Reserves

ACCOUNT: 29200

FINANCIAL STATEMENT: Balance Sheet - Liability

DEFINITION:

A reserve account that accumulates the periodic expense amount from account 69011 and 69012 for aircraft hull and liability insurance, until an actual accident or hull damaging incident occurs. When an aircraft is damaged or a liability is incurred as a result of an accident the cost is charged to this account.

SOURCE: Vendor invoices, Payroll costs, Historical data.

COMMENTS:

This account can be successfully implemented only when an agency has established a Working Capital Fund. The amount in this account will increase as reserves are accumulated or decrease as aircraft repairs or liability costs are paid for.

The entries required to record the accumulation of funds in the reserve account are:

Debit the expense account 69011 and 69012 on at least a monthly basis
Credit this account

At the time of the aircraft accident repair or liability payment, the entries are:

Debit this account
Credit Accounts Payable account 21100

A-126: Not applicable
FAIRS: Not applicable
OBJECT CLASS: 11.XX, 12.XX, 21.XX, 22.XX, 25.XX, and 26.XX,

ITEM: Capital Lease Liability

ACCOUNT: 29300

FINANCIAL STATEMENT: Balance Sheet - Liability

DEFINITION:

The present value of liabilities for assets acquired under a lease agreement which meets the test for capitalizing the assets.

SOURCE: The contractual document that establishes the lease agreement, and subsequent payment documents that pay down the outstanding lease payable.

COMMENTS:

Capital lease arrangements are a unique type of liability and therefore this payable is kept in its own liability and not mixed with all other payables in Accounts Payable account 21100.

To establish the account:

Debit the account 18110 or 18120 (Assets Under Capital Lease, Aircraft or Other Assets as appropriate)

Credit this account

As lease payments are made:

Debit this account

Credit the cash account (Fund Balance with Treasury account 10100)

When an asset purchased under a capital lease is fully paid for (this account has been reduced to zero for that particular asset), then an additional posting needs to occur. The asset value and the attendant accumulated depreciation must be transferred from the "Capital Lease" accounts 18110, 18120, and 18190 to the appropriate asset accounts in the 17XXX series.

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable to this liability account

ITEM: Unexpended appropriations Cumulative

**ACCOUNT: 31000
Summary Account**

FINANCIAL STATEMENT: Balance Sheet – Net Position

DEFINITION:

The amount of unexpended appropriations remaining after fiscal yearend closing. The balance in this account remains the same during the fiscal year. Activity to increase or decrease unexpended appropriations is reflected in other USSGL accounts in the 31000 series. At yearend, the nominal USSGL accounts in the 31000 series are closed to this USSGL account, including special and trust funds that receive appropriations from the General Fund of the Treasury. During the fiscal year, the net of debit and credit balances in the 31000 series accounts reflects the total remaining balance of unused appropriations. Special and trust funds that receive appropriations from the General Fund of the Treasury are to record this account.

This is a summary account. Posting is done to accounts 31010, 31020 and 31030.

SOURCE: The difference between the appropriations for the agency and its expenditures

COMMENTS:

This account should be used if an agency has acquired goods or services for less cost than was authorized by the appropriation for these goods or services.

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable to Equity accounts

ITEM: Unexpended Appropriations - Appropriations Received ACCOUNT: 31010

FINANCIAL STATEMENT: Balance Sheet – Net Position

Normal Balance: Credit

Definition:

The amount of new appropriations received during the fiscal year. Special and trust funds do not use this USSGL account to record appropriations of dedicated and earmarked receipts. However, special and trust funds that receive appropriations from the General Fund of the Treasury are to use this account.

SOURCE:

COMMENTS:

Note: Item 31010, 31020 and 31030 are new items.

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable to Equity accounts

ITEM: Unexpended Appropriations - Transfers-In

ACCOUNT: 31020

FINANCIAL STATEMENT: Balance Sheet – Net Position

Normal Balance: Credit

Definition:

The amount of unexpended appropriations, from current or prior years, transferred in during the fiscal year. Special and trust funds that receive appropriations from the General Fund of the Treasury are to use this account for transfers of unexpended appropriations.

SOURCE:

COMMENTS:

Note: Item 31010, 31020 and 31030 are new items.

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable to Equity accounts

ITEM: Unexpended Appropriations - Transfers-Out

ACCOUNT: 31030

FINANCIAL STATEMENT: Balance Sheet – Net Position

Normal Balance: Debit

Definition:

The amount of unexpended appropriations, from current or prior years, transferred out during the fiscal year. Special and trust funds that receive appropriations from the General Fund of the Treasury are to use this account for transfers of unexpended appropriations.

SOURCE:

COMMENTS:

Note: Item 31010, 31020 and 31030 are new items.

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable to Equity accounts

All 32000 account item has been removed from the new SGL, dated August 2008.

ITEM: Cumulative Results of Operations

ACCOUNT: 33100

FINANCIAL STATEMENT: Balance Sheet - Equity

DEFINITION:

The net difference since the inception of the activity between (1) expenses and losses, and (2) financing sources including appropriations, revenues, and gains. Although the normal balance for this account is credit, it is acceptable in certain instances for this account to have a debit balance.

SOURCE: Any warrant that transferred the initialization appropriation, as well as the annual net income or loss as reflected on the Income Statement.

COMMENTS:

The more common name for this account is Retained Earnings. This account is maintained to reflect the balance of net income or loss resulting from the aviation operations from inception to the date of the Balance Sheet.

The Income Statement preparation results in all revenue and expense accounts to be closed on an annual basis, the contra to all these closing entries are posted to this account. Thereby causing this account to reflect the cumulative net income and/or net loss from all past operating years.

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable to Equity accounts.

ITEM: Budgetary

ACCOUNT: 40000

FINANCIAL STATEMENT: Not applicable

DEFINITION:

These accounts reflect budgetary operations and conditions from the time appropriations are realized until they are expended.

SOURCE: Annual appropriations budgets and approved operating plans.

COMMENTS:

The accounts in the 40000 series are designed to track the warranted funds that are provided to an operation that operates on annual appropriations provided by the Federal budget process. Each aviation activity may designate as many budgetary accounts as they desire. Look to your own agency's financial and budget people for guidance on how many accounts are required for the aviation activity. The budgetary accounts must always equal a zero when they are all added together; that is, there must be at least two accounts that offset each other with an equal amount of debits and credits. The accounts set up in this series may be many; however, when all the debit account balances are accumulated they must equal the total of all the credit account balances. This process keeps the Budgetary accounts from having an affect on the Balance Sheet or the Income Statement.

A-126: Not applicable
FAIRS: Not applicable
OBJECT CLASS: Not applicable to Budgetary accounts.

ITEM: Revenue from Services Provided

**ACCOUNT: 52000
Summary Account**

FINANCIAL STATEMENT: Income Statement - Revenues

DEFINITION:

Revenue earned from the sale of aviation services provided to other Federal agencies, state or local government units or commercial customers. Accounts 52100 is where to record Federal Cost Offsets and 52400 is where to record Commercial Cost Offsets for Commercial Aviation Services (CAS) and Federal aircraft.

SOURCE: This is a summary account. Posting is done to accounts 52100 - 52400.

COMMENTS:

This account allows the agency to properly record the revenues obtained from others for aviation services rendered under contractual agreements or on an ad-hoc basis.

A-126:	Not applicable
FAIRS:	26
OBJECT CLASS:	Not applicable to revenue accounts.

ITEM: Revenue from Government Agencies

ACCOUNT: 52100

FINANCIAL STATEMENT: Income Statement - Revenues

DEFINITION:

Revenue earned from the sale of aviation services provided to Federal agency customers. This is where to record Federal Cost Offsets for Commercial Aviation Services (CAS) aircraft into posting account 52110 and for Federal aircraft into posting account 52120.

SOURCE: Records of service provided to individual customers.

COMMENTS:

When a record of an aviation service enters the aviation activity's finance system, it will calculate the dollar value of the service provided and create a bill to the using agency. The amount of that bill is then recorded as a revenue in this account, while at the same time creating an Accounts Receivable record in account 13100.

The posting of this transaction was previously addressed on the page for account 13100.

A-126: Not applicable
FAIRS: 30, 31, 32
OBJECT CLASS: Not applicable to revenue accounts.

ITEM: Revenue from State Agencies

ACCOUNT: 52200

FINANCIAL STATEMENT: Income Statement - Revenues

DEFINITION:

Revenue earned from the sale of aviation services provided to state agency customers.

SOURCE: Records of service provided to individual customers.

COMMENTS:

When a record of an aviation service enters the aviation activity's finance system, it will calculate the dollar value of the service provided and create a bill to the using state agency. The amount of that bill is then recorded as a revenue in this account, while at the same time creating an Accounts Receivable record in account 13100.

The posting of this transaction was previously addressed on the page for account 13100.

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable to revenue accounts.

ITEM: Revenue from Foreign Governments

ACCOUNT: 52300

FINANCIAL STATEMENT: Income Statement - Revenues

DEFINITION:

Revenue earned from the sale of aviation services provided to foreign government customers.

SOURCE: Records of service provided to individual customers.

COMMENTS:

When a record of an aviation service enters the aviation activity's finance system, it will calculate the dollar value of the service provided and create a bill to the using foreign government. The amount of that bill is then recorded as a revenue in this account, while at the same time creating an Accounts Receivable record in account 13100.

The posting of this transaction was previously addressed on the page for account 13100.

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable to revenue accounts.

ITEM: Other Revenues

ACCOUNT: 52400

FINANCIAL STATEMENT: Income Statement - Revenues

DEFINITION:

All sources of revenue from all customers that did not fit the definitions listed in the previous three revenue accounts (52100, 52200, and 52300). This is where to record Commercial Cost Offsets for Commercial Aviation Services (CAS) aircraft into posting account 52410 and for Federal aircraft into posting account 52420.

SOURCE: Records of service provided to individual customers.

COMMENTS:

When a record of an aviation service enters the aviation activity's finance system, it will calculate the dollar value of the service provided and create a bill to the user. The amount of that bill is then recorded as a revenue in this account, while at the same time creating an Accounts Receivable record in account 13100.

The posting of this transaction was previously addressed on the page for account 13100.

A-126:	Not applicable
FAIRS:	27, 28, 29
OBJECT CLASS:	Not applicable to revenue accounts.

ITEM: Operating Expenses/Program Costs

**ACCOUNT: 61000
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

Definition: This is the cost of operating expenses/program costs which includes the total cost from the 61000 series. It could also include cost from account codes 65000 and 66000 series.

SOURCE: See respective series identified above.

COMMENT:

A-126:	See 61000 series and 65000 and 66000 series where applicable.
FAIRS:	161 and (Also see 61000 series, and 65000 and 66000 series where applicable.)
OBJECT CLASS:	See 61000 series, and 65000 and 66000 series where applicable.

ITEM: Fuel and additives

**ACCOUNT: 61110
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

A variable cost that includes aviation gasoline and jet fuel and fuel additives (i.e. water methanol, ionized water and Prist). Depending on the fuel type (bulk or retail) and acquisition process (from a Federal source or a commercial one), etc., one of the following posting accounts will be used:

- 61110 Fuel and additives
- 61111 Fuel and additives – Bulk and Retail (Commercial)
- 61112 Fuel and additives – Bulk and Retail (Federal)
- 61114 Fuel and additives – Bulk (Commercial)
- 61115 Fuel and additives – Bulk (Federal)
- 61116 Fuel and additives – Retail (Commercial)
- 61117 Fuel and additives – Retail (Federal)

SOURCE: Fuel Charge Slip (retail purchases)
Fuel Slip: Gallons X Dollar/Gallon for bulk and contract fuel. (Dollar/Gallon for bulk or contract fuel obtained from applicable contract.)

Enter cost for each fuel purchase.

COMMENT:

Consider your agency's requirement for fuel information. If you require more than one account, expand by adding sub accounts. For example, if you buy fuel in both retail and bulk from commercial sources and the difference is important to know, then you could use 61116 for retail and 61114 for bulk.

Recording this transaction is accomplished as follows for a retail fuel purchase:

Debit Fuel and additives/Fuel and additives - Retail (Expense Account 61116 or 61117)
Credit Accounts Payable (Liability Account 21100)

When the invoice for this fuel is paid,

Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)

If the fuel was obtained from the agency's fuel tank farm (inventory), proceed as follows:

Debit Fuel and additives/Fuel and additives -Bulk (Federal) (Expense Account 61115)
Credit Inventory for Agency Operations/Fuel (Asset Account 15110)

To record the purchase of fuel in bulk for the agency's fuel farm, record it as follows:

Debit Inventory for Agency Operations/Fuel (Asset Account 15110)
Credit Accounts Payable (Liability Account 21100)

A-126: Fuel and Other Fluids
FAIRS: 91 through 97
OBJECT CLASS: 26.XX.

ITEM: Lubricants and oil

**ACCOUNT: 61120
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

A variable cost that includes all lubricants and oils (i.e. hydraulic fluid, oil, grease and other lubricants). Depending on the acquisition process (from a Federal source or a commercial one), etc., one of the following posting accounts will be used:

61120 Lubricants and Oil
61122 Lubricants and Oil - Commercial
61124 Lubricants and Oil – Federal

SOURCE: Vendor invoice or fuel charge slip (retail purchases). Enter cost for each fuel purchase.

COMMENT:

Consider your agency's requirement for information on lubricants. In addition to recording the cost of lubricants by whether they are acquired commercially or from another Federal agency, you may want to record by type - grease, oil and hydraulic fluid. To do this, it is easy to create sub accounts that allow this separation. (For example, in the chart of accounts in chapter 4, accounts 61121, 61123 and 61125 through 61129 are available).

Recording this transaction is accomplished as follows for a retail purchase:

Debit Lubricants and oil - Commercial (Expense Account 61122)
Credit Accounts Payable (Liability Account 21100)

When the invoice for this fuel is paid,

Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)

A-126: Fuel and Other Fluids
FAIRS: 152, 153, 154
OBJECT CLASS: 26.XX.

ITEM: Variable Lease Costs

**ACCOUNT: 61130
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

When the basis for leasing an aircraft is hours flown or flight time, then the associated rental or lease costs is classified as variable costs.

SOURCE: This is a summary account. The posting accounts are 61132 and 61134

COMMENTS:

A lease or rental agreement may contain a daily or monthly charge in addition to the hourly rate. A Governmental agency should consider the portion of the agreement that is based on calendar duration as fixed cost.

A-126:	Not Applicable
FAIRS:	330
OBJECT CLASS:	Not Applicable

ITEM: Variable Lease Costs

**ACCOUNT: 61132
61134**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

When the basis for leasing an aircraft is hours flown or flight time, then the associated rental or lease costs is classified as variable costs. This applies whether the aircraft is leased from a commercial source (61132) or another Federal agency (61134)

SOURCE: The lease or rental agreement should contain the cost per hours flown or **flight time**. Another source needed is the aircraft log book or other documentation that contains the number of hours flown or flight time.

COMMENTS:

The lease or rental agreement may contain a daily or monthly charge in addition to the hourly rate. A Governmental agency should consider the portion of the agreement that is based on a calendar duration as fixed cost and classify the amount in account 61142 or 61144.

This transaction is recorded as follows:

Debit Variable Lease Cost (Expense Account 61132 or 61134)
Credit Accounts Payable (Liability Account 21100)

When the invoice is paid, debit the accounts payable and credit the cash account

A-126: Lease Cost - Variable
FAIRS: 331, 332
OBJECT CLASS: 25.XX

ITEM: Fixed Lease Costs

**ACCOUNT: 61140
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

A Governmental agency should consider lease costs as fixed when the rental or lease agreement is based on a length of time (e.g. days, weeks, months, or years) and does not vary according to aircraft usage. This applies whether the aircraft is leased from a commercial source (61142) or another Federal agency (61144)

SOURCE: The lease or rental agreement will contain the necessary information (cost per day, cost per month or cost per year) to record the correct amount in the accounting system.

COMMENTS:

The lease or rental agreement may contain an amount or charge based on the number of hours flown or flight time. Government agencies should classify this portion of the agreement as variable lease cost, account 61132 (commercial) or 61134 (Federal). This portion of the cost should be recorded as discussed above for Variable Lease Cost, account 61132 and 61134.

Recording the fixed portion of the lease is done as follows:

Debit Fixed Lease Cost (Expense Account 61142 or 61144)

Credit Accounts Payable (Liability Account 21100)

When the invoice is paid, debit the accounts payable and credit the cash account

If the asset is on a "capital lease", account 61142/44 is not used, see account 18110 or 18120 and 29300.

A-126: Lease Cost - Fixed
FAIRS: 49, 50, 51
OBJECT CLASS: 25.XX

ITEM: Variable Crew Costs

**ACCOUNT: 61150
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Crew costs which vary according to aircraft usage and would include the wages of crew members hired on an hourly or part-time basis, all crew overtime charges, and all crew travel expenses, particularly subsistence,(i.e., per diem, laundry, fees, etc.). This applies regardless of whether the expense is incurred with a commercial vendor or with a Federal agency.

If the expenditure is associated with travel, use 61154 (commercial) or 61155 (Federal). If the expenditure involves wages for part-time personnel or overtime payment, use 61156 (commercial) or 61157 (Federal). Summary account 61151 is the total commercial costs and summary account 61152 is the total Federal costs.

SOURCE: For Crew Wages: Flight Log, Time Card, and Contract Agreement with crew member

Travel Expenses: Travel Expense vouchers in the appropriate Government format.

COMMENTS:

The costs associated with this account, 61154, 61155, 61156 and 61157; do **not** include the cost for full - time pilots that are identified in account 61160. This account does however, include overtime and travel costs for both part-time and full-time pilots.

This transaction is recorded as follows:

Debit Variable Crew Cost (Expense Account 61154 or 61155 for travel and 61156 or 61157 for wages, benefits, and other costs associated with part-time pilots; also charge all pilot overtime to 61156 or 61157)

Credit Accounts Payable (21100 for travel and other costs: and Accrued Liability Payroll 22100 for all salary, benefits, and overtime)

When the invoice is paid, debit the accounts payable and credit the cash account.

A-126:	Crew Costs - Variable	
FAIRS:	323 through 329	
OBJECT CLASS:	Travel	-21.XX
	Overtime	-11.5X
	Part Time Wages	-11.3X
	Benefits	-12.XX

ITEM: Fixed Crew Costs

**ACCOUNT: 61160
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Flight crew member costs that do not vary according to aircraft usage. Costs include salaries of full time or fixed tour of duty crew members, benefits, training costs, charts, personal protective equipment, uniforms, and other personal equipment. Post to individual accounts 61164, 61166, and 61168 if these costs are incurred with commercial contractors or 61165, 61167 and 61169 if these costs are incurred with Federal agencies. The account also includes the costs for crew members who perform minimal maintenance, if they are primarily flight crew members. A summary account 61161 (which includes costs from posting accounts 61164, 61166 and 61168) is for total commercial costs and summary account 61162 (which includes costs from posting accounts 61165, 61167 and 61169) is for total Federal costs.

61164 Wages and Benefits (Commercial)
61165 Wages and Benefits (Federal)
61166 Training Costs (Commercial)
61167 Training Costs (Federal)
61168 Other Costs Associated with Crew (Commercial)
61169 Other Costs Associated with Crew (Federal)

SOURCE: For Salaries and Benefits - Payroll records, time cards, employee contract
For Training Costs - Invoice from training source
For Other Costs - Invoices from outside sources that demonstrate authenticity of charges.

COMMENTS:

According to each agency's requirements, the sub accounts supporting Fixed Crew Costs can vary. The chart of accounts in section 4.2.1 suggests three sub accounts, salaries and benefits, training costs, and other costs associated with crew. Training costs could include travel to and from training site, per diem, course fees, etc.

If the expense is salaries and benefits it should be recorded as follows:

Debit Fixed Crew Cost/Wages and Benefits (Expense Account 61164 or 61165)
Credit Accrued Liabilities/Payroll and Benefits (Liability Account 22100)

When the salaries are paid, debit the accrued liabilities account and credit the cash account

If the expense is, for example, training costs, proceed as follows:

Debit Fixed Crew Cost/Training Costs (Expense Account 61166 or 61167)
Credit Accounts Payable (Liability Account 21100)

When the invoice is paid, debit the accounts payable and credit the cash account

A-126:	Crew Costs - Fixed		
FAIRS:	40 through 48		
OBJECT CLASS:	Salaries	-11.1X	
	Benefits	-12.1X	
	Training		-25.XX

ITEM: Flight Support Costs - Variable

ACCOUNT: 61170
Summary Account

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Government agencies should classify the landing, tie-down fees, air traffic control fees and ground handling associated with the usage of aircraft as variable when they are encountered at a location other than the normal base of operation and are directly incurred as a result of a flight of the aircraft. This also includes ground and oxygen servicing costs (see account code 61180 for definition). Summary account 61171 is the amount paid to a commercial source, which includes posting accounts 61174 (flight support), 61182 (ground servicing) and 61186 (oxygen servicing) and summary account 61172 is the amount paid to a Federal agency, which includes posting accounts 61176 (flight support), 61184 (ground servicing) and 61188 (oxygen servicing).

Summary account 61170 is the total cost from both summary accounts 61171 and 61172. See above for details on the posting accounts.

SOURCE: Invoice from location where Government agency encountered landing and tie-down fees.

COMMENTS:

Government agencies should classify the landing and tie-down fees encountered at the main base of operations or fees based on a length of time (i.e. week, month, annual, etc.) as operations overhead.

Recording this transaction is accomplished as follows:

Debit Flight Support Costs (Commercial) or (Federal) (Expense Account 61174 or 61176)
Credit Accounts Payable (Liability Account 21100)

When the invoice for this fuel is paid,

Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)

A-126: Landing & Tie-down Fees
FAIRS: 53, 54, 55, 56, 57
OBJECT CLASS: 25.XX

ITEM: Ground Servicing - Variable

ACCOUNT: 61180
Summary Account

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Government agencies should classify the costs of towing, cleaning, air conditioning servicing, oxygen system servicing, lavatory servicing, etc. associated with the usage of aircraft as variable when they are encountered at a location other than the normal base of operation and are directly incurred as a result of a flight of the aircraft. Account 61182 (ground servicing) and 61186 (oxygen servicing) are used for amounts paid to a commercial source and 61184 (ground servicing) and 61188 (oxygen servicing) are used when payment is made to a Federal agency.

Agencies should consider these costs for an aircraft at its home base of operations as part of operations overhead, which is a fixed cost (account number 61510 - 61583)

SOURCE: Invoice from location where Government agency encountered ground servicing fees.

COMMENTS:

Government agencies should classify the ground servicing fees encountered at the main base of operations or fees based on a length of time (i.e. week, month, annual, etc.) as operations overhead.

Recording this transaction is accomplished as follows:

Debit Ground Servicing (Commercial) or (Federal) (Expense Account 61182 or 61184)
Credit Accounts Payable (Liability Account 21100)

When the invoice is paid,

Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)

A-126: Landing & Tie-down Fees
FAIRS: 58, 59, 60, 61, 62
OBJECT CLASS: 25.XX

ITEM: Flight Support Costs - Fixed

**ACCOUNT: 61190
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Government agencies should classify the landing, tie-down fees, air traffic control fees and ground handling associated with the usage of aircraft as fixed when they are encountered at the normal base of operation and are directly incurred as a result of a flight of the aircraft. This also includes the costs of towing, cleaning, air conditioning servicing, oxygen system servicing, lavatory servicing, etc. Summary account 61190 includes total commercial and Federal cost for flight support, ground and oxygen servicing. Summary account 61194 includes total commercial and Federal cost for ground and oxygen servicing. Posting account 61192, 61195 and 61197 are used for amounts paid to a commercial or non Federal source and posting account 61193, 61196, and 61198 are used when payment is made to a Federal agency as shown below:

- 61192 Flight Support – Commercial
- 61193 Flight Support - Federal
- 61195 Ground Servicing – Commercial
- 61196 Ground Servicing - Federal
- 61197 Oxygen Servicing - Commercial
- 61198 Oxygen Servicing - Federal

SOURCE: Invoice from location where Government agency encountered landing and tie-down fees.

COMMENTS:

Government agencies should classify the landing and tie-down fees encountered at the main base of operations or fees based on a length of time (i.e. week, month, annual, etc.) as operations overhead.

Recording this transaction is accomplished as follows:

Debit Flight Support Costs (Commercial) or (Federal) (Expense Account 61194 or 61196)
Credit Accounts Payable (Liability Account 21100)

When the invoice for this fuel is paid,

Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)

A-126: Landing & Tie-down Fees
FAIRS: 63 through 70
OBJECT CLASS: 25.XX

ITEM: Variable Maintenance Costs

**ACCOUNT: 61200
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Variable maintenance costs include scheduled and unscheduled maintenance that occurs based on the accumulation of hours flown, flight time or flight cycles as well as maintenance and repairs of items found during a scheduled maintenance inspection or squawked by the crews. In addition to the costs of normal maintenance activities, examples of costs that Government agencies should consider as variable are modification required by service bulletins and airworthiness directives. This includes the cost from summary accounts 61210, 61220, 61225, 61230, 61235, 61240, 61245, and 61250.

Engine overhaul (61260), aircraft refurbishment (61270), and major component rebuild and overhauls (61280 and 61290) may be in this variable maintenance category when the governmental unit does not have the ability to set reserve accounts (i.e. WCF). See accounts 21500 -- 21530 and 69500 -- 69526.

NOTE: Government agencies may consider all maintenance costs as variable although some maintenance costs more closely resemble fixed costs; costs that occur based on a length of time, (i.e. days, weeks, monthly or annual). This is an important distinction when performing an A-126 analysis.

SOURCE: Time cards, work orders, vendor invoices

COMMENTS:

The requirements outlined in Circular A-126 and FAIRS require Government agencies to break variable maintenance costs down into further categories, labor, parts, and maintenance contracts. Account descriptions for those categories follow.

A-126:	See Account 61210 - 61296
FAIRS:	333 and (Also see Account 61210 – 61296)
OBJECT CLASS:	See Account 61210 - 61296

ITEM: Variable Maintenance Costs – Parts

**ACCOUNT: 61205
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Variable maintenance parts include the cost of materials and parts consumed during maintenance and inspections. (See posting accounts 61221, 61223, 61227, 61229, 61231, 61233, 61237, 61239, 61241, 61243, 61247 and 61249).

See summary accounts below:

- 61205 Scheduled and Unscheduled Maintenance Parts – Total Commercial and Federal
- 61206 Scheduled Maintenance Parts – Total Commercial Cost
- 61207 Scheduled Maintenance Parts – Total Federal Cost
- 61208 Unscheduled Maintenance and Repairs Parts – Total Commercial Cost
- 61209 Unscheduled Maintenance and Repairs Parts – Total Federal Cost
- 61220 Scheduled Maintenance Parts – Airframe
- 61225 Unscheduled Maintenance and Repairs Parts – Airframe
- 61230 Scheduled Maintenance Parts – Avionics
- 61235 Unscheduled Maintenance and Repairs Parts – Avionics
- 61240 Scheduled Maintenance Parts – Engine
- 61245 Unscheduled Maintenance and Repairs Parts - Engine

The account does **not** include the costs associated with component or engine overhauls, refurbishment, and any major maintenance for which Government agencies have established reserve accounts.

SOURCE: Work orders, vendor invoices, inventory/parts room issues

COMMENTS:

A-126: Maintenance Parts - Variable
FAIRS: 260, 261, 262, 305, 306
OBJECT CLASS: Parts - 26.XX

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Variable Maintenance Labor includes the costs expended by the Government agency for in-house mechanics, technicians, and inspectors when they are performing maintenance tasks. **Summary account, 61210 is the sum of the costs for both Scheduled and Unscheduled Maintenance Labor. Summary account 61201 is the total for Scheduled Maintenance Labor (which includes summary accounts 61202 and 61203), 61202 is the total for commercial costs (which includes 61212, 61214, 61216 and 61218), 61203 (which includes 61213, 61215, 61217 and 61219) is the total for Federal costs and 61204 is the total for Unscheduled Maintenance and Repairs Labor (which includes 61214 and 61215).** Posting accounts are 61212 -- 61219 dependent on type of labor costs and whether the payee is a Federal entity or a commercial entity, as follows:

- 61212 Wages and Benefits - Scheduled Maintenance Labor (Commercial)
- 61213 Wages and Benefits - Scheduled Maintenance Labor (Federal)
- 61214 Wages and Benefits, Travel and Other Associated Costs
 - Unscheduled Maintenance and Repairs Labor (Commercial)
- 61215 Wages and Benefits – Travel and Other Associated Costs
 - Unscheduled Maintenance and Repairs Labor (Federal)
- 61216 Training - Scheduled Maintenance Labor (Commercial)
- 61217 Training - Scheduled Maintenance Labor (Federal)
- 61218 Other Cost Associated with Labor - Scheduled Maintenance Labor (Commercial)
- 61219 Other Cost Associated with Labor - Scheduled Maintenance Labor (Federal)

Examples of costs associated with the above maintenance personnel are salaries, benefits, training, travel, etc. Costs **not** included in the account are the labor costs associated with overhauls (accounts 21500 and 21510), refurbishment (account 21520), and other major maintenance for which Government agencies have established reserve accounts (account 21530). For aviation activities that do not have the opportunity to set reserve accounts (21500 through 21530); the overhaul, refurbishment, rebuild, and retirement item costs use accounts 61260 through 61296. Labor costs associated with maintenance contracts also are **not** included in this account. (See account 61250 – 61254 for costs associated with maintenance contracts.)

SOURCE: Work orders, timecards, payroll, vendor invoices for travel and training

COMMENTS:

Depending upon the size of the organization, Government agencies can expand account 61200. They can do so as illustrated in the Chart of Accounts in Section 4.2.1, by developing sub accounts that collect labor by wages, benefits, training, etc. If the agency requires more detail for internal reporting requirements, they could break down the costs further into unscheduled, scheduled, engines and avionics, as portrayed in the chart of accounts referenced previously. Note that Circular A-126 allows charging two labor costs as fixed costs (maintenance labor costs incurred for a calendar-based inspection, as well as labor costs that are not incurred for specific maintenance tasks). Recording this expense is done in the same manner as is done for Fixed Crew Costs (Account 61160)

A-126:	Maintenance Labor - Variable	
FAIRS:	250 through 259, 302, 303, 304, 334	
OBJECT CLASS:	Salaries	- 11.1X
	Benefits	- 12.1X
	Training	- 25.XX

Travel

- 21.XX

ITEM: Variable Maintenance Costs – Parts Airframe

**ACCOUNT: 61220
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Variable maintenance parts include the cost of materials and parts consumed during maintenance and inspections. (See posting accounts 61221, 61223, 61227 and 61229). **Summary accounts 61220 is for Scheduled Maintenance Parts and 61225 is for Unscheduled Maintenance and Repairs Parts.** The account does **not** include the costs associated with component or engine overhauls, refurbishment, and any major maintenance for which Government agencies have established reserve accounts. Part costs associated with maintenance contracts also are **not** included in this account. (See account 61250 -61254 for costs associated with maintenance contracts.) Examples of costs recorded in this category are bearings, packing's, filters, gears, consumables, etc. Parts may come from vendors or from the agency's inventory. Posting accounts are as follows:

61221	Airframe - Scheduled Maintenance Parts (Commercial)
61223	Airframe - Scheduled Maintenance Parts (Federal)
61227	Airframe – Unscheduled Maintenance and Repairs Parts (Commercial)
61229	Airframe – Unscheduled Maintenance and Repairs Parts (Federal)

SOURCE: Work orders, vendor invoices, inventory/parts room issues

COMMENTS:

The suggested chart of accounts in Section 4.2.1 illustrates an approach for establishing sub-accounts by collecting costs according to scheduled and unscheduled parts for the airframe, as well as by type of vendor (commercial or Federal). It is important to remember to identify the output requirements, and then develop a system that satisfies the requirements. A final issue to consider involves materiality -- do not track costs to such a degree that the cost of tracking exceeds the benefits of knowledge gained. Some material such as rags, paint remover, and other shop supplies are more appropriately classified as overhead.

Recording this transaction is accomplished as follows for a retail purchase:

Debit Variable Maintenance Costs – Parts Airframe (Expense Account 61220 and 61225)
Credit Accounts Payable (Liability Account 21100)

When the invoice is paid,

Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)

If the part was obtained from the agency's parts inventory, proceed as follows:

Debit Variable **Maintenance Costs – Parts Airframe** (Expense Account 61220 and 61225)
Credit Inventory for Agency Operations/Parts (Asset Account 15120)

To record the purchase of parts for the agency's parts inventory, record it as follows:

Debit Inventory for Agency Operations/Parts (Asset Account 15120)
Credit Accounts Payable (Liability Account 21100)

A-126:	Maintenance Parts - Variable
FAIRS:	263, 264, 265, 307, 308, 309
OBJECT CLASS:	Parts - 26.XX

ITEM: Variable Maintenance Costs – Parts Avionics

**ACCOUNT: 61230
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Variable maintenance parts avionics includes the cost of materials and parts consumed during maintenance and inspections. (See posting accounts 61231, 61233, 61237 and 61239). Summary accounts 61230 is for Scheduled Maintenance Parts and 61235 is for Unscheduled Maintenance and Repairs Parts. The account does **not** include the costs associated with component or engine overhauls, refurbishment, and any major maintenance for which Government agencies have established reserve accounts. Part costs associated with maintenance contracts also are not included in this account. (See account 61250 -61254 for costs associated with maintenance contracts.) Examples of costs recorded in this category are gauges, radios, "black boxes," etc. Parts may come from vendors or from the agency's inventory. Posting accounts are as follows:

61231	Avionics - Scheduled Maintenance Parts (Commercial)
61233	Avionics - Scheduled Maintenance Parts (Federal)
61237	Avionics – Unscheduled Maintenance and Repairs Parts (Commercial)
61239	Avionics – Unscheduled Maintenance and Repairs Parts (Federal)

SOURCE: Work orders, vendor invoices, inventory/parts room issues

COMMENTS:

The suggested chart of accounts in Section 4.2.1 illustrates an approach for establishing sub-accounts by collecting costs according to scheduled and unscheduled avionics parts, as well as by type of vendor (commercial or Federal). It is important to remember to identify the output requirements, and then develop a system that satisfies the requirements. A final issue to consider involves materiality -- do not track costs to such a degree that the cost of tracking exceeds the benefits of knowledge gained. Some material such as wire-wraps, connectors and other shop supplies are more appropriately classified as overhead.

Recording this transaction is accomplished as follows for a retail purchase:

Debit Variable Maintenance Costs – Parts Avionics (Expense Account 61230 and 61235)
Credit Accounts Payable (Liability Account 21100)

When the invoice is paid,

Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)

If the part was obtained from the agency's parts inventory, proceed as follows:

Debit Variable Maintenance Costs – Parts Avionics (Expense Account 61230 and 61235)
Credit Inventory for Agency Operations/Parts (Asset Account 15120)

To record the purchase of parts for the agency's parts inventory, record it as follows:

Debit Inventory for Agency Operations/Parts (Asset Account 15120)
Credit Accounts Payable (Liability Account 21100)

A-126: Maintenance Parts - Variable

FAIRS: 266, 267, 268, 310, 311, 312
OBJECT CLASS: Parts - 26.XX

ITEM: Variable Maintenance Costs – Parts Engine

**ACCOUNT: 61240
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Variable maintenance parts engines include the cost of materials and parts consumed during maintenance and inspections of the engines. (See posting accounts 61241, 61243, 61247 and 61249). Summary accounts 61240 is for Scheduled Maintenance Parts and 61245 is for Unscheduled Maintenance and Repair Parts. The account does **not** include the costs associated with engine overhauls, refurbishment, and any major maintenance for which Government agencies have established reserve accounts. Part costs associated with maintenance contracts also are **not** included in this account. (See account 61250 -61254 for costs associated with maintenance contracts.) Examples of costs recorded in this category are filters, fuel controllers, igniters, etc. Parts may come from vendors or from the agency's inventory.

61241	Engine - Scheduled Maintenance Parts (Commercial)
61243	Engine - Scheduled Maintenance Parts (Federal)
61247	Engine – Unscheduled Maintenance and Repairs Parts (Commercial)
61249	Engine – Unscheduled Maintenance and Repairs Parts (Federal)

SOURCE: Work orders, vendor invoices, inventory/parts room issues

COMMENTS:

The suggested chart of accounts in Section 4.2.1 illustrates an approach for establishing sub-accounts by collecting costs according to scheduled and unscheduled engine parts, as well as by type of vendor (commercial or Federal). It is important to remember to identify the output requirements, and then develop a system that satisfies the requirements. A final issue to consider involves materiality -- do not track costs to such a degree that the cost of tracking exceeds the benefits of knowledge gained. Some material such as wire-wraps, connectors and other shop supplies are more appropriately classified as overhead.

Recording this transaction is accomplished as follows for a retail purchase:

Debit Variable Maintenance Costs – Parts Engine (Expense Account 61240 and 61245)
Credit Accounts Payable (Liability Account 21100)

When the invoice is paid,

Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)

If the part was obtained from the agency's parts inventory, proceed as follows:

Debit Variable **Maintenance Costs – Parts Engine** (Expense Account 61240 and 61245)
Credit Inventory for Agency Operations/Parts (Asset Account 15120)

To record the purchase of parts for the agency's parts inventory, record it as follows:

Debit Inventory for Agency Operations/Parts (Asset Account 15120)
Credit Accounts Payable (Liability Account 21100)

A-126:	Maintenance Parts - Variable
FAIRS:	269, 270, 271, 313, 314, 315
OBJECT CLASS:	Parts - 26.XX

ITEM: Variable Maintenance Costs - Contracts

**ACCOUNT: 61250
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Variable contract costs include all costs associated with the maintenance of the aircraft that are performed by an outside entity, other than the major maintenance items such as overhauls, retirement items, refurbishment, etc. and major calendar-based inspections. Variable contract costs are similar to variable maintenance labor and part categories except contract costs are external. Repair of instruments by an outside vendor would be an example of costs classified in this category. These costs can be incurred with a commercial vendor (account number 61252) or another Federal agency (account number 61254).

SOURCE: Vendor invoices

COMMENTS:

In some cases, Governmental agencies will not have enough aircraft or activity or expertise to justify maintenance departments. As a result, they will establish contracts with outside maintenance entities to perform the maintenance on their aircraft. Also, agencies with maintenance departments will occasionally require work from outside entities for specialized work, major maintenance or when an aircraft is away from its base and needs maintenance before further flight. Governmental agencies should classify costs of this nature as variable contract costs, except if they are incurred as a result of a major calendar-based inspection. If a contractor does all maintenance work, an agency will want to expand this cost account to provide more detail with respect to scheduled and unscheduled work, etc. Vendors will normally supply this information if requested.

Recording this transaction is accomplished as follows:

Debit Variable Maintenance Costs - Contracts (Commercial) or (Federal) (Expense Account 61252 or 61254)
Credit Accounts Payable (Liability Account 21100)

When the invoice for this contract is paid,

Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)

A-126:	Maintenance Contracts - Variable
FAIRS:	235, 236, 237
OBJECT CLASS:	25.XX

ITEM: Engine Overhaul Expense - Variable

**ACCOUNT: 61260
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

These accounts do not apply when reserve accounts under a WCF (Working Capital Fund) have been established by the agency (see Reserve Expense Accounts 69512 – 69526 and Reserve Liability Accounts 21500 - 21540).

The costs that should be recorded here are all costs associated with the heavy maintenance of the engines on the aircraft, including hot section inspections, overhauls, accessory overhaul and life limited component replacements. In addition, the repair cost associated with premature engine removal should be recorded here. This account should not be used to record routine, minor maintenance expenses for the engine

These costs can be incurred with a commercial vendor (account number 61262) or another Federal agency (account number 61264).

SOURCE: - Vendor invoices

COMMENTS:

When management analyzes the costs in this account, it is important to take into account the fact that engine overhauls expenses for an aircraft are incurred only infrequently (for example only every 3 to 8 years for a typical operation). As a result, when calculating the true cost of operation, it is important to spread the costs incurred in this account over the total hours or years between overhauls and/or replacement.

Recording this transaction is accomplished as follows:

Debit Variable Maintenance Costs – Engine Overhaul Expense (Commercial) or (Federal)
(Expense Account 61262 or 61264)
Credit Accounts Payable (Liability Account 21100)

When the invoice for this overhaul is paid,

Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)

A-126:	Engine Overhaul, Refurbishment, Major Component Repair
FAIRS:	244, 245, 246
OBJECT CLASS:	11.XX, 12.XX, 25.XX or 26.XX

ITEM: Aircraft Refurbishment Expense - Variable

**ACCOUNT: 61270
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

These accounts do not apply when reserve accounts under a WCF (Working Capital Fund) have been established by the agency (see Reserve Expense Accounts 69512 – 69526 and Reserve Liability Accounts 21500 - 21540).

The costs that should be recorded here are all costs associated with the refurbishment of an aircraft, including repaint, avionics upgrades, reupholster or other refurbishment of the interior, etc. This account should not be used to record routine, minor paint touch-up or interior cleaning and repairs.

These costs can be incurred with a commercial vendor (account number 61272) or another Federal agency (account number 61274).

SOURCE: - Vendor invoices

COMMENTS:

When management analyzes the costs in this account, it is important to take into account the fact that aircraft refurbishment expenses for an aircraft are incurred only infrequently (for example only every 5 to 10 years for a typical operation). As a result, when calculating the true cost of operation, it is important to spread the costs incurred in this account over the total hours or years between refurbishments.

Recording this transaction is accomplished as follows:

Debit Variable Maintenance Costs – Aircraft Refurbishment Expense (Commercial) or (Federal) (Expense Account 61272 or 61274)
Credit Accounts Payable (Liability Account 21100)

When the invoice for this refurbishment is paid,

Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)

A-126:	Engine Overhaul, Refurbishment, Major Component Repair
FAIRS:	272, 273, 274
OBJECT CLASS:	11.XX, 12.XX, 25.XX or 26.XX

ITEM: Major Component Rebuild and Overhaul Expense

**ACCOUNT: 61280
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

These accounts do not apply when reserve accounts under a WCF (Working Capital Fund) have been established by the agency (see Reserve Expense Accounts 69512 – 69526 and Reserve Liability Accounts 21500 - 21540).

The costs that should be recorded here are all costs associated with the rebuild and/or overhaul of major components (such as transmissions, propellers, landing gears, rotor hubs, servo controls, hydraulic pumps, etc.). This applies to both components that have definite time limitation after which overhaul is required as well as major components that are “on condition” and can be rebuilt. In addition, the repair cost associated with premature component removal and overhaul should be recorded here. This account should not be used to record routine, minor maintenance expenses for the systems and components.

These costs can be incurred with a commercial vendor (account number 61284) or another Federal agency (account number 61286).

SOURCE: - Vendor invoices

COMMENTS:

When management analyzes the costs in this account, it is important to take into account the fact that component overhaul and rebuild expenses for an aircraft are incurred only infrequently. As a result, when calculating the true cost of operation, it is important to spread the costs incurred in this account over the total hours or years between overhaul or rebuild.

Recording this transaction is accomplished as follows:

**Debit Variable Maintenance Costs – Major Component Overhaul and Rebuild Expense
(Commercial) or (Federal)** (Expense Account 61284 or 61286)
Credit Accounts Payable (Liability Account 21100)

When the invoice for this work is paid,

Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)

A-126:	Engine Overhaul, Refurbishment, Major Component Repair
FAIRS:	282, 283, 284
OBJECT CLASS:	11.XX, 12.XX, 25.XX or 26.XX

ITEM: Life Limited Item Expense

**ACCOUNT: 61290
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

These accounts do not apply when reserve accounts under a WCF (Working Capital Fund) have been established by the agency (see Reserve Expense Accounts 69512 – 69526 and Reserve Liability Accounts 21500 - 21540).

The costs that should be recorded here are all costs associated with the replacement of life limited components (such as rotor blades, flap tracks, etc.). This account should not be used to record routine, minor maintenance expenses for the systems and components.

These costs can be incurred with a commercial vendor (account number 61294) or another Federal agency (account number 61296).

SOURCE: - Vendor invoices

COMMENTS:

When management analyzes the costs in this account, it is important to take into account the fact that component replacement expenses for an aircraft are incurred only infrequently. As a result, when calculating the true cost of operation, it is important to spread the costs incurred in this account over the total hours or years between replacements.

Recording this transaction is accomplished as follows:

Debit Variable Maintenance Costs – Life Limited Item Expense (Commercial) or (Federal)
(Expense Account 61294 or 61296)
Credit Accounts Payable (Liability Account 21100)

When the invoice for this item is paid,

Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)

A-126:	Engine Overhaul, Refurbishment, Major Component Repair
FAIRS:	285, 286, 287
OBJECT CLASS:	11.XX, 12.XX, 25.XX or 26.XX

ITEM: Fixed Maintenance Costs

**ACCOUNT: 61300
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Fixed maintenance costs include maintenance and inspection activities that occur based on a calendar interval rather than a flight-hour interval. This can include both major calendar-based inspections and the cost of maintenance personnel employed regardless of the exact number of hours flown or flight time. For more detailed breakdown of expenses refer to 61314 through 61397, 61710 and 61720. Cost does **not** vary depending upon the usage of the aircraft. This is the total of summary accounts 61310, 61320, 61330, 61340, 61350, 61360, 61370, 61380, 61390 and 61700.

SOURCE: The sources of information are identical to the sources for variable maintenance costs.

COMMENTS:

A-126: See Accounts 61310 – 61397, 61710, 61720
FAIRS: 52 and (Also see Accounts 61310 – 61397, 61710, 61720)
OBJECT CLASS: See Accounts 61310 – 61397, 61710, 61720

ITEM: Fixed Maintenance Costs - Labor

ACCOUNT: 61310
Summary Account

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Fixed Maintenance Costs – Labor includes all labor expended by mechanics and inspectors associated with maintenance scheduled on a calendar basis paid to a Federal source. Report maintenance labor costs which are severable from other costs or which result from agreements where another Federal Executive agency provides only labor and your Federal Executive agency provides parts.

Examples of costs associated with the above maintenance personnel are salaries, benefits, training, travel, etc. For a more detailed breakdown of expenses, refer to 61314 through 61319. Summary accounts 61311 are the total costs paid to a commercial source and 61312 is to total costs paid to a Federal source. Costs **not** included in the account are the labor costs associated with engine or component overhauls (accounts 61260 and 61280 or 21500 and 21510), refurbishment (account 61270 or 21520), and other major maintenance for which Government agencies have established reserve accounts (account 61290 or 21530). Labor costs associated with maintenance contracts also are **not** included in this account. (See account 61350 for costs associated with fixed expense maintenance contracts.)

61314	Wages and Benefits - Scheduled Calendar Maintenance Labor (Commercial)
61315	Wages and Benefits - Scheduled Calendar Maintenance Labor (Federal)
61316	Training - Scheduled Calendar Maintenance Labor (Commercial)
61317	Training - Scheduled Calendar Maintenance Labor (Federal)
61318	Other Cost Associated with Labor – Scheduled Calendar Maintenance (Commercial)
61319	Other Cost Associated with Labor - Scheduled Calendar Maintenance Labor (Federal)

SOURCE: Work orders, timecards, payroll journal, vendor invoices for travel and training

COMMENTS:

Depending upon the size of the organization, Government agencies can expand account 61310. They can do so as illustrated in the Chart of Accounts in Section 4.2.1, by developing sub accounts that collect labor by wages, benefits, training, etc. and provide a breakout by whether the service is performed by a Federal or a commercial organization. If the agency requires more detail for internal reporting requirements, they could break down the costs further into unscheduled, scheduled, engines and avionics as portrayed in the chart of accounts referenced above.

If the expense is salaries and benefits it should be recorded as follows:

Debit Maintenance Labor/Maintenance. Wages and Benefits (Expense Account 61314 or 61315)
Credit Accrued Liabilities/Payroll and Benefits (Liability Account 22100)

When the salaries are paid, debit the accrued liabilities account and credit the cash account

If the expense is training costs, proceed as follows:

Debit Maintenance Labor/Training (Expense Account 61316 or 61317)
Credit Accounts Payable (Liability Account 21100)

A-126:	Maintenance Labor - Fixed	
FAIRS:	205 through 213	
OBJECT CLASS:	Salaries	- 11.1X
	Benefits	- 12.1X
	Training	- 25.XX

ITEM: Fixed Maintenance Costs - Parts

Account: 61320, 61330, 61340
Summary Account

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Fixed maintenance parts include the cost of materials and parts consumed during maintenance and inspections that are performed on a calendar basis. For detailed posting accounts refer to 61321 and 61323 (parts - airframe), 61331 and 61333 (parts – avionics) and 61341 and 61343 (parts – engine) as appropriate. Summary account 61301 is the total for summary account codes 61320 (Airframe), 61330 (Avionics), and 61340 (Engine). Summary accounts 61302 is the total costs paid to a commercial source, and 61303 is the total costs paid to a Federal source. The account does **not** include the costs associated with engine and component overhauls, refurbishment, and other major maintenance for which Government agencies have established reserve accounts. Part costs associated with maintenance contracts also are **not** included in this account. (See account 61350 for costs associated with maintenance contracts.) Examples of costs recorded in this category are bearings, packing's, filters, gears, consumable, etc. Parts may come from vendors or from the agency's inventory.

SOURCE: Work orders, vendor invoices, inventory/parts room issue

COMMENTS:

The suggested chart of accounts in Section 4.2.1 illustrates an approach for establishing sub accounts by collecting costs according to scheduled and unscheduled parts for airframe, avionics, and engines. It is important to remember, identify the output requirements, and then develop a system that satisfies the requirements. A final issue to consider involves materiality. Do not track costs to such a degree that the cost of tracking exceeds the benefits of knowledge gained. Some material such as rags, paint remover, and other shop supplies are more wisely classified as overhead. Recording this transaction in the case of "parts – airframe" is accomplished as follows for a retail purchase:

Debit Fixed Maintenance Costs – Parts Airframe (Expense Account 61321 or 61323)
Credit Accounts Payable (Liability Account 21100)

When the invoice for this part is paid,

Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)

If the part was obtained from the agency's parts inventory, proceed as follows:

Debit Fixed Maintenance Costs – Parts Airframe (Expense Account 61321 or 61323)
Credit Inventory for Agency Operations/Parts (Asset Account 15120)

To record the purchase of parts for the agency's parts inventory, record it as follows:

Debit Inventory for Agency Operations/Parts (Asset Account 15120)
Credit Accounts Payable (Liability Account 21100)

To record these transactions for "parts – avionics" and "parts – engine", use the same approach substituting the appropriate account numbers for 61321 and 61323.

A-126:	Maintenance Parts - Fixed
FAIRS:	214 through 225
OBJECT CLASS:	Parts - 26.XX

ITEM: Fixed Maintenance Costs –Contracts

ACCOUNT: 61350
Summary Account

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Fixed contract costs include all costs associated with the periodic calendar-based maintenance of the aircraft that are performed by an outside entity, as well as any maintenance contract costs that must be paid regardless of the amount of hours flown or flight time. Do not include any outside maintenance that is defined as Variable Maintenance Costs, see accounts 61200 through 61296. Fixed contract costs are similar to fixed maintenance labor and part categories except contract costs are external, either with a commercial entity or another Federal agency. The expenses may be incurred with commercial vendors (account number 61351) or another Federal agency (account number 61353)

SOURCE: Vendor invoices

COMMENTS:

In some cases, Governmental agencies will not have enough aircraft or activity or expertise to justify an in-house maintenance department. As a result, they will establish contracts with outside maintenance entities to perform the maintenance on its aircraft. If this contract includes a fixed fee regardless of the amount of flight activity it should be classified as a fixed cost. Also, agencies with maintenance departments will occasionally require work from outside entities for specialized work or heavy maintenance. If this work is required as a result of a calendar limit, the work can be classified as a fixed cost. If a contractor does all maintenance work, an agency will want to expand this cost account to provide more detail with respect to scheduled and unscheduled work, etc. Vendors will normally supply this information if requested.

Recording this transaction is accomplished as follows:

Debit Fixed Maintenance Costs - Contracts (Commercial) or (Federal) (Expense Account 61351 or 61353)
Credit Accounts Payable (Liability Account 21100)

When the invoice for this contract is paid,

Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)

A-126:	Maintenance Contracts - Fixed
FAIRS:	202, 203, 204
OBJECT CLASS:	25.XX

ITEM: Aircraft Inspection (Fixed)

**ACCOUNT: 61360
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Scheduled and Unscheduled Fixed Maintenance Costs – includes the expense of contracts, labor, parts and management for the continued airworthiness of the aircraft that pertains to aircraft inspection paid to a commercial and Federal source.

For a more detailed breakdown of expenses, refer to 61364, 61365, 61367 and 61368. Summary accounts 61361 are the total costs (scheduled and unscheduled) paid to a commercial source and 61362 is to total costs (scheduled and unscheduled) paid to a Federal source. Costs not included in the account are the labor costs associated with engine or component overhauls (accounts 61260 and 61280 or 21500 and 21510), refurbishment (account 61270 or 21520), and other major maintenance for which Government agencies have established reserve accounts (account 61290 or 21530). Labor costs associated with maintenance contracts also are **not** included in this account. (See account 61350 for costs associated with fixed expense maintenance contracts.)

- 61363 Scheduled Maintenance (Fixed) – Aircraft Inspection (Summary)
- 61364 Scheduled Maintenance (Fixed) – Aircraft Inspection (Commercial)
- 61365 Scheduled Maintenance (Fixed) – Aircraft Inspection (Federal)
- 61366 Unscheduled Maintenance (Fixed) – Aircraft Inspection (Summary)
- 61367 Unscheduled Maintenance (Fixed) – Aircraft Inspection (Commercial)
- 61368 Unscheduled Maintenance Labor (Fixed) – Aircraft Inspection (Federal)

SOURCE: Work orders, timecards, payroll journal, vendor invoices for travel and training

COMMENTS:

Depending upon the size of the organization, Government agencies can expand account 61360. They can do so as illustrated in the Chart of Accounts in Section 4.2.1, by developing sub accounts that collect labor by wages, benefits, training, etc. and provide a breakout by whether the service is performed by a Federal or a commercial organization. If the agency requires more detail for internal reporting requirements, they could break down the costs further into unscheduled, scheduled, engines and avionics as portrayed in the chart of accounts referenced above.

If the expense is salaries and benefits it should be recorded as follows:

- Debit** Scheduled Maintenance / (Expense Account 61364 or 61365)
- Credit** Accrued Liabilities/Payroll and Benefits (Liability Account 22100)

When the salaries are paid, debit the accrued liabilities account and credit the cash account

If the expense is training costs, proceed as follows:

- Debit** Unscheduled Maintenance / (Expense Account 61367 or 61368)
- Credit** Accounts Payable (Liability Account 21100)

A-126:	Fixed Maintenance Costs	
FAIRS:	229 through 234, 296, 297, 298	
OBJECT CLASS:	Salaries	- 11.1X
	Benefits	- 12.1X

ITEM: Engine Inspection (Fixed)

ACCOUNT: 61370
Summary Account

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Scheduled and Unscheduled Fixed Maintenance Costs – includes the expense of contracts, labor, parts and management for the continued airworthiness of the aircraft that pertains to engine inspection paid to a commercial and Federal source.

For a more detailed breakdown of expenses, refer to 61374, 61375, 61377 and 61378. Summary accounts 61371 are the total costs (scheduled and unscheduled) paid to a commercial source and 61372 is to total costs (scheduled and unscheduled) paid to a Federal source. Costs **not** included in the account are the labor costs associated with engine or component overhauls (accounts 61260 and 61280 or 21500 and 21510), refurbishment (account 61270 or 21520), and other major maintenance for which Government agencies have established reserve accounts (account 61290 or 21530). Labor costs associated with maintenance contracts also are **not** included in this account. (See account 61350 for costs associated with fixed expense maintenance contracts.)

- 61373 Scheduled Maintenance (Fixed) – Engine Inspection (Summary)
- 61374 Scheduled Maintenance Labor (Fixed) – Engine Inspection (Commercial)
- 61375 Scheduled Maintenance Labor (Fixed) – Engine Inspection (Federal)
- 61376 Unscheduled Maintenance (Fixed) – Engine Inspection (Summary)
- 61377 Unscheduled Maintenance Labor (Fixed – Engine Inspection (Commercial)
- 61378 Unscheduled Maintenance Labor (Fixed) – Engine Inspection (Federal)

SOURCE: Work orders, timecards, payroll journal, vendor invoices for travel and training

COMMENTS:

Depending upon the size of the organization, Government agencies can expand account 61370. They can do so as illustrated in the Chart of Accounts in Section 4.2.1, by developing sub accounts that collect labor by wages, benefits, training, etc. and provide a breakout by whether the service is performed by a Federal or a commercial organization. If the agency requires more detail for internal reporting requirements, they could break down the costs further into unscheduled, scheduled, engines and avionics as portrayed in the chart of accounts referenced above.

If the expense is salaries and benefits it should be recorded as follows:

- Debit** Scheduled Maintenance / (Expense Account 61374 or 61375)
- Credit** Accrued Liabilities/Payroll and Benefits (Liability Account 22100)

When the salaries are paid, debit the accrued liabilities account and credit the cash account

If the expense is training costs, proceed as follows:

- Debit** Unscheduled Maintenance / (Expense Account 61377 or 61378)
- Credit** Accounts Payable (Liability Account 21100)

A-126: Fixed Maintenance Costs
FAIRS: 238 through 243, 299, 300, 301
OBJECT CLASS: Salaries - 11.1X

Benefits	- 12.1X
Training and Contracts	- 25.XX
Parts	- 26.XX

ITEM: Engine Overhaul Expense - Fixed

**ACCOUNT: 61380
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

These accounts do not apply when reserve accounts under a WCF (Working Capital Fund) have been established by the agency (see Reserve Expense Accounts 69512 – 69526 and Reserve Liability Accounts 21500 - 21540).

The costs that should be recorded here are all costs associated with the heavy maintenance of the engines on the aircraft, including hot section inspections, overhauls, accessory overhaul and life limited component replacements. In addition, the repair cost associated with premature engine removal should be recorded here. This account should not be used to record routine, minor maintenance expenses for the engine

These costs can be incurred with a commercial vendor (account number 61382) or another Federal agency (account number 61384).

SOURCE: - Vendor invoices

COMMENTS:

When management analyzes the costs in this account, it is important to take into account the fact that engine overhauls expenses for an aircraft are incurred only infrequently (for example only every 3 to 8 years for a typical operation). As a result, when calculating the true cost of operation, it is important to spread the costs incurred in this account over the total hours or years between overhauls and/or replacement.

Recording this transaction is accomplished as follows:

Debit Fixed Maintenance Costs – Engine Overhaul Expense (Commercial) or (Federal)
(Expense Account 61382 or 61384)
Credit Accounts Payable (Liability Account 21100)

When the invoice for this overhaul is paid,

Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)

A-126:	Fixed Maintenance Costs
FAIRS:	247, 248, 249
OBJECT CLASS:	11.XX, 12.XX, 25.XX or 26.XX

ITEM: Unscheduled Maintenance Labor and Parts – Re-Engine

**ACCOUNT: 61390
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Cost of parts and labor paid to a Federal source, associated with the re-engineering of an aircraft's power plant as a result of the manufacturer's design review which results in improved performance characteristics for the engine and the aircraft. for the engine and the aircraft. This cost should be considered an engine upgrade - not an overhaul or rebuild - and should not be added to acquisition cost of the aircraft.

Posting accounts for labor are 61394 paid to a commercial source and 61395 paid to a Federal source. Posting accounts for parts are 61396 paid to a commercial source and 61397 paid to a Federal source.

This includes summary accounts 61391 (labor) and 61392 (parts).

SOURCE: - Vendor invoices

COMMENTS:

A-126:	Fixed Maintenance Costs
FAIRS:	316
OBJECT CLASS:	11.XX, 12.XX, 25.XX or 26.XX

ITEM: Unscheduled Maintenance Labor – Re-Engine

**ACCOUNT: 61391
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Cost of labor paid to a Federal source, associated with the re-engineering of an aircraft's power plant as a result of the manufacturer's design review which results in improved performance characteristics for the engine and the aircraft. for the engine and the aircraft. This cost should be considered an engine upgrade - not an overhaul or rebuild - and should not be added to acquisition cost of the aircraft.

These costs can be incurred with a commercial source (account number 61394) or another Federal agency (account number 61395).

SOURCE: - Vendor invoices

COMMENTS:

When management analyzes the costs in this account, it is important to take into account the fact that engine overhauls expenses for an aircraft are incurred only infrequently (for example only every 3 to 8 years for a typical operation). As a result, when calculating the true cost of operation, it is important to spread the costs incurred in this account over the total hours or years between overhauls and/or replacement.

Recording this transaction is accomplished as follows:

**Debit Fixed Maintenance Costs – Unscheduled Maintenance Labor – Re-Engine
(Commercial) or (Federal) (Expense Account 61394 or 61395)
Credit Accounts Payable (Liability Account 21100)**

When the invoice for this overhaul is paid,

**Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)**

A-126:	Fixed Maintenance Costs
FAIRS:	317, 318, 319
OBJECT CLASS:	11.XX, 12.XX, or 25.XX

ITEM: Unscheduled Maintenance Parts – Re-Engine

**ACCOUNT: 61392
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Cost of parts paid to a Federal source, associated with the re-engineering of an aircraft's power plant as a result of the manufacturer's design review which results in improved performance characteristics for the engine and the aircraft. for the engine and the aircraft. This cost should be considered an engine upgrade - not an overhaul or rebuild - and should not be added to acquisition cost of the aircraft.

These costs can be incurred with a commercial vendor (account number 61396) or another Federal agency (account number 61397).

SOURCE: - Vendor invoices

COMMENTS:

When management analyzes the costs in this account, it is important to take into account the fact that engine overhauls expenses for an aircraft are incurred only infrequently (for example only every 3 to 8 years for a typical operation). As a result, when calculating the true cost of operation, it is important to spread the costs incurred in this account over the total hours or years between overhauls and/or replacement.

Recording this transaction is accomplished as follows:

**Debit Fixed Maintenance Costs – Unscheduled Maintenance Parts – Re-Engine
(Commercial) or (Federal) (Expense Account 61396 or 61397)
Credit Accounts Payable (Liability Account 21100)**

When the invoice for this overhaul is paid,

**Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)**

A-126:	Fixed Maintenance Costs
FAIRS:	320, 321, 322
OBJECT CLASS:	26.XX

ITEM: Depreciation Expense

ACCOUNT: 61400

Summary Account

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Depreciation enables an entity to recognize the loss in value of assets over a period of time. In essence, an asset is "consumed" over its useful economic life. To enable a better understanding of the full cost of operation, an agency must compute and record depreciation on a periodic basis. Recording depreciation is an accounting entry only and does not involve the outlay of actual cash, as is the case with most other operating costs. For detailed posting information please refer to 61410 through 61460. To compute depreciation, refer to "**COMMENTS**" below.

SOURCE:

For a Governmental agency to compute depreciation expense, they must know the following: 1) **acquisition cost**. If the acquisition cost is not known, then use other industry resources that establish a market value must be used. 2) Estimate the **useful life** of the asset or the length of time the asset will be used. 3) Estimate the **residual value** of the asset at the end of its useful life. The FAIRS program contains a residual value table to help estimate asset residual value for these calculations. Circular A-76 suggests agencies consult the following sources when establishing residual value, GSA, Aircraft [Bluebook Price Digest](#) or the [Official Helicopter Blue Book](#).

COMMENTS:

Government agencies can calculate the straight line depreciation expense for a given period by subtracting the residual value from the acquisition cost and dividing the difference by the useful life. Changes in estimated useful life, estimated residual value, and capital improvements will affect the amount of depreciation recognized in current and future periods. Land is **not** a depreciable asset.

This expense is recorded as follows:

Debit Depreciation Expense (Expense Account 61410 for aircraft; 61420 for buildings; 61430 for other structures and facilities, 61440 for equipment and 61460 for assets on capital leases)

Credit Accumulated Depreciation (Asset Account 17390 for buildings; 17490 for other structures and facilities; 17590 for aircraft and other equipment and 18190 for assets under capital lease)

A-126:	Depreciation
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable

ITEM: Operations Overhead

**ACCOUNT: 61500
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Operations overhead are costs that are directly associated with the management and support of the Government agency's aircraft or aviation program and not accounted for elsewhere. Examples include personnel costs (salaries, benefits, travel, uniform allowances, training, etc.) for management and administrative personnel directly responsible for the aircraft program; building and ground maintenance; janitorial services; lease or rental fees for hangars, administrative buildings, and office space; computers, communications and utility costs; office supplies and equipment; tie-down fees for aircraft located on base; maintenance of support equipment; etc..

The summary accounts 61500 totals the summary accounts are 61510 (Personnel cost – Administration and Management), 61520 (Building and Ground Maintenance), 61530 (Janitorial Service), 61540 (Hangar Fees), 61550 (Tie down Fees at Base), 61560 (Shop Equipment), 61570 (Shop Parts) and 61580 (Aircraft Components). The summary account with all costs paid to a commercial source is 61501 and for all costs paid to a Federal source is 61502. For posting information, refer to accounts 61512 through 61583, as follows:

Commercial Source:

61512	Personnel cost – Administration and Management
61522	Building and Ground Maintenance
61532	Janitorial Service
61542	Hangar Fees
61552	Tie down Fees at Base
61562	Shop Equipment
61572	Shop Parts
61582	Aircraft Components

Federal Source:

61513	Personnel cost – Administration and Management
61523	Building and Ground Maintenance
61533	Janitorial Service
61543	Hangar Fees
61553	Tie down Fees at Base
61563	Shop Equipment
61573	Shop Parts
61583	Aircraft Components

SOURCE: There are many sources for recording Operations Overhead. These include but are not limited to: time cards, work orders, utility invoices, rental agreements for hangars and other buildings, vendor invoices for supplies, maintenance contract for building and grounds, etc.

COMMENTS:

Government agencies should carefully determine what operations support the aviation program, and then construct accounts that will capture cost information to satisfy the reporting requirements. View the suggested chart of accounts as an example only.

As discussed, these expenses can involve personnel salaries, parts and services bought from outside vendors or parts obtained from inventory. The exact category of expense will determine how these expenses are recorded. If it involves salaries and benefits, it should be debited to expense account 61510 and credited to liability account 22100. If it is a part or service, it should be debited to expense account 61520 -- 61580 or 61600, as appropriate. It should also be credited to liability account 21100 (accounts payable) or to asset account 15120 (inventory) depending on whether it was bought from a vendor or acquired from inventory.

A-126:	Operations Overhead
FAIRS:	163 through 189
OBJECT CLASS:	11.1X, 12.1X, 13.XX, 21.XX, 22.XX, 23.1X, 23.2X, 23.3X, 24.XX, 26.XX, 31.XX, 32.XX

ITEM: Other Direct Costs

**ACCOUNT: 61600
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Operational and aviation program costs not classified elsewhere in this Cost Accounting Guide. It includes any action that causes an outflow of assets or incurrence of liabilities during the current operating period resulting from rendering services, delivering or producing goods, or carrying out other normal operating activities that has not been identified in the 6XXXX series of accounts. Two posting account numbers are available – 61610 Other Direct Costs (commercial) and 61620 Other Direct Costs (Federal)

SOURCE: Purchase orders, vendor invoices, etc.

COMMENTS:

This account should have very little use, in that if an aviation activity has identified a cost category that has not been addressed, they should establish an account for that cost in the appropriate place in the Chart of Accounts. If an organization does use this account on a rare occasion, then the costs posted here should be accumulated with the other Operations Overhead accounts in the 615XX series.

Normally, these expenses involve parts and services bought from outside vendors. To record this expense, it should be debited to expense account 61610 (commercial) or 61620 (Federal). Then, it should be credited to liability account 21100 (accounts payable).

A-126: Other Direct Costs
FAIRS: 190, 191, 192
OBJECT CLASS: All the same classes as account 61500.

ITEM: Aircraft Refurbishment - Fixed

**ACCOUNT: 61700
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

These accounts do not apply when reserve accounts under a WCF (Working Capital Fund) have been established by the agency (see Reserve Expense Accounts 69512 – 69526 and Reserve Liability Accounts 21500 - 21540).

The costs that should be recorded here are all costs associated with the refurbishment of an aircraft, including repaint, avionics upgrades, reupholster or other refurbishment of the interior, etc. This account should not be used to record routine, minor paint touch-up or interior cleaning and repairs.

These costs can be incurred with a commercial vendor (account number 61710) or another Federal agency (account number 61720).

SOURCE: - Vendor invoices

COMMENTS:

When management analyzes the costs in this account, it is important to take into account the fact that aircraft refurbishment expenses for an aircraft are incurred only infrequently (for example only every 5 to 10 years for a typical operation). As a result, when calculating the true cost of operation, it is important to spread the costs incurred in this account over the total hours or years between refurbishments.

Recording this transaction is accomplished as follows:

Debit Fixed Maintenance Costs – Aircraft Refurbishment (Commercial) or (Federal)
(Expense Account 61710 or 61720)
Credit Accounts Payable (Liability Account 22100)

When the invoice for this refurbishment is paid,

Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)

A-126:	Engine Overhaul, Refurbishment, Major Component Repair
FAIRS:	226, 227, 228
OBJECT CLASS:	11.XX, 12.XX, 25.XX or 26.XX

**ITEM: Scheduled Maintenance Service Life Enhancement Program
(SLEP - LEP) (Variable)**

**ACCOUNT: 61800
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Service Life Enhancement Program (SLEP - LEP). Cost of parts and labor associated with the overhaul of an aircraft, scheduled on a flying hour basis, to include fuselage, wing(s), stabilizer(s), landing gear, flaps/slats, and other equipment associated with enhancing and extending the overall service life of the aircraft paid to a Federal source. It does not include the parts and labor associated with an engine overhaul or rebuild or refurbishment of the aircraft. Summary accounts 61810 are for posting labor and 61820 is for posting parts.

SOURCE: Work orders, timecards, payroll, vendor invoices for travel and training

COMMENTS:

A-126:	Scheduled Maintenance – Variable SLEP/LEP		
FAIRS:	275		
OBJECT CLASS:	Salaries	- 11.1X	
	Benefits	- 12.1X	
	Training		- 25.XX
	Travel	- 21.XX	

**ITEM: Scheduled Maintenance Service Life Enhancement Program
(SLEP - LEP) Labor (Variable)**

**ACCOUNT: 61810
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Service Life Enhancement Program (SLEP - LEP). Cost of labor associated with the overhaul of an aircraft, scheduled on a flying hour basis, to include fuselage, wing(s), stabilizer(s), landing gear, flaps/slats, and other equipment associated with enhancing and extending the overall service life of the aircraft paid to a commercial or Federal source. It does not include the parts and labor associated with an engine overhaul or rebuild or refurbishment of the aircraft. Posting accounts include 61814 (paid to a commercial source) and 61816 (paid to a Federal source).

SOURCE: Work orders, timecards, payroll, vendor invoices for travel and training

COMMENTS:

A-126:	Maintenance Labor - Variable	
FAIRS:	276, 277, 278	
OBJECT CLASS:	Salaries	- 11.1X
	Benefits	- 12.1X
	Training	- 25.XX
	Travel	- 21.XX

**ITEM: Scheduled Maintenance Service Life Enhancement Program
(SLEP - LEP) Parts (Variable)**

**ACCOUNT: 61820
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Service Life Enhancement Program (SLEP - LEP). Cost of parts associated with the overhaul of an aircraft, scheduled on a flying hour basis, to include fuselage, wing(s), stabilizer(s), landing gear, flaps/slats, and other equipment associated with enhancing and extending the overall service life of the aircraft paid to a commercial or Federal source. It does not include the parts and labor associated with an engine overhaul or rebuild or refurbishment of the aircraft. Posting accounts include 61824 (paid to a commercial source) and 61826 (paid to a Federal source).

SOURCE: Work orders, timecards, payroll, vendor invoices for travel and training

COMMENTS:

A-126:	Maintenance Parts - Variable
FAIRS:	279, 280, 281
OBJECT CLASS:	Parts - 26.XX

ITEM: Interest Expense

**ACCOUNT: 63000
Summary Account**

FINANCIAL STATEMENT:

DEFINITION:

This account has two sub accounts. One is for the cost of borrowing from a commercial lender. The other is for the cost of using Federal funds for the acquisition of an aircraft.

Circulars A-76 and A-126 both require use of interest expense in their calculations of total ownership costs. Both define interest expense as the cost to the government for acquiring the funds necessary for capital investments. Normally, government agencies should use the borrowing rate announced by the Department of Treasury for bonds or notes whose maturities correspond to the useful life of the asset. This results in a "paper" transaction to establish the interest expense required by A 76 and A 126. This interest expense is recorded in account 63100.

If an agency using a capital lease or a lease-to-purchase to acquire an aircraft from a commercial lender, the interest that must be paid on a periodic basis is recorded in account 63200

SOURCE: - Lender invoice or
 - Aircraft acquisition price, Documentation of bond or note rates on debt from government

COMMENTS:

With a commercial lease, the interest portion of each lease payment will be clearly stated on the periodic invoice from the lender. This interest must be recorded here and included in the official accounting system.

For agencies that only "borrow" from the US Treasury, interest expense will not be included in the official accounting system, however interest expense must be considered when conducting cost comparison studies.

To calculate the interest expense multiply the acquisition price of the aircraft plus any capital improvements by the estimated Department of the Treasury borrowing rate on the date the agency anticipates acquiring the aircraft. If the acquisition price is unknown, determine the market value by using the Aircraft Bluebook Price Digest or the Official Helicopter Blue Book. Agencies should estimate the value of military specification aircraft based upon comparable civilian aircraft.

A-126:	Cost of Capital
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable

ITEM: Interest Expenses on Borrowing From the
Bureau of the Public Debt and/or the Federal Financing Bank

ACCOUNT: 63100

FINANCIAL STATEMENT:

DEFINITION:

Definition: The amount of interest expense incurred by the agency during the current fiscal year on amounts borrowed from Treasury's Bureau of the Public Debt and/or the Federal Financing Bank. Use FACTS I attribute domain values Federal "F" and transaction partner "20".

SOURCE:

COMMENTS:

A-126:	Cost of Capital
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable

ITEM: Interest Expenses on Securities

ACCOUNT: 63200

FINANCIAL STATEMENT:

DEFINITION:

Definition: The amount of interest expense incurred by the agency during the current fiscal year on Federal securities

SOURCE:

COMMENTS:

A-126:	Cost of Capital
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable

ITEM: Commercial Aviation Services (CAS)

ACCOUNT: 65000
Summary Account

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

In-house costs are operating expenses provided by the using Government agency that benefits from the commercial service, such as pilot and fuel expenses. For ISSA agreement, in addition to reporting the in-house costs, the benefiting (operating) agency/bureau must report all costs (fuel, crew, etc.) incurred to the owning agency/bureau that, in turn, will report these costs to FAIRS.

Paid-out costs are operating expenses paid out to commercial or other Government agency providers of CAS. Paid-out costs include operations and administrative overhead costs allocated to CAS.

Summary accounts for in-house cost is 65100 and paid-out cost is 65200.

SOURCE:

COMMENTS:

A-126:	Commercial Aviation Services (CAS)
FAIRS:	24
OBJECT CLASS:	

ITEM: Commercial Aviation Services (CAS)
In-House Costs

ACCOUNT: 65100
Summary Account

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

In-house costs are operating expenses provided by the using Government agency that benefits from the commercial service, such as pilot and fuel expenses. For ISSA agreement, in addition to reporting the in-house costs, the benefiting (operating) agency/bureau must report all costs (fuel, crew, etc.) incurred to the owning agency/bureau that, in turn, will report these costs to FAIRS.

Posting accounts for in-house costs are 65110 (commercial) and 65120 (Federal).

SOURCE:

COMMENTS:

A-126: Commercial Aviation Services (CAS) – In-House Cost
FAIRS: 144, 145, 146
OBJECT CLASS:

ITEM: Commercial Aviation Services (CAS)
Paid-Out Costs

ACCOUNT: 65200
Summary Account

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Paid-out costs are operating expenses paid out to commercial or other Government agency providers of CAS. Paid-out costs include operations and administrative overhead costs allocated to CAS.

Posting accounts for paid-out costs are 65210 (commercial) and 65220 (Federal).

SOURCE:

COMMENTS:

A-126:	Commercial Aviation Services (CAS) – Paid-Out Cost
FAIRS:	194, 195, 196
OBJECT CLASS:	

ITEM: Administrative Overhead

ACCOUNT: 66000
Summary Account

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Administrative Overhead costs involve indirect costs that do not relate directly to the aviation program, but are necessary for the overall performance of the program. Administrative Overhead includes the pro-rated share of salaries, office supplies, and other expenses of fiscal, accounting, personnel, management, and similar common services performed outside, but in support of the aviation program. This cost element is also often referred to as General and Administrative costs (G&A). Actual posting is accomplished in accounts 66010, paid to a commercial source and 66020, paid to a Federal source.

For cost comparison purposes, government agencies should compute the actual administrative costs that they could avoid if the agency contracted out the aviation program.

SOURCE: The sources for recording Administrative Overhead are similar to Operations Overhead and would include time cards, work orders, utility invoices, rental agreements, vendor invoices for supplies, maintenance contract for building and grounds, etc. See Appendix A, Section 2.5.4 for a further discussion on calculating this cost element.

COMMENTS:

Many of the costs in administrative overhead will be similar to operations overhead; however, administrative overhead is not directly associated with the operation of any particular aviation program. Therefore, a governmental agency must decide the best basis for assigning the indirect costs. Possible bases for allocation are flight activity of programs, number of aircraft in programs, and number of employees in each program. Allocation methods are discussed Appendix A, Section 2.5.5.

This cost is recorded as follows:

Debit Administrative Costs (Expense Account 66010 (Commercial) and (66020 (Federal))
Credit Accrued Liabilities/Other (Liability Account 21100)
Accrued Liabilities Payroll (Liability Account 22100)

A-126: Administrative Overhead
FAIRS: 9, 10, 11
OBJECT CLASS: 11.1X, 12.1X, 13.XX, 21.XX, 22.XX, 23.1X, 23.2X, 23.3X, 24.XX, 25.XX, 26.XX, 31.XX, 32.XX

ITEM: Other Expenses

ACCOUNT: 68000
Posting Account

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

Any aviation activity expense that does not fit into the expense categories described elsewhere in accounts 61000 through 66000 and 69000

SOURCE: - Vendor invoices

COMMENTS:

This account should have very little use, in that if an aviation activity has identified a cost category that has not been addressed, they should establish an account for that cost in the appropriate place in the Chart of Accounts. If an organization does use this account on a rare occasion, then the costs posted here should be accumulated with the other Operations Overhead accounts in the 615XX series.

Normally, these expenses involve parts and services bought from outside vendors. To record this expense, it should be debited to expense account 61610 (commercial) or 61620 (Federal). Then, it should be credited to liability account 21100 (accounts payable).

A-126:	Operations Overhead
FAIRS:	See 61610 and 61620
OBJECT CLASS:	All the same classes as account 61500.

ITEM: WCF/Reserve Expenses

ACCOUNT: 69000
Summary Account

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

These accounts apply only when reserve accounts under a WCF (Working Capital Fund) have been established by the agency (see Expense Accounts 61260 - 61290 when the agency does not use reserve accounts under a WCF).

SOURCE: This is a summary account. Posting accounts are 69011 - 69526

COMMENTS:

The two major expense categories that have been included in this account are the cost of self insurance and reserve contributions for agencies that have established a Working Capital Fund.

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable

ITEM: Self-Insurance

**ACCOUNT: 69010
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

These accounts apply only when reserve accounts under a WCF (Working Capital Fund) have been established by the agency.

Aviation activity involves risks and potential casualty losses and liability claims. Unlike the private industry, the Government is self-insuring by way of the Treasury's General Fund that covers casualty losses and liability claims from accidents. For detailed posting information, use the following accounts:

69011	Hull insurance
69012	Liability insurance

The GSA publishes all applicable insurance rates needed to compute self-insurance costs.

SOURCE: Aircraft market value as obtained from the Aircraft Bluebook Price Digest
Self-insurance rates are published by the GSA.

COMMENTS:

For aviation programs using Working Capital Funds (WCF) hull insurance expenses are recognized as actual expenditures and therefore are part of the official accounting system. Agencies with WCFs should establish a hull Insurance Reserve account and a corresponding expense account. Rates are established based on historical expenditures and/or estimates of future costs any or all of which may be refined thereafter. For agencies without WCF, the hull-insurance expense will not be included in the official accounting system, however self-insurance expense must be considered when conducting cost comparison studies.

For all agencies, liability insurance expense will be a calculation that should be included in cost comparison studies. The liability insurance expense will not be included in agencies' accounting systems.

The cost of self insurance is recorded as follows:

Debit Self Insurance account (Expense Account 69011 or 69012)
Credit Self Insurance Reserve Account (Liability Account 29200)

Should an accident occur the associated costs should be recorded as follows:

Debit Self Insurance Reserve Account (Liability Account 29200)
Credit Cash Account (Asset Account 10100)

A-126:	Self Insurance Cost
FAIRS:	142, 150, 289
OBJECT CLASS:	Not applicable

ITEM: Reserve Contribution Expense

**ACCOUNT: 69500
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

The accounts in the 695XX series are only available to aviation activities that have been able to establish a Working Capital Fund (WCF) to handle the aviation accounting. This is the summary account; the actual activity will be in accounts 69512, 69514, 69516, 69522, and 69526.

SOURCE: Aircraft use/activity reports.

COMMENTS:

The accounts in this series are established to provide for engine overhaul, major component rebuild, refurbishment, and life limited retirement items through a reserve account process. As an aircraft is being used, an expense is generated to one or more of these accounts with the offsetting contra entry going to the reserve accounts in the 215XX series, thereby creating a balance in the appropriate reserve account to be available when the engine overhaul, component rebuild, etc. needs to occur.

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable to these accounts. However, if the finance system in use in your agency requires an object class for any item booked as an expense, then please review the object class discussion account 17390.

ITEM: Variable Expense Reserves

**ACCOUNT: 69510
Summary Account**

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

The reserve items that have industry established life limits that are based on hours flown, flight time or cycles (such as starts or landings) are included in the 6951X series accounts. See accounts 69512, 69514, and 69516 for further definition and posting entries.

These accounts apply only when reserve accounts under a WCF (Working Capital Fund) have been established by the agency (see Expense Accounts 61260 - 61290 when the agency does not use reserve accounts under a WCF).

SOURCE:

COMMENTS:

As aircraft activity (hours flown or flight time) is recorded into the system, the aircraft use report causes two very distinct things to occur; (1) the revenue is generated and a bill is issued to the user, and (2) the reserve factor for each aircraft for each appropriate reserve category generates an expense to one or more of these reserve expense accounts and the offsetting credit entry to the contra account in 21510 - 21540.

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable to these accounts. However, if the finance system in use in your agency requires an object class for any item booked as an expense, then please review the object class discussion account 17390.

ITEM: Engine Overhaul Reserve Expense

ACCOUNT: 69512

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

These accounts apply when reserve accounts under a WCF (Working Capital Fund) have been established by the agency (see Expense Accounts 61260 - 61290 when the agency does not use reserve accounts under a WCF).

The expense that is charged to this account is the projected per hour cost of engine overhaul at its appropriate future date. The estimated remove, overhaul, and replace costs are divided by the expected life of the component in hours flown or flight time. Then for every hour this aircraft flies a cost is charged against this account.

Accounting for cost in this category is different from the other expense categories. Normally, organizations collect total expenditures in a particular cost account for the period under consideration. Then, if they wish to know cost per flying hour or flight time, they divide this cost by the number of hours flown or flight time during the period. Because engine overhauls occur so infrequently, engine overhaul reserve expense for a given period is obtained by estimating the future cost to overhaul/rebuild/repair the engine and dividing this by the total number of hours flown or flight time between overhaul periods. Include in the estimate the cost of parts and labor. Labor hours would include removal, replacement, and overhaul/rebuild/major repair. For those agencies that can establish reserve accounts, each and every flying hour or flight time recorded should cause an expense to 69512 and an offsetting credit to account 21510. By recognizing expenses before they are encountered, a reserve is established.

SOURCE:

- Aircraft use/activity reports.
- Internal sources from prior experience
- Manufacturers' estimates of component overhaul, other outside sources, hours flown or flight time for the period
- Databases available from outside vendors

COMMENTS:

Due to the timing and amount, a cost-per-flying-hour or flight time would be misleading if overhaul expenses were accounted for only in the period in which encountered. To get a more accurate cost-per-flying-hour or flight time, agencies should recognize a portion of the expense in each period that receives the benefit. The overhaul costs established in this way are posted to the engine overhaul reserve account -- account number 21510 if the aircraft program is able to establish reserves.

This expense is an operating cost of the aircraft in the same accounting cycle as the revenue is generated, much the same way that the fuel and scheduled maintenance are, thereby having the total cost of producing the service reflected in the same accounting period as the revenue. This levels the costs of operation over the total life without the occasional large peaks in the annual costs of a particular aircraft because of an engine overhaul.

As hours flown or flight time is recorded the entries generated in the system are:

Debit this account for the amount (the number of hours times the established per hour engine reserve set-aside)

Credit account 21510

A-126:	Engine Overhaul, Refurbishment, Major Component Repair
FAIRS:	See Engine Overhaul Expense - Variable
OBJECT CLASS:	Not applicable to these accounts. However, if the finance system in use in your agency requires an object class for any item booked as an expense, then please review the object class discussion on account 17390.

ITEM: Major Component Rebuild and Overhaul Reserve Expense

ACCOUNT: 69514

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

These accounts apply when reserve accounts under a WCF (Working Capital Fund) have been established by the agency (see Expense Accounts 61260 - 61290 when the agency does not use reserve accounts under a WCF).

The expense that is charged to this account is the projected per hour cost of a major component rebuild or overhaul at its appropriate future date. The estimated remove, overhaul, and replace costs are divided by the expected life of the component in hours flown or flight time. Then for every hour this aircraft flies a cost is created against this account.

Accounting for cost in this category is different from the other expense categories. Normally, organizations collect total expenditures in a particular cost account for the period under consideration. Then, if they wish to know cost per flying hour or flight time, they divide this cost by the number of hours flown or flight time during the period. Because component overhauls sometimes occur infrequently, component overhaul expense for a given period is obtained by estimating the future cost to overhaul/rebuild the relevant components, dividing this by the total number of hours flown or flight time between overhaul periods for each component, and then multiplying the resulting cost per flying hour by the hours flown or flight time for the given period. Include in the estimate the cost of parts and labor. Labor hours would include removal, replacement, and overhaul/rebuild/major component.

SOURCE:

- Aircraft use/activity reports.
- Internal sources from prior experience,
- Manufacturers' estimates of component overhaul, other outside sources, hours flown or flight time for the period

- Databases from outside vendors

COMMENTS:

Due to the timing and amount, a cost-per-flying-hour would be misleading if overhaul expenses were accounted for only in the period in which encountered. To get a more accurate cost-per-flying-hour, agencies should recognize a portion of the expense in each period that receives the benefit. The overhaul costs established in this way are posted to the component overhaul reserve account -- account number 21530 if the aircraft program is able to establish reserves.

This expense is an operating cost of the aircraft in the same accounting cycle as the revenue is generated, much the same way that the fuel and scheduled maintenance is, thereby having the total cost of producing the service reflected. This levels the costs of operation over the total life without the occasional large peaks in the annual costs of a particular aircraft because of a component rebuild or overhaul.

As hours flown or flight time is recorded the entries generated in the system are:

Debit this account for the amount (the number of hours flown or flight time times the pre-established per hour rate for major component rebuilds)
Credit account 21530

A-126: Engine Overhaul, Refurbishment, Major Component Repair
FAIRS: See Major Component Rebuild and Overhaul - Variable

OBJECT CLASS: Not applicable to these accounts. However, if the finance system in use in your agency requires an object class for any item booked as an expense, then please review the object class discussion account 17390.

ITEM: Life Limited Item Reserve Variable Expense

ACCOUNT: 69516

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

These accounts apply when reserve accounts under a WCF (Working Capital Fund) have been established by the agency (see Expense Accounts 61260 - 61290 when the agency does not use reserve accounts under a WCF).

This account is to establish a reserve account for those items on the aircraft that have a stated life limit in numbers of hours flown or flight time or cycles of operation that do not fit in either account 69512 or 69514. The expense that is charged to this account is the projected per hour cost of the retirement item at its appropriate future date. The estimated remove and replace costs are divided by the expected life of the retirement item in flight hours. Then for every hour this aircraft flies a cost is created against this account.

Accounting for cost in this category is different from the other expense categories. Normally, Government agencies compute cost-per-flight-hour by dividing total expenditures for the period by the number of hours flown or flight time during the period. For life limited item expenses, Government agencies should estimate the future cost to replace life limited items, divide by the total retirement life in hours flown or flight time. For those agencies, that can establish reserve accounts, each and every hour recorded should cause an expense to 69516 or 69526 and an offsetting credit to 21540. In essence, this recognizes expenses before they are encountered by setting a reserve.

SOURCE:

- Aircraft use/activity reports.
- Manufacturers' price list
- Other outside sources and databases

COMMENTS:

Due to the timing and amount, a cost-per-flying-hour would be misleading if life limited item expenses were accounted for only in the period in which they were encountered. To get a more accurate cost-per-flying-hour, agencies should recognize a portion of the expense in each period that receives the benefit. The retirement item costs established in this way are posted to the component overhaul reserve account - account number 21540, if the aircraft program is able to establish reserves.

This expense is an operating cost of the aircraft in the same accounting cycle as the revenue is generated, much the same way that the fuel and scheduled maintenance is, thereby having the total cost of producing the service reflected. This levels the costs of operation over the total life without the occasional large peaks in the annual costs of a particular aircraft because of a retirement item replacement.

Debit this account for the per hour pre-established cost it is estimated will be needed to cover the retirement items, times the hours of flight time
Credit account 21540

A-126: Engine Overhaul, Refurbishment, Major Component Repair
FAIRS: See Life Limited Item Expense - Variable
OBJECT CLASS: Not applicable to these accounts. However, if the finance system in use in your agency requires an object class for any item booked as an expense, then please review the object class discussion account 17390.

ITEM: Fixed Expense Reserves

ACCOUNT: 69520
Summary Account

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

These accounts apply when reserve accounts under a WCF (Working Capital Fund) have been established by the agency (see Expense Accounts 61260 - 61290 when the agency does not use reserve accounts under a WCF).

The two reserve accounts (69522 and 69526) that follow this summary account are for expensing the reserve accounts that are set up for items that have their life stated or controlled in days, months, or years. That is they have a finite life that is driven by the calendar rather than hours flown or flight time.

SOURCE:

COMMENTS:

The expenses posted to these next two accounts differ from the ones included in the 695XX series in that the items in those accounts have their life limits stated in numbers of hours flown, flight time or cycles of operation. The items that affect accounts 69522 and 69526 have their limits based on the passage of time (days, months, or years).

A-126: Not applicable

FAIRS: Not applicable

OBJECT CLASS: Not applicable to these accounts. However, if the finance system in use in your agency requires an object class for any item booked as an expense, then please review the object class discussion account 17390.

ITEM: Aircraft Refurbishment Reserve Expense

ACCOUNT: 69522

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

These accounts apply when reserve accounts under a WCF (Working Capital Fund) have been established by the agency (see Expense Accounts 61260 - 61290 when the agency does not use reserve accounts under a WCF).

Accounting for cost in this category is different from the other expense categories. Normally, organizations collect total expenditures in a particular cost account for the period under consideration. Then, if they wish to know cost per flying hour, they divide this cost by the number of hours flown or flight time during the period. Because aircraft refurbishments occur so infrequently, refurbishment expense for a given period is obtained by estimating the future cost to refurbish the aircraft, dividing this by the total number of years of operation between refurbishment periods, and then dividing the resulting cost per flying hour by the hours flown or flight time for the given period. Include in the estimate the cost of all parts and labor.

Aircraft refurbishment is an expense that should be anticipated if the aviation activity plans on having the aircraft in operation for more than ten years or so. Refurbishment can include such items as; new interior upholstery, a repaint of the exterior, new state-of-the-art avionics, etc. Refurbishment does not include the engines or other major components that are addressed by the other accounts in this 695XX series.

SOURCE: - Aircraft activity reports and/or aircraft monthly assignment agreements.

- Manufacturers' estimates of refurbishment costs, - Other outside sources,
 - Hours flown or flight time for the period
 - Months of service assigned and/or provided
-

COMMENTS:

Due to the timing and amount, a cost-per-flying-hour would be misleading if refurbishment expenses were accounted for only in the period in which encountered. To get a more accurate cost-per-flying-hour, agencies should recognize a portion of the expense in each period that receives the benefit. The refurbishment costs established in this way are posted to the aircraft refurbishment reserve account -- account number 21520 if the aircraft program is able to establish reserves.

For each month of assignment to a dedicated user a charge should be made, whether the aircraft had any flight activity or not. This monthly charge is to cover the various expense items that are of a fixed cost nature (see accounts 61300 through 61700). This same monthly charge rate to the assigned user will cover the reserve expense for refurbishment.

For each month of assignment:

Debit this account with the established monthly refurbishment reserve set-aside
Credit account 21520

A-126: Engine Overhaul, Refurbishment, Major Component Repair
FAIRS: See Aircraft Refurbishment Expense - Variable
OBJECT CLASS: Not applicable to these accounts. However, if the finance system in use in your agency requires an object class for any item booked as an expense, then please review the object class discussion account 17390.

ITEM: Life Limited Item Reserve Fixed Expense

ACCOUNT: 69526

FINANCIAL STATEMENT: Income Statement - Expense

DEFINITION:

These accounts apply when reserve accounts under a WCF (Working Capital Fund) have been established by the agency (see Expense Accounts 61260 - 61290 when the agency does not use reserve accounts under a WCF).

This account should be charged with the expense side of any reserve set-aside that must occur based on calendar days and/or months, other than those items covered by account 69522.

This account is to establish a reserve account for those items on the aircraft that have a stated life limit expressed in months or years that do not fit in either account 69512 or 69514. The expense that is charged to this account is the projected per hour cost of the retirement item at its appropriate future date. The estimated remove and replace costs are divided by the expected life of the retirement item in flight hours. Then for every hour this aircraft flies a cost is created against this account.

Accounting for cost in this category is different from the other expense categories. Normally, Government agencies compute cost-per-flight-hour by dividing total expenditures for the period by the number of hours flown or flight time during the period. For life limited item expenses, Government agencies should estimate the future cost to replace life limited items, divide by the estimated total retirement life in hours flown or flight time (based on its calendar life and the anticipated future utilization). For those agencies, that can establish reserve accounts, each and every hour recorded should cause an expense to 69516 or 69526 and an offsetting credit to 21540. In essence, this recognizes expenses before they are encountered by setting a reserve.

SOURCE: - Aircraft activity reports and/or aircraft monthly assignment agreements.

- Manufacturers' price list
- Other outside sources and databases

- Estimated hours flown or flight time for the calendar life of the component.

COMMENTS:

Due to the timing and amount, a cost-per-flying-hour would be misleading if life limited item expenses were accounted for only in the period in which they were encountered. To get a more accurate cost-per-flying-hour, agencies should recognize a portion of the expense in each period that receives the benefit. The retirement item costs established in this way are posted to the component overhaul reserve account - account number 21540, if the aircraft program is able to establish reserves.

Only items that have a replacement interval measured in calendar time should be included in the reserve calculation for this account. Once the group of items and the estimate costs are listed, then an estimate of when in the future these outlays will occur must be made. The cost then must be divided by the months of assignment in the period between this listing date and the work to be done date; thereby establishing a monthly rate for this reserve expense.

As each months assignment is recorded:

Debit this account for the monthly rate
Credit account 21540

A-126: Engine Overhaul, Refurbishment, Major Component Repair
FAIRS: See Life Limited Item Expense
OBJECT CLASS: Not applicable to these accounts. However, if the finance system in use in your agency requires an object class for any item booked as an expense, then please review the object class discussion account 17390.

ITEM: Gains on Disposition of Assets – Other

**ACCOUNT: 71000
Summary Account**

FINANCIAL STATEMENT: Income Statement - Extraordinary Items

DEFINITION:

Monetary gains that are acquired as a result of activities that are not a normal part of the agency's aviation operation.

SOURCE: This is a summary account. Posting is done with accounts 71100 and 71900

COMMENTS:

This account is used so that financial gains that are acquired as a result of out-of-the-ordinary activities are recorded as an appropriate increase in revenues without distorting the financial performance of the agency.

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	No object class needed on these entries.

ITEM: Gains on Disposition of Assets

ACCOUNT: 71100

FINANCIAL STATEMENT: Income Statement - Extraordinary Items

DEFINITION:

The gain on the disposition (such as sale, exchange, disposal or retirement) of assets and personal property.

SOURCE: The sale document or other transaction notification.

COMMENTS:

When disposing of an aircraft or other capitalized asset (accounts 17300 through 17590) either through a sale or a trade-in; the asset value, less the accumulated depreciation and the proceeds, equal the net gain or loss on disposal. This account is credited with the net results when the proceeds exceed the asset book value. The book value is determined by subtracting the accumulated depreciation from the capitalized value of the asset.

This type of gain is treated as an extraordinary gain so that it does not distort the net income/loss from regular operations.

The posting for this transaction is as follows:

Debit the accumulated depreciation account (most likely 17590) for the amount of depreciation that has been booked on this asset since its capitalization
Credit the asset account for the full capitalized value of the asset (account 17510 for an aircraft)
Debit the cash account (10100) for the amount the item brought in on the sale
Credit this account with the amount needed to balance the above debits and credits

A-126: Not applicable
FAIRS: Not applicable
OBJECT CLASS: No object class needed on these entries.

ITEM: Other Gains

ACCOUNT: 71900

FINANCIAL STATEMENT: Income Statement - Extraordinary Items

DEFINITION:

Any transaction that nets a gain in financial status for the aviation activity, which does not come about through the normal operations or is not the result of an asset disposition should be recorded to this account.

SOURCE: Whatever financial document that verifies that the aviation activity has received a net gain in the cash account (10100).

COMMENTS:

Any transaction that is not a normal business activity that causes a net positive cash result would fit in this account.

The posting would be:

Debit cash account (10100)
Credit this account

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	No object class needed on these entries.

ITEM: Losses

**ACCOUNT: 72000
Summary Account**

FINANCIAL STATEMENT: Income Statement - Extraordinary Items

DEFINITION:

Monetary losses that are incurred as a result of activities that are not a normal part of the agency's aviation operation.

SOURCE: This is a summary account. Posting is done with accounts 71100 and 71900

COMMENTS:

This account is used so that financial losses that are incurred as a result of out-of-the-ordinary activities are recorded as an appropriate increase in expenses without distorting the financial performance of the agency.

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	No object class needed on these entries.

ITEM: Loss on Disposition of Assets - Other

ACCOUNT: 72100

FINANCIAL STATEMENT: Income Statement - Extraordinary Items

DEFINITION:

When the asset disposed of does not bring in as much as the book value of that asset, then there is a loss on the disposal.

SOURCE: The sale document or other transaction notification.

COMMENTS:

If the asset disposed of does not sell for an amount equal to the book value (capitalized value less accumulated depreciation) then there is a loss on the sale. It is still appropriate to treat this loss as an extraordinary item in that the acquisition and disposal of assets is not the primary business of this aviation activity. To treat this as an extraordinary item keeps the loss from distorting the regular net profit or loss from operations.

The posting of this transaction would be:

Debit the accumulated depreciation

Credit the asset account

Debit the cash account for the proceeds of the sale and **Debit** this account for the remaining amount needed to make the debits equal the credits in this posting.

A-126: Not applicable

FAIRS: Not applicable

OBJECT CLASS: No object class needed on these entries.

ITEM: Litigation settlement costs

ACCOUNT: 72300

FINANCIAL STATEMENT: Income Statement - Extraordinary Items

DEFINITION:

Cost incurred as a result of a court ordered or negotiated monetary settlement.

SOURCE: The settlement document or the court order.

COMMENTS:

If the agency is ordered to pay a monetary damage award or such as settlement is negotiated between the agency and the party involved, a very real expense is incurred. It is appropriate to treat this expense as an extraordinary item in that litigation settlement costs are not the primary business of this aviation activity. To treat this as an extraordinary item keeps the expense from distorting the regular profit or loss from operations.

Recording this transaction is accomplished as follows for a retail purchase:

Debit Litigation settlement costs (Expense Account 72300)
Credit Accounts Payable (Liability Account 21100)

When the settlement is paid,

Debit Accounts Payable (Liability Account 21100)
Credit Cash (Asset Account 10100)

A-126: Not applicable
FAIRS: 151
OBJECT CLASS: No object class needed on these entries.

ITEM: Accident repair costs

ACCOUNT: 72500

FINANCIAL STATEMENT: Income Statement - Extraordinary Items

DEFINITION:

For agencies that do not have a Working Capital Fund, this is the cost incurred as a result of repairing/rebuilding an aircraft that was damaged in an accident or incident.

For agencies with a Working Capital Fund that have established a self-insurance reserve fund, this cost is the excess of the cost to repair less the reserves accumulated in account 29200 (Reserve Liability).

SOURCE: Purchase order. Invoice

COMMENTS:

If an agency aircraft has been involved in an accident or incident it may be repaired. This is not an ordinary business expense for the agency since it is not in the business of repairing damaged aircraft. It is therefore appropriate to treat this expense as an extraordinary item. To treat this as an extraordinary item keeps the expense from distorting the regular profit or loss from operations.

To record this transaction:

Debit Accident repair costs account (account 72500)

Credit Self insurance reserve account (accounts payable 29200) – If agency has WCF

At the time the invoice is paid, the transaction is recorded as follows:

Debit Self insurance account (accounts payable 29200) – If agency has WCF

Credit Cash account (asset account 10100)

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	No object class needed on these entries.

ITEM: Other Losses

ACCOUNT: 72900

FINANCIAL STATEMENT: Income Statement - Extraordinary Items

DEFINITION:

Costs or expenses so unusual in type or amount as to be accorded special treatment in the accounts or separate disclosure in the financial statements.

SOURCE: Whatever action or document that identifies the loss.

COMMENTS:

Any action that causes the aviation activity to reduce its financial status or reduce its equity position that came about outside of the normal operations, other than the loss on disposition of assets addressed in account 72100.

The posting would be:

Debit this account for the amount of the loss
Credit the asset account that was affected

A-126: Not applicable
FAIRS: Not applicable
OBJECT CLASS: No object class needed on these entries.

ITEM: Prior Period Adjustments Due to Corrections or Errors

ACCOUNT: 74000

FINANCIAL STATEMENT: Income Statement - Extraordinary Items

DEFINITION:

Adjustments relating to activity involving gains or losses in prior periods.

SOURCE: The document that causes the loss to be identified.

COMMENTS:

This account is seldom used. Only significant amounts from an earlier accounting period would be posted to this account. Any entry here would require separate disclosure on the financial statements.

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	No object class needed.

ITEM: Aircraft Statistical Use

ACCOUNT: 90000
Summary Account

FINANCIAL STATEMENT: Not Applicable

DEFINITION:

Hours of aircraft use are a very important element in the management of aviation services. The following accounts will capture all use hours.

SOURCE: Aircraft use and activity reports.

COMMENTS:

Tracking the utilization of aircraft is of utmost importance to a complete aircraft cost accounting system. The use of this statistical data is necessary for many reasons. Just to name a few; historical use records, hours are needed to determine the cost per flying hour, the cost per flying hour is used to determine relative operating efficiencies when comparing one aircraft to another for a similar mission, total cost are divided by the productive hours flown or flight time to determine the cost recovery rate (income), and to provide for accurate reporting to management and the FAIRS system of GSA.

Also, the hours flown or flight time are the basis for the revenue generating and cost recovery of this aviation accounting system, as well as the source data for some of the internally generated expense entries for the reserve accounts.

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable.

ITEM: Fixed Wing (FW) Flying Hours

ACCOUNT: 91000
Summary Account

FINANCIAL STATEMENT: Not Applicable

DEFINITION:

All fixed wing (FW) aircraft flying hours will be captured in the following accounts:

	Account
FW Single Engine (SE) – Flying Hours	91100 (a summary account)
FW SE Reciprocating Engine – Flying Hours	91110
FW SE Turbine Engine – Flying Hours	91120
FW SE Jet Powered – Flying Hours	91130
UAS FW SE – Flying Hours	91140
FW Multi-Engine (ME) – Flying Hours	91200 (a summary account)
FW ME Reciprocating Engine – Flying Hours	91210
FW ME Turbine Engine – Flying Hours	91220
FW ME Jet Powered – Flying Hours	91230
UAS FW ME – Flying Hours	91240

SOURCE: Aircraft use and activity reports.

COMMENTS:

As these accounts are posted with flying hour activity the system creates revenue by taking the hours and multiplying it by the individual aircraft flying hour rate that is loaded in the aircraft master record for that aircraft. At the same time a bill is generated to recover the money from the user information that is present on the aircraft use report.

A-126: Not applicable
FAIRS: Not applicable
OBJECT CLASS: Not applicable.

ITEM: Helicopter (HE) Flying Hours

ACCOUNT: 92000
Summary Account

FINANCIAL STATEMENT: Not Applicable

DEFINITION:

All helicopter (HE) flying hours will be captured in the following accounts:

	Account
HE Single Engine (SE) – Flying Hours	92100 (a summary account)
HE SE Reciprocating Engine – Flying Hours	92110
HE SE Turbine Engine – Flying Hours	92120
UAS HE SE - Flying Hours	92130
HE Multi-Engine (ME) – Flying Hours	92200 (a summary account)
HE ME Reciprocating Engine – Flying Hours	92210
HE ME Turbine Engine – Flying Hours	92220
UAS HE ME – Flying Hours	92230

SOURCE: Aircraft use and activity reports.

COMMENTS:

See comments on account 91000, the same apply here.

A-126:	Not applicable
FAIRS:	Not applicable
OBJECT CLASS:	Not applicable.

ITEM: Fixed Wing (FW) Flight Time Hours

ACCOUNT: 93000
Summary Account

FINANCIAL STATEMENT: Not Applicable

DEFINITION:

All fixed wing (FW) aircraft flight time hours will be captured in the following accounts:

	Account
FW Single Engine (SE) – Flight Time	93100 (a summary account)
FW SE Reciprocating Engine – Flight Time	93110
FW SE Turbine Engine – Flight Time	93120
FW SE Jet Powered – Flight Time	93130
UAS FW SE – Flight Time	93140
FW Multi-Engine (ME) – Flight Time	93200 (a summary account)
FW ME Reciprocating Engine – Flight Time	93210
FW ME Turbine Engine – Flight Time	93220
FW ME Jet Powered – Flight Time	93230
UAS FW ME – Flight Time	93240

SOURCE: Aircraft use and activity reports.

COMMENTS:

As these accounts are posted with flight time hours activity the system creates revenue by taking the hours and multiplying it by the individual aircraft hour rate that is loaded in the aircraft master record for that aircraft. At the same time a bill is generated to recover the money from the user information that is present on the aircraft use report.

A-126: Not applicable
FAIRS: 71 through 81
OBJECT CLASS: Not applicable.

ITEM: Helicopter (HE) Flight Time Hours

ACCOUNT: 94000
Summary Account

FINANCIAL STATEMENT: Not Applicable

DEFINITION:

All helicopter (HE) flight time hours will be captured in the following accounts:

	Account
HE Single Engine (SE) – Flight Time	94100 (a summary account)
HE SE Reciprocating Engine – Flight Time	94110
HE SE Turbine Engine – Flight Time	94120
UAS HE SE - Flight Time	94130
HE Multi-Engine (ME) – Flight Time	94200 (a summary account)
HE ME Reciprocating Engine – Flight Time	94210
HE ME Turbine Engine – Flight Time	94220
UAS HE ME – Flight Time	94230

SOURCE: Aircraft use and activity reports.

COMMENTS:

See comments on account 93000, the same apply here.

A-126: Not applicable
FAIRS: 82 through 90
OBJECT CLASS: Not applicable.

**ITEM: Fixed Wing (FW) Ground Utilization
Alert Time**

**ACCOUNT: 95000
Summary Account**

FINANCIAL STATEMENT: Not Applicable

DEFINITION:

The amount of time, expressed in hours and tenths of an hour, where an aircraft is obtaining utilization while on the ground. These type aircraft are classified as an Alert aircraft and are not being utilized to meet other program needs.

All fixed wing (FW) aircraft alert time will be captured in the following accounts:

	Account
FW Single Engine (SE) – Alert Time	95100 (a summary account)
FW SE Reciprocating Engine – Alert Time	95110
FW SE Turbine Engine – Alert Time	95120
FW SE Jet Powered – Alert Time	95130
UAS FW SE – Alert Time	95140
FW Multi-Engine (ME) – Alert Time	95200 (a summary account)
FW ME Reciprocating Engine – Alert Time	95210
FW ME Turbine Engine – Alert Time	95220
FW ME Jet Powered – Alert Time	95230
UAS FW ME – Alert Time	95240

SOURCE: Aircraft use and activity reports.

COMMENTS:

A-126: Not applicable
FAIRS: 98 through 108
OBJECT CLASS: Not applicable.

**ITEM: Helicopter (HE) Ground Utilization
Alert Time**

ACCOUNT: 96000
Summary Account

FINANCIAL STATEMENT: Not Applicable

DEFINITION:

The amount of time, expressed in hours and tenths of an hour, where an aircraft is obtaining utilization while on the ground. These type aircraft are classified as an Alert aircraft and are not being utilized to meet other program needs.

All helicopter (HE) alert time will be captured in the following accounts:

	Account
HE Single Engine (SE) – Alert time	96100 (a summary account)
HE SE Reciprocating Engine – Alert Time	96110
HE SE Turbine Engine – Alert Time	96120
UAS HE SE – Alert Time	96130
HE Multi-Engine (ME) – Alert Time	96200 (a summary account)
HE ME Reciprocating Engine – Alert Time	96210
HE ME Turbine Engine – Alert Time	96220
UAS HE ME – Alert Time	96230

SOURCE: Aircraft use and activity reports.

COMMENTS:

A-126: Not applicable
FAIRS: 109 through 117
OBJECT CLASS: Not applicable.

**ITEM: Fixed Wing (FW) Ground Utilization
Research and Development (R&D) Time**

**ACCOUNT: 97000
Summary Account**

FINANCIAL STATEMENT: Not Applicable

DEFINITION:

The amount of time, expressed in hours and tenths of an hour, where an aircraft is obtaining utilization while on the ground. These type aircraft are classified as a Research and Development aircraft and are not being utilized to meet other program needs.

All fixed wing (FW) Research and Development time will be captured in the following accounts:

	Account
FW Single Engine (SE) – R&D Time	97100 (a summary account)
FW SE Reciprocating Engine – R&D Time	97110
FW SE Turbine Engine – R&D Time	97120
FW SE Jet Powered – R&D Time	97130
UAS FW SE – R&D Time	97140
FW Multi-Engine (ME) – R&D Time	97200 (a summary account)
FW ME Reciprocating Engine – R&D Time	97210
FW ME Turbine Engine – R&D Time	97220
FW ME Jet Powered – R&D Time	97230
UAS FW ME – R&D Time	97240

SOURCE: Aircraft use and activity reports.

COMMENTS:

A-126: Not applicable
FAIRS: 118 through 128
OBJECT CLASS: Not applicable.

**ITEM: Helicopter (HE) Ground Utilization
Research and Development (R&D) Time**

**ACCOUNT: 98000
Summary Account**

FINANCIAL STATEMENT: Not Applicable

DEFINITION:

The amount of time, expressed in hours and tenths of an hour, where an aircraft is obtaining utilization while on the ground. These type aircraft are classified as a Research and Development aircraft and are not being utilized to meet other program needs

All helicopter (HE) Research and Development time will be captured in the following accounts:

	Account
HE Single Engine (SE) – R&D Time	98100 (a summary account)
HE SE Reciprocating Engine – R&D Time	98110
HE SE Turbine Engine – R&D Time	98120
UAS HE SE – R&D Time	98130
HE Multi-Engine (ME) – R&D Time	98200 (a summary account)
HE ME Reciprocating Engine – R&D Time	98210
HE ME Turbine Engine – R&D Time	98220
UAS HE ME – R&D Time	98230

SOURCE: Aircraft use and activity reports.

COMMENTS:

A-126: Not applicable
FAIRS: 129 through 137
OBJECT CLASS: Not applicable.

ITEM: Total Aircraft Utilization Time

**ACCOUNT: 99000
Summary Account**

FINANCIAL STATEMENT: Not Applicable

DEFINITION:

That time, expressed in hours and tenths of an hour, a Government aircraft has been utilized in a ground or flight capacity. This includes the sum of the Research and Development ground utilization time, alert ground utilization, and flight time for each registration number (See account Codes 93000 through 98000). Total possible hours in any given day are 24 hours and in any given year are 8,760 hours.

The summary accounts that are incorporated in the Total Aircraft Utilization Time are below:

99100	Total Flight Time
99200	Total Ground Utilization Time
99210	Total Ground Utilization Time – Alert time
99220	Total Ground Utilization Time – R&D Time

Total Ground Utilization Time is the sum of the accounts 99210 and 99220.

SOURCE: Aircraft use and activity reports.

COMMENTS:

A-126:	Not applicable
FAIRS:	291, 292, 293, 294, 295
OBJECT CLASS:	Not applicable.

Appendix A

ACCOUNTING OVERVIEW

In order to fully understand the accounting system described in the CAG, it is necessary to have a basic understanding of accounting. Accounting has two broad functions. The first is the measurement or the accumulation of reliable economic data reflecting the financial progress and status of an organization. The second function of accounting is communication, or the reporting and interpreting of these data in a manner that facilitates decision making.

A.1 Primary Financial Statements

The Financial Statements are the documents that report on an organization in monetary terms. Most of the financial information needed is contained in the following financial statements:

- balance sheet,
- income and expense statement,
- statement of owners' equity, and
- cash flow statement.

A.1.1 Balance Sheet

The **Balance Sheet** (also known as the statement of financial position) is the primary financial statement that illustrates an organization's financial resources and obligations at a particular date. The balance sheet is the statement that shows the relationship among assets, liabilities, and owners' equity. The assets must always equal liabilities plus owners' equity. A key point to remember regarding this statement is that it represents a snapshot in time.

A.1.2 Income and Expense Statement

The **Income and Expense Statement** (also known as the statement of earnings) is the primary financial statement that summarizes the revenues generated, the expenses incurred, and any gains or losses incurred by an organization during a certain period of time. This statement presents financial data in a manner that is consistent, easily understood, provides easy comparison with prior periods and lends itself to further analysis and reports. The income and expense statement also provides the details that support the changes in the balance sheet from one accounting period to the next.

A.1.3 Statement of Owners' Equity

The **Statement of Owners' Equity** is a companion document to the income and expense statement and it provides an explanation of how the owner's equity changed from one balance sheet to the next.

A.1.4 Cash Flow Statement

The **Cash Flow Statement** is the last major report in the group of documents called financial statements. This statement looks at the financial status of an organization from the point of view of how much actual cash it has available. This is important because a viable organization requires cash to pay bills. Even if the organization is highly profitable, there are any number of circumstances under which it can find itself without sufficient cash to meet its financial obligations. For example, a company may have acquired new machinery and expanded its inventory substantially as a result of a surge in demand for its product. If at the same time, it has not paid attention to its cash inflow, it may have so much money tied up in its new machinery and inventory that it doesn't have sufficient cash to pay the bills. It may literally be forced to shut down because of its success!

A.1.5 Other Reports

There are numerous other reports that can be obtained from an accounting system. Each of these provides an insight into a specific aspect of the organization's financial condition. There are a number of standard reports that are commonly used, such as the Accounts Receivable Report and the Inventory Report. Other reports can be customized to focus on the specific information needs of a particular organization. These might include reports on the cost of producing a particular product or service, the cost and revenues of a particular contract or the cost and revenues generated by a particular operating location.

A.2 BASIC ELEMENTS OF FINANCIAL STATEMENTS

Governmental accounting systems must support the information needs of individuals internal and external to a department or agency. Using **financial accounting**, an agency can measure and report on a periodic basis the financial status and operating results of an agency's aviation program to external parties including the Office of Management and Budget (OMB), the General Services Administration (GSA), Office of the Inspectors General (IG), and others. **Cost accounting** (also known as managerial accounting) helps agency managers make decisions in support of planning, budgeting, controlling costs, evaluating performance, and generating revenues. Basically, *cost accounting* specifies how to take the *financial accounting* data collected and perform analyses to support operational decision-making.

The purpose of financial statements is to provide information about an organization's economic resources and condition. The basic elements of the typical financial statements are assets, liabilities, owners' equity, revenues, expenses, gains, losses, and net income (or loss). These elements are listed as accounts on the financial statements. An **Account** is an accounting record in which the results of similar transactions are accumulated.

A.2.1 Assets

Assets are the economic resources owned by an organization that are expected to have future economic benefits. Assets include:

- cash in the US Treasury,
- money owed by others for services rendered that has been invoiced (accounts receivable),
- prepayment on goods or services including progress payments made to vendors,
- inventories of spares for the aircraft and aircraft related equipment,
- facilities used for the aircraft, spares inventory and aviation department personnel, and
- aircraft and aircraft support equipment or tools.

In short, assets are what the entity has available to perform its assigned tasks and pay its bills.

An important point to consider in setting up asset accounts is to make sure that the assets are not claimed twice, i.e., once by the aviation department and once by some other section of the agency. Two areas where this can be particularly troublesome are cash and facilities. Cash accounts can create a problem if the aviation department shares its cash account(s) with other parts of the organization. Facilities can present a similar problem if they are shared with other non aviation operations. In the case of cash accounts, the solution is to set up a separate aviation cash account. In the case of shared facilities, an agreement can usually be made with the other users. However when such an agreement is made, it is important that the expenses associated with such a facility are also apportioned among the various users.

Aircraft (manned or unmanned) should be entered as assets only if they are Federal aircraft and are owned, lease-purchased, bailed, borrowed and loaned. Aircraft that are obtained as commercial aviation services (CAS), that is, aircraft that are hired under a full service contract, chartered, rented, or leased are not considered assets.

(See FAIRS definitions in Appendix D).

A.2.2 Liabilities

Liabilities are the obligations of an organization to pay cash or other economic resources in return for past, current, or future benefits. Liabilities represent claims against assets. Liabilities generally include the following:

- moneys owed to others for goods or services provided (Payables),
- wages, salaries, and benefits owed but not yet paid,
- taxes owed but not yet paid,
- the unpaid portion of debt and loans,
- remaining lease payments on capital lease, and
- funds accrued as a reserve for future events (such as engine overhauls).

It is important to remember that liabilities are the moneys owed at a certain point in time (normally the end of the accounting period under consideration), not the total expenses of the operation. Expenses are covered separately. These obligations to others may include moneys owed to other Government agencies for services rendered, for example for rental of hangar facilities from another Government organization.

If the lease of an aircraft was entered under assets as a capital lease, then the unpaid lease payments must be entered as a liability. Similarly, if an aircraft is financed with a loan, the remaining, unpaid balance of that loan must be entered as a liability.

A.2.3 Owners' Equity

Owners' Equity is the owners' interest in the assets of an organization. In other words, owners' equity is what is left over after the liabilities are subtracted from the available assets. Equity basically consists of the following two items:

- capital paid into the enterprise by the owner(s) and
- retained earnings.

At first glance it may seem inappropriate to apply these items to Government operations. They are, however, both valid and directly applicable. Capital paid in by the owners for Government operations occurs when the Government purchases an aircraft or facility or some other piece of capital equipment and pays for it with cash.

Similarly, if an aircraft is transferred from another agency, the Government has decreased its equity in the agency that is relinquishing the aircraft and has increased its equity in the agency that is acquiring the aircraft.

When there is a difference between the total revenues and total expenses during a period of time, the difference is either a net income (if revenues are greater than expenses) or a net loss (if expenses are greater than revenues). At the end of each accounting period this net income or loss is added to the "retained earnings" which remain in the US Treasury.

A.2.4 Revenues

Revenues are the resource increases resulting from the sale of goods or services. Revenues are primarily derived from the normal operations of the organization. Revenues provide the funds that pay the bills, salaries, and other expenses of any enterprise. Government operations are no different in that they

too receive revenue. There are basically three types of revenue for a Government agency that operates aircraft:

- budgetary funds,
- income from sales of goods and services, and
- other income.

Almost every Government agency is the recipient of budgetary funds. These are the funds provided by the Treasury in accordance with the Government budgeting process.

The second type of revenue is applicable if the agency operating the aircraft sells its aviation services to another organization and receives payment for it. This may be another Government agency, a state or local government, a foreign government or individuals and companies. The key is that if the agency receives compensation for its services it should be classified and recorded as revenue. Similarly, revenue results if the agency sells an asset, such as a facility or an aircraft. Note that if this occurs and the price received is more or less than the value to which the asset had been depreciated, an additional entry is made in the Gains/Losses/Extraordinary Items account (see section A.2.6). If an aircraft is traded in on a new aircraft, the trade-in allowance for the aircraft should be entered here as revenue, in order not to distort the value of the new aircraft.

The last category is revenue derived from all other sources. This category is usually reserved for revenues that are not part of the organization's regular business. Examples of revenues that fit this category are interest earned on bank deposits and securities, income from fines, late payment penalties, etc.

A.2.5 Expenses (Operating Costs)

Expenses represent the costs of using the assets or additional liabilities incurred in the course of an organization's operation. Expenses fall into a number of distinct and separate categories, and it is important to collect and track them in that manner.

The four basic groups of expenses are:

- variable operating costs,
- fixed operating costs,
- operations overhead costs, and
- administrative overhead costs (also known as applied overhead or general and administrative expense)

The reason for tracking these costs separately is that each is the result of a fundamentally different activity. The first and second are associated with flying and owning the aircraft. The third is associated with the day-to-day management of that flight operation and the fourth is associated with the overall management of the organization that has an in-house flight aircraft operation.

A.2.5.1 Variable Costs

Variable costs are a direct function of flying the aircraft. In other words, these costs are zero if the aircraft is not flown. The most obvious of these costs is fuel -- if the aircraft doesn't fly, it does not consume any fuel and fuel costs are \$0. Variable costs include, but are not limited to, the following expenses:

- fuel and lubricants,
- crew costs (per diem, overtime, part-time),
- aircraft lease/rental (hourly rate),
- landing fees, ground services
- maintenance labor & parts, and
- maintenance reserves.

The detailed definitions of each item are found in Appendices D and F.

A.2.5.2 Fixed Costs

Fixed costs are a direct function of owning the aircraft. They are incurred whether the aircraft flies or not. An example of this type of cost is hangar rental -- the rent is the same whether the aircraft flies or not. Fixed costs include, but are not limited to, the following expenses:

- crew costs (salary and benefits for full time pilots),
- maintenance costs (calendar-based inspections, etc.),
- aircraft lease (monthly fee),
- ground services at home base
- depreciation, and
- self - insurance.

The detailed definitions of each item can be found in Appendix D and F.

As can be seen, some costs (i.e., crew cost and maintenance cost) have both variable and fixed components. This is because they are a function of both flying and owning the aircraft. The chart of accounts shown in Section 3.2.1 takes this and similar situations into account and allows the associated expenses to be assigned to different account numbers.

A.2.5.3 Operations Overhead Cost

Operations overhead costs are associated with the direct management and administration of the aircraft operation. Included in this category is the aviation manager, the dispatcher, the administrative personnel assigned to the unit, office and hangar rental costs, office supplies, janitorial services, etc. For a unit that has a maintenance facility the maintenance manager would be a burden cost on direct labor as contrasted to operations overhead. If you have a maintenance manager that is not part of a government maintenance facility, then the maintenance manager would be charged to operations overhead. In general, this category of expenses (i) does not extend beyond the aviation department manager and (ii) should include all costs that are not assigned to variable or fixed cost categories but could be eliminated if the agency did not own and/or operate any aircraft. The difficulty with these costs is their allocation to a specific aircraft. The approaches available for allocating costs are discussed in section A.2.5.5.

A.2.5.4 Administrative Overhead Costs (Applied Overhead)

Administrative overhead is often referred to as applied overhead or General and Administrative costs. These costs are all the administrative and management support costs that are provided by other sections of the agency or organization in support of the aviation department. Examples of this include payroll, personnel, accounting, legal services, etc., as well as the time of senior management devoted to the supervision of the aviation department. The difficulty with these costs is that while these costs are very real, it is often very difficult to define them and establish a dollar value for them. As with Operations Overhead costs, the test of whether or not to include these costs in accounting for aircraft expenses are: If you disposed of your aircraft, and these costs remained, they are programmatic costs and not appropriately charged to aircraft expenses. Only costs which are able to be directly associated to the aircraft are legitimate aircraft expenses. There are basically two approaches to obtaining these costs.

1. In the first approach, estimate the number of hours provided per year by each of the departments and senior management in support of the aviation department. Multiply this by each individual's estimated hourly salary rate. Add these totals and multiply by the current OMB established rate for average Federal employee fringe benefits (typically about 29%) or the actual historical fringe benefit costs of the agency, to account for benefits, utilities, office space, etc., used by these individuals. This will provide a fairly realistic annual cost figure for administrative overhead. This cost can then be allocated

as discussed below. This method can also be used to check the realism of the second approach to applied overhead costs.

2. In the second approach, the administrative overhead cost is established by the agency's accounting department and is applied to all operating units of the agency as a percentage to be applied to all department expenses.

A.2.5.5 Allocation Methods

Allocation is the process of dividing costs or revenues among various cost or program elements¹. This process is a very necessary part of determining the total cost per hour or per year of a particular aircraft, contract, or program. The allocation method selected must be simple enough to be easy to use and understand. At the same time, it must be a fair representation of how these costs are incurred to support each product or service. If that is not the case, then one or the other of the products or services will be burdened unfairly. Typical measures used to allocate costs in aviation programs are:

- number of aircraft,
- number of hours flown or flight time,
- number of passengers,
- value of the aircraft, and
- variable costs of the aircraft.

Depending on the level of sophistication of the accounting program more than one measure of allocating costs may be used.

However the method of allocation is set up, it is very important to record the method used and re-examine it whenever there is a significant change in the flight operation (such as the addition or deletion of an aircraft, or a major change in mission or number of hours flown or flight time). Even if nothing changes, it is still worthwhile to examine the method of allocation at least annually to see if the resulting figures pass a "reality test". Overhead costs, that are not the result of the ownership or operation of the aircraft, are not to be allocated to aircraft costs. A simple test will help to determine if certain overhead costs are appropriately allocable to aircraft. The question to be asked is: "If the government disposed of its Federal aircraft, but instead received these services through some other method (charter, lease, cooperative agreement, etc.), which of these costs would remain?" Any remaining costs such as the salaries, benefits, support, supplies, rent, and misc. associated with personnel or facilities necessary to manage aircraft services obtained through charter, lease, cooperative agreement, etc., are *programmatic costs* and are not to be allocated to owned aircraft. For example, if the agency owns no aircraft, it may still need an aviation manager, aviation safety officer, flight scheduler, flight dispatcher, airport, heliport, or other infrastructure in order to assure safe and efficient use of aircraft services. The costs of these personnel and infrastructure are real costs of the program but are not allocable to an agency's aircraft. Additionally, the costs of obtaining and maintaining security clearances for aviation personnel are *programmatic costs*.

After identifying and subtracting programmatic costs, two common methods for developing allocation schemes follows:

Allocate by hours flown or flight time

With this method of allocation, the selected total cost of the applied overhead is allocated among the various aircraft in the operation on the basis of the hours flown or flight time by each aircraft. This is a

¹ Allocation is appropriate only for costs that cannot be tracked or accounted to a particular aircraft. Overhead costs are typically allocated. Discrete costs such as fuel, maintenance labor, parts, and flight crews should be accounted by individual aircraft.

good method if all aircraft have about the same productive capacity but fly different number of hours per year.

For example, assume that applied overhead is \$200,000 for an operation with 5 medium sized turboprop aircraft. Two (2) aircraft are special purpose aircraft that fly only 200 hours per year each, while the other 3 aircraft fly 700 hours each. The total fleet flies 2500 hours per year and each aircraft should be allocated \$80 per flying hour to allocate operations overhead fairly.

Allocate by Budgeted Operating Cost per Flying hour

With this method of allocation, the total cost of the applied overhead is allocated among the various aircraft in the operation in proportion to the total operating budget for each aircraft or each type of aircraft. This method is necessary if the aircraft have significantly different productive capacity. It is even more important if the different types of aircraft also fly significantly different number of hours per year.

For example, again assume that applied overhead is \$200,000 for an operation with 5 aircraft -- 2 single engine piston aircraft that fly 350 hours per year each and 3 small jets that fly 600 hours per year each. The approximate annual budget is \$63,500 for each of the piston aircraft and \$847,500 for each of the jets. In this case, the total fleet still flies 2500 hours per year, however, each piston aircraft is assigned \$4,750 of overhead (\$13.60 per Flying hour), while each jet is assigned \$63,500 (\$105.80 per Flying hour).

There are many other ways of allocating costs. As can be seen from these examples, all good allocation schemes have in common the fact that they i) establish an equitable method of allocation to make sure one aircraft or type of aircraft does not get burdened unfairly and ii) are easy to establish and administer.

The method of allocation can and should be changed if circumstances change. To minimize confusion, changing allocation method is usually done at the beginning of a new accounting period (month, quarter or year).

A.2.5.6 Reserves and Working Capital Fund (WCF) Accounts

The maintenance of almost all aircraft involves the expenditure of large sums of money on a periodic basis for the overhaul or replacement of major components. The sums of money involved are often very large compared to the cost of other maintenance. For example, overhaul of a pair of engines can be as much as \$1,000,000 or more for a large business jet and a set of rotor blades for a helicopter can cost \$100,000.

Many commercial and corporate operators of aircraft prefer to set up a reserve fund to pay for these large periodic expenditures for several reasons. First, the funds will be available when required. Second, adding the cost of reserves to the regular hourly operating cost gives a much more realistic picture of the operating cost of the aircraft.

Reserve accounts can be used in WCF programs but reserves cannot be incorporated into the accounting system for appropriated programs. Managers with appropriated funding should still calculate these expenses as if they were reserve items in order to understand the true cost of operating the aviation program. These reserve expenditures must also be incorporated into cost comparison studies and life cycle cost analyses.

OMB direction regarding cost comparisons (such as Circular A-76) requires that the cost of reserving for these major overhauls and component replacement be shown and incorporated in the calculations. To incorporate these reserves in the accounting system requires that the reserves be charged as an expense against a special reserve expense account. These funds are accumulated as a liability until the time an actual expense is made for an overhaul or component replacement.

To calculate the hourly reserve charges, the following procedure may be used:

- Establish the major components that need to be overhauled or replaced on a periodic basis. As a minimum, the engine(s) need to be included in this category. In addition, on helicopters, the major dynamic components (rotor blades, transmissions, drive shafts and mast) should be included. For many fixed wing aircraft, the landing gear should be included in this category.
- Determine the cost of overhaul or replacement and the interval between overhauls/replacements. Agency records can be used for this. In addition, most manufacturers will provide this information.
- Divide the cost of overhaul/replacement by the associated interval. This yields a cost per hour for each component. The total amount to be reserved on an hourly basis may then be obtained by adding the hourly costs of all components.
- Review this cost at least annually to incorporate actual costs incurred and changes in projected cost and overhaul/ replacement interval.

Typically, a reserve fund will accumulate money for a number of years before the funds are used to pay for an overhaul or component replacement. This is particularly true for many operators of government aircraft, because the interval between overhauls and/or major component replacement is usually 1500 to 3500 hours --many years flying for a typical government operator.

Government agencies may be able to set up reserve funds by following the special procedure needed to set up a WCF. Additional information on setting up a WCF can be found in Federal budgeting guidelines.

A.2.6 Gains, Losses, and Extraordinary Items

Gains (or losses) are the net increases (or decreases) in an organization's resources resulting from peripheral activities or associated with non-recurring, unusual events or circumstances. There are three main categories of gains and losses. The first includes gains and losses due to sale of assets (such as aircraft), settlements of lawsuits, discontinued operations, etc. These are not extraordinary items, since these are considered part of normal business activities. However, because they are not part of the organization's central operations, they are reported as gains or losses instead of being reported as revenue or expense.

The second category of gains or losses is extraordinary items. **Extraordinary Items** are the gains and losses resulting from events that are unusual, unpredictable, and infrequent and not a part of normal business operations. These include losses resulting from natural disasters (such as hurricanes, tornadoes and flooding), expropriation of property by a foreign government, etc.

The third category covers adjustments to the financial results of prior accounting periods. The only gains or losses that may be recorded here are those that result from computational errors, errors in the application of accounting principles, or errors in the interpretation of information available at the time the financial statements for the prior period were being prepared. Note that changes in accounting estimates (for example the loss associated with a natural disaster) made in prior periods should be recorded as either changes in revenue/expense or gains/losses, but not as an adjustment to a prior period. The reason is that the estimate changed not because an error was made but because more information became available.

In all cases, the gain or loss involved could be recorded as regular revenue or expense. However, this would distort the financial results for the period in question and thereby make year-to-year comparisons meaningless. Gains, Losses, and Extraordinary Items are recorded on the income/expense portion of the financial statement and thus impact the net profits (net results of operations). In turn, the net results of operations for the year are added to the cumulative results of operations (retained earnings) on the balance sheet.

A typical example that illustrates the use of this account occurs when an aircraft is sold for more or less than the value to which it has been depreciated (the book value). Assume an aircraft was originally purchased for \$5,000,000. It has been depreciated to \$2,000,000 (the book value) and it is sold for \$3,000,000. The revenue received from the sale (\$3,000,000) is greater than the book value of the aircraft (\$2,000,000); therefore, there is a net gain (profit) of \$1,000,000. This profit is accounted for in the Gains/Losses/Extraordinary Items account by recording a one-time gain of \$1,000,000. Similarly, if an asset is sold for less than its book value, the net loss is also recorded in this account.

Another example of the use of this account is as follows. Assume an organization sustained damage in a hurricane in the previous year. To repair the damage was estimated to cost \$500,000 and was recorded as a loss in the previous year's Gains, Losses, Extraordinary Items account. All repairs have been completed in the current year for a total cost of \$595,000 --\$95,000 more than was accounted for in the previous year. To make this adjustment, the organization would enter a further loss of \$95,000 in this year's Gains, Losses, and Extraordinary Items account. In addition, the organization will include a note in its financial statement to explain last year's and this year's charges.

Thus, the principal reason for having this account is to record changes in financial status that are the result of activities that are not part of the central operation of the organization. If the gains or losses recorded in this account were recorded as revenue or expense, they would distort the financial results of the organization's central operation.

A.2.7 Net Income (Net Loss)

Net Income (Net Loss) is a measure of the overall performance of the organization. Net income is equal to revenues plus gains, minus expenses and losses for a given period. As such, it reflects the organization's financial accomplishments.

A.3 Basic Accounting Concepts

Accounting is the measurement of the financial activities and the maintenance of the financial records of an organization. The organization can be for-profit, non-profit, or a Government agency.

The accounting system systematically records the financial transactions and facts in a logical and agreed upon manner. The results and financial status can then be presented fairly and understandably to management and others who have a need to know. Equally important, the records and reports can answer basic questions, such as, how much does this product or service cost? Is it profitable? How does its cost compare to other, similar products or services? What are the components of the overall cost of a product or service?

The fundamental fact of accounting is that Assets always equal Liabilities plus Owner's Equity. This is usually expressed as follows:

$$\text{Assets} = \text{Liabilities} + \text{Owner's Equity}$$

Or put a different way:

$$\text{Owner's Equity} = \text{Assets} - \text{Liabilities}$$

In other words, the Owner's Equity is what is left over after all the obligations to outsiders have been subtracted from the available assets.

A.3.1 Data Collection (Forms)

Good data collection is the key to having an accounting system that works and provides the required data. The most effective way to collect the required data is to **establish and enforce the use of a**

system of forms designed to provide the needed data. Four important aspects of using forms are to make sure that:

- each form has someone (pilot, maintenance technician, dispatcher, fuel truck operator, etc.) clearly responsible for its completion;
- the recipient(s) of each form is/are clearly designated and there are sufficient copies in the form so that all who need the information will get it;
- proper completion of the forms on a timely basis is monitored and enforced; and
- all major forms are pre-numbered with unduplicated numbers.

It should be stressed that without the data available from these input forms, any accounting system will fail. Appendix B provides detailed information on establishing a system of forms needed for the collection of aviation financial and management data.

A.3.2 Double Entry Accounting

Double Entry Accounting is a system of recording transactions so that the equality of the accounting equation ($\text{Assets} = \text{Liabilities} + \text{Owner's Equity}$) is always maintained.

The fundamental concept in this equation is that debits must always equal credits. In order to further clarify this concept, some terms must be defined. First, an **Account** is an accounting record in which the results of similar transactions are accumulated. The account will show increases and decreases as a result of normal activities. The account will also always have a balance, which is the net result of the increases and the decreases. In accounting, increases and decreases in accounts are expressed as "**debits**" and "**credits**". Unfortunately, the meaning accounting assigns to these terms is **not** the same as common usage assigns to them. Debits are entries on the left side of an account. Credits are entries on the right side of an account. The left side of an account can mean positive or negative, depending on what type of account it is. For example, asset accounts, being on the left side of the balance sheet, have a debit balance; therefore, a debit entry increases an asset account and a credit entry decreases an asset account. Liabilities and owner's equity accounts are on the right side of the balance sheet and normally have credit balances; therefore, a credit entry increases these accounts while a debit entry decreases these accounts.

The important point for a manager to remember is that when an accountant speaks of debits and credits, the impact of this on an account depends on what type of account it is.

With double entry accounting all financial transactions have a dual effect. For example, if the organization purchases a truckload of fuel for its fuel inventory, two things have happened from an accounting point of view. The first is that its inventory (an asset) has increased by the value of the fuel bought. The second is that its liabilities were increased by the cost of the fuel (a payable), or cash (an asset) was decreased by the payment for the fuel. Thus, the fundamental accounting equation stays in balance. Similarly, if revenue is generated by a flight, assets are increased by the amount of revenue earned (a receivable). At the same time, but separately, expenses were incurred for fuel, salaries, depreciation, etc., which increases liabilities. And, if the revenue earned is greater than the expenses incurred (i.e., there is a profit), the owners equity will increase by the difference between the increase in assets and the increase in liabilities.

This dual effect of all financial transaction is the reason this type of accounting is called Double Entry Accounting. The key point to remember is that for every financial action, there is an equal and opposite financial reaction.

A.3.3 Audit Trail

The purpose of auditing the financial records of an organization is to make sure that the financial statements reflect its financial condition fairly and accurately. There are many reasons for doing this. The primary reason is to ensure that management is basing its decisions and plans on realistic numbers.

The objective of an audit trail is that any expense incurred, asset acquired, income received, etc. by that organization can be traced from the original invoice, trip request, purchase order or check to the financial statement. The system must also allow the reverse to be accomplished.

The accounting system described in the following sections achieves this objective because each transaction is recorded individually in one of the journals, by date, amount, account number and check number (expense) or invoice number (revenue). In turn, the reference to the check number or invoice allows further checking to the source document (purchase order, work order, etc.). After being recorded in a journal, the financial data is combined in the general ledger and presented in the financial statement. Thus, by definition, the financial statement summarizes all financial transactions and any account can be traced back to its original paperwork.

Basically, when an auditor performs an audit, he or she ascertains two things. The first is that all expenses incurred and revenues received by the organization being audited are all included properly and are all fully traceable from the original invoice, check, purchase order, etc. to the financial statement (i.e., there is an audit trail). The second is that all assumptions and methods used for allocation of costs, valuation of assets, etc. are done on a consistent basis that is logical, legal, and meets certain standards. When both these conditions are met, it is said that the financial statements conform to Generally Accepted Accounting Principles.

There are three kinds of financial statements that an organization can produce. All three are produced by an accounting system described in this CAG. The difference lies in the amount of scrutiny these financial statements have received from an independent auditor.

The first is in the proper format for a financial statement, but has not been examined by an independent auditor other than to make sure it is in the appropriate format. This is referred to as an "unaudited" financial statement.

The second is when an accountant has looked at the financial statement from the point of view of whether the numbers pass a basic reality check. This is referred to as "unaudited but reviewed" financial statement.

The last is when a qualified accountant performs a check of the audit trail, the internal controls, the various assumptions used, etc. When this has been accomplished, the financial statements are referred to as "audited and found to be in compliance with generally accepted accounting principles."

When implemented properly, an accounting system such as described in this CAG will provide the required audit trail with no additional effort.

A.4 The Accounting Process (Accounting cycle)

The accounting process is the means by which financial activities are transformed into accounting reports that can be interpreted and used in decision-making. This process is also known as the **Accounting Cycle**.

The accounting cycle explained below is based on an **Accrual Basis** accounting model. An accrual basis accounting system is an accounting system that recognizes revenues and expenses as they are earned and incurred, not necessarily when cash is received or paid. A **Cash Basis** accounting system recognizes revenues and expenses only when cash is received or paid.

A.4.1 Source Documents

The accounting cycle begins with source documents that are the records of transactions used for the basis for recording accounting entries. Source documents include purchase orders, invoices, checks, expense accounts, work orders, inventory counts, etc. These documents confirm that a transaction has occurred and establish the amounts to be recorded.

A.4.2 Journalize Transactions

A journal is an accounting record in which transactions are first entered. It provides a chronological record of all business activities (also known as a book of original entry). The journal will show the date of the transaction, the amount, the accounts affected, and a brief explanation of the transaction. Debits must always equal credits in a journal entry.

Journals are very similar to ship or aircraft logs in that they present a chronological listing of the events affecting the organization. Typically, an organization will maintain several of these journals to record different types of financial transactions. Examples of journals that may be used by a typical organization are the Revenue Journal, the Purchases Journal, the Payroll Journal and the General Journal. There are no hard rules as to what journals need to be kept, except that clearly separate activities should be clearly separated.

There are several rules to be observed when entering journal entries.

- The most important one is that each entry is posted to its proper account (i.e., fuel purchases are posted to "fuel", not "maintenance labor" or "insurance").
- The principle of dual entry is maintained. For example, when the rent is paid, this should appear both as an increase in expenses and a decrease in assets (cash).
- The source of the information recorded is clearly indicated (usually by date, vendor and document number). The reason for this is that it is a key link in building traceability from the final financial statements back to the source documents.

Entering each transaction into its proper accounts requires that the various accounts be carefully defined and that there are enough different accounts to reflect all the categories of cost and revenue that need to be tracked. Furthermore this needs to be done in such a manner that subsidiary accounts can easily be collected into their overall account. For example, it may be important for an operation to track bulk fuel purchases, contract fuel purchases, and individual, retail fuel purchases. At the same time, from management's point of view, the only figure of interest is total fuel purchases.

To accomplish this, an organization will establish a "**Chart of Accounts.**" This chart establishes the various accounts under which each financial transaction will be listed. Each account is clearly defined and is assigned a multi-digit number. Section 3 contains a detailed explanation of the Chart of Accounts.

A.4.3 Post Journal Entries to Accounts

After transactions are recorded in the general journal or the various specialized journals, they must be classified and grouped by similar items into common accounts and entered into the General Ledger. This process is called posting. The **General Ledger** is an accounting record of all accounts of the organization. In other words, all activity from the various journals for one particular account are summed and then "posted" to the matching account number in the General Ledger. Thus, the General Ledger summarizes all the information collected in the various journals. Very importantly, the General Ledger collects the data in such a manner that, after the appropriate additions and subtractions are performed, it produces the information required for the financial statements. Of course, the information from the journals can also be posted to subsidiary ledgers that show more detail for a particular group of accounts in order to meet management information needs.

A.4.4 Prepare a Trial Balance Sheet

At the end of the accounting period, the accounts in the General Ledger are reviewed and the account balances are determined. Once this is complete, a **trial balance** is prepared to check the accuracy of the previous steps. The trial balance lists each account with its associated debit or credit balance. The objective is for total debits to equal total credits.

A.4.5 Prepare a Work Sheet

The next step is to prepare a **work sheet**. This is a columnar schedule used to summarize accounting information. The work sheet lists the trial balance, adds adjusting entries and extends the resulting figures into the financial statement columns. The figures are then used in preparing the balance sheet, income and expense statement, and other financial reports.

A.4.6 Adjusting Entries

Adjusting Entries are required at the end of each accounting period to recognize, on an accrual basis, revenues and expenses for the period and to report proper amounts for assets, liabilities and owner's equity accounts. An agency must make sure that all account balances are appropriate and that all revenues and expenses are recognized before financial statements can be prepared. This is accomplished by making adjusting entries. Adjustments are generally required at the end of each accounting period. The following type of accounts normally requires adjustments:

- Unrecorded revenues -- revenues not previously recognized that are earned but not received by the end of the accounting period.
- Unrecorded expenses -- expenses not previously recognized that are incurred but not yet paid for by the end of the accounting period.
- Unearned revenues -- Payments received before they are earned.
- Prepaid expenses -- Payments made in advance for items normally charged to an expense account.

The basic purpose of adjusting entries is to bring account balances to their correct amounts so that the financial statements will reflect the proper amounts at the end of the accounting cycle.

A.4.7 Prepare Financial Statements

Once all transactions and the adjusting entries have been analyzed, journalized, and posted, the accounts can be summarized and be presented in the **financial reports** generated. The information for both the balance sheet and the income and expense statement can be taken directly from the work sheet. These financial statements should be prepared as soon as possible at the end of each accounting period.

A.4.8 Post Adjusting Entries

After the financial statements have been prepared, all **adjusting entries** need to be journalized and posted to the appropriate accounts. When that step is complete, the closing entries can be made.

A.4.9 Closing

Posting **Closing Entries** is the process whereby the revenue and expenses accounts (referred to as "nominal", or temporary, accounts) and the resulting net income are set back to zero at the end of an accounting period; transferring their pre-closing balances to the owners' equity accounts (referred to as a "permanent" balance sheet account). This process is required to measure the income, expense and net income of that next accounting period.

When the closing entries have been posted, the last step in the accounting cycle is the preparation of a post closing trial balance. A post closing trial balance is a listing of all real accounts (assets, liabilities and owners' equity) and their associated balances after the closing process has been completed. This step checks that all nominal accounts were closed out properly by checking that the debits equal the credits for all real accounts prior to beginning the new accounting period.

Appendix B

FORMS

As discussed in earlier sections of the CAG, one of the most important objectives when developing an accounting system is to satisfy the output requirements of an organization. One of the principal tools to help an organization meet its output requirements is a well-designed chart of accounts. However, an organization's planning must not stop there.

Another, equally important part of the accounting system, which must also receive proper planning, is the collection of cost data. An organization could properly identify its reporting requirements and design the "perfect" chart of accounts but if the data flowing into the system is not accurate and relevant then the common saying of, "garbage in garbage out," becomes applicable.

Basically, an organization can view cost data as coming from two sources, external to and from within the organization. In either case, it is very important that the cost data source documents contain all the information required for proper entry into the accounting system. Thus each source document needs to contain enough information to determine to which account number, location, aircraft and contract it should be assigned. The best way to do this is to have appropriate spaces on each source document form.

An organization often cannot do much to influence the format of cost data arriving from external sources, such as vendor invoices. Of course, with large vendors, or vendors that are on contract, the agency can specify what data must be contained on the invoice in order to be paid promptly! It is much more important, though, to channel the available cost data (invoices) from external sources into a procedure that assures the required information about account number, aircraft, etc. is added before it arrives in the accounting department for entry into the accounting system.

By contrast, organizations can greatly influence how they capture internally generated cost data. This chapter offers guidance on ways to develop or modify the most important forms so they capture the relevant internal cost data. A key point is to make sure the form contains space and directions for the entry of the required data. This data must be easy to enter when the form is being used in the performance of a job. Making the form "user friendly" is a lot easier than to recreate or guess at the data after the job and the form have been completed.

B.1 Setting Up Forms

The task of creating forms is an important, but not necessarily difficult, task. Form design is important because it causes the agency to think through the logical flow of data from source to output. The task forces individuals to understand their organization's accounting process. It should not be difficult because the relevant and important data to capture on forms will become obvious when using proper planning. Also, not many agencies will have a unique requirement for data for which a form does not already exist somewhere in the aviation industry.

Once an agency has identified the relevant data it would like to capture, it must then either develop or find a pre-existing form that fulfills its needs. Properly developed forms are clear and leave little doubt as to what data the user needs to complete. Clear forms request only required data.

Pre-numbering of forms is another issue to consider. For accountability and auditing reasons, agencies should pre-number their forms. Remember data captured on forms is the source for information in the required output. To check the validity and reasonableness of the required output, agencies must be able to track back through the accounting system to the source document. Pre-numbering simplifies recording the source of cost data in each journal entry and assures that records can be found quickly and without ambiguity when the results are audited.

The effective use of forms requires that personnel performing the various tasks must enter the appropriate information. This includes not only the work performed, but also the relevant account number, location code, contract number etc. This approach improves accuracy and avoids unnecessary duplicate work. For a pilot, technician, or clerk to accomplish this requires that they be given appropriate information about account numbers, etc. This can easily be done by printing the relevant information on the back of the form. This provides an easy reference. Another way is to have the floor supervisor enter the information.

This appendix contains a number of samples of forms in use with various commercial operators.

B.2 Sample Forms

This section illustrates examples of basic forms for agencies that are faced with the task of creating or finding forms for their operations. Figure 1 identified the basic internal forms that will allow an agency to capture relevant data for its reporting requirements. The main ones are:

- fuel slips,
- time cards,
- work orders,
- purchase orders, and
- aircraft usage reports.

The following sections illustrate typical examples of forms based on the ones used by commercial operators. The text that accompanies each form also identifies the minimum data on each form that agencies should collect to obtain the necessary cost data.

B.2.1 Fuel Slip

General Comments - The purpose of the fuel slip is to record transactions involving the purchase or consumption of fuel. An organization should consider the following important data elements when implementing a form to capture fuel transactions. This form applies whether fuel is obtained from an agency's own fuel supplies or from a commercial retail vendor. Cost data for fuel that is bought commercially is usually recorded on a preprinted form supplied by the fuel company or Fixed Base Operator (FBO). The pilot should make sure that he/she obtains a copy of this charge slip and attaches it to the fuel form.

Important Data Elements to Consider

- (1) **Pre-Numbered Form** - Pre-numbered forms offer an organization control by giving them accountability of transactions that affect them. For example, if questions arise about missing source documents, unrecorded transactions, or a specific transaction, pre-numbered forms allow tractability through the accounting system. Pre-numbering forms is as fundamental as recording the date on the source document.
- (2) **Date** - One of the key data elements for well-developed accounting systems is the date. If agency personnel will enter the date as part of the source document, then agencies can sort individual transactions according to the date of occurrence, which, in turn, yields meaningful information for the management of an operation. It also ensures that transactions are recorded in the appropriate period of accounting. Recording the date is an essential ingredient of any audit trail.
- (3) **Aircraft Registration Number** - Needed for allocation to the appropriate aircraft.
- (4) **Contract Number** - Needed for allocation to the appropriate contract, if appropriate
- (5) **Account Number** - The various possibilities, such as

61114 - Fuel, Bulk (Commercial)

61117 - Fuel, Retail (Federal)

may be preprinted on the form with an adjacent check off box.

- (6) **Gallons Delivered** - Gallons delivered is a key element in the computation of the total cost of the purchased fuel.
- (7) **Total Amount** - Enter the total amount into the proper transaction journal.
- (8) **Signature Block** - The pilot responsible for the aircraft into which the fuel is pumped should sign here.

B.2.2 Time Sheet

General Comments - Time sheets or time cards represent the primary source of labor data for an organization. An organization first must decide to what level of the organization they want personnel accounting for their time at a detail level. Normally, direct labor keeps detailed time sheets, while overhead labor keeps track of time on a more macro level and subsequently has their time assigned to specific jobs based on a predetermined allocation basis. Examples of direct labor in a maintenance organization would include inspectors, mechanics, overhaul shop personnel, etc. Once an organization decides who will track their time, then they need to use a form that captures relevant data.

Important Data Elements to Consider

- (1) **Date** - One of the key data elements for well-developed accounting systems is the date. If agency personnel will enter the date as part of the source document, then agencies can sort individual transactions according to the date of occurrence. This, in turn, yields meaningful information for the management of an operation and ensures that transactions are recorded in the appropriate period of accounting. Recording the date is an essential ingredient of any audit trail.
- (2) **Work Order Number** - This is for cross-reference when doing an audit and helps track cost to a specific project if desired.
- (3) **Aircraft Registration Number** - Needed for allocation to the appropriate aircraft.
- (4) **Account Number** - It is essential that direct labor have direct labor account numbers to which they can charge their time. It is important to capture the entire amount of paid hours not just productive hours, therefore a charge should exist for the time paid that is not directly associated with a job.
- (5) **Description of Work Performed** - Allows an organization to accurately determine the type of work or tasks that various personnel have performed during a job. An example of a description of work performed might simply state, "performance of 100-hour inspection" or "replacement of part number such and such". Again description of work gives an organization an audit trail.
- (6) **Total Time** - Summarizes the detailed entries of the daily time sheet and is also the amount entered into the labor journal.
- (7) **Signature Block** - The technician whose time is recorded on the time sheet should sign it here. Again, this is part of building an audit trail.

B.2.3 Work Order

General Comments - The work order is the source document that summarizes the work performed on an aircraft. The work order contains a lot of data but, most importantly, it summarizes the activity about parts and labor. When developing or looking for an appropriate form, an organization might want to consider the following elements.

Important Data Elements to Consider

- (1) **Pre-Numbered Form** - Pre-numbered forms offer an organization control by giving them accountability of transactions that affect them. For example, if questions arise about missing source documents, unrecorded transactions, or a specific transaction, pre-numbered forms allow tractability through the accounting system. Pre-numbering forms is as fundamental as recording the date on the source document.
- (2) **Work Order Number** - This provides a cross reference when doing an audit and helps track costs to a specific project if desired.
- (3) **Date** - One of the key data elements for well-developed accounting systems is the date. If agency personnel will enter the date as part of the source document, then agencies can sort individual transactions according to the date of occurrence which, in turn, yields meaningful information for the management of an operation and ensures that transactions are recorded in the appropriate period of accounting. Recording the date is an essential ingredient of any audit trail.
- (4) **Aircraft Registration Number** - FAIRS and the Circulars require an organization to track costs by tail number.
- (5) **Contract Number** - Agencies may want to track cost by contract.
- (6) **Account Number(s)** - This is necessary to make sure the various costs are posted to the proper accounts. This task can be simplified by preprinting the form with the various cost accounts in use (for example: Airframe Parts - Scheduled #61221 and Airframe Parts - Unscheduled #61227).
- (7) **Labor Hours** - Important ingredient when determining the cost of total labor.
- (8) **Labor Rate** - Important ingredient when determining the cost of total labor.
- (9) **Total Labor Cost** - Sum of the labor hours x labor rate.
- (10) **Part Number** - If not for regulatory reasons then for internal purposes, an organization should indicate the parts that required attention during the maintenance action.
- (11) **Serial Number** - If applicable, record the serial number. This is an important factor in maintaining air worthiness of the aircraft.
- (12) **Nomenclature** - As important as the part number.
- (13) **Quantity** - Important ingredient when determining the cost of parts during maintenance.
- (14) **Unit Price** - Important ingredient when determining the cost of parts during maintenance.
- (15) **Extended Cost** - Quantity x Unit Price.
- (16) **Signature Block** - The technician who accomplished the work sign here. Again, this is part of building an audit trail.

B.2.4 Purchase Order

General Comments - The purchase order is the official document that reflects what an organization has ordered. A properly-designed purchase order will allow an organization to determine what is outstanding on a given date and to compare actual receipts to what was ordered. An organization should consider the following data elements when implementing a form for the purchase ordering system.

Important Data Elements to Consider

- (1) **Pre-Numbered Form** - Pre-numbered forms offer an organization control by giving them accountability of transactions that affect them. For example, if questions arise about missing source documents, unrecorded transactions, or a specific transaction, pre-numbered forms allow tractability through the accounting system. Pre-numbering forms is as fundamental as recording the date on the source document.
- (2) **Date** - One of the key data elements for well-developed accounting systems is the date. If agency personnel will enter the date as part of the source document, then agencies can sort individual transactions according to the date of occurrence. This in turn, yields meaningful information for the management of an operation and ensures that transactions are recorded in the appropriate period of accounting. Recording the date is an essential ingredient of any audit trail.
- (3) **Quantity Ordered** - The receiving department must also verify that everything ordered has been received.
- (4) **Part Number** - When an organization receives the shipment that fulfills the purchase request, the receiving department will need to compare the actual part number received with the part number ordered.
- (5) **Description** - Another important attribute used during the receipt of an order. Compare nomenclature of part actually received to nomenclature on purchase order.
- (6) **Unit Price** - Important ingredient when determining the cost of parts used for maintenance.
- (7) **Extended Cost** - Quantity x Unit Price.
- (8) **Intended Use** - This is needed to show whether the part(s) were ordered for inventory or a specific aircraft. If it is ordered for inventory, account number 15120 is applicable. If the part is ordered for an aircraft, the aircraft tail number should be shown as a minimum. In addition, the work order or purchase requisition should be shown to facilitate an audit.
- (9) **Signature Block** - The technician who accomplished the work sign here. Again, this is part of building an audit trail.

B.2.5 Aircraft Usage Report

General Comments - The aircraft usage report establishes how a particular aircraft was used during a particular period of time. This form combines input from the flight log and the maintenance log and capture not only flying, but also the overall availability of the aircraft. An organization should consider the following data elements when implementing an Aircraft Usage Report form.

Important Data Elements to Consider

- (1) **Aircraft Registration Number** - Needed for allocation to the appropriate aircraft.
- (2) **Date** - Data must be entered for each day of the week
- (3) **Mission Flying Time** or Flight Time - This shows the total time for the aircraft for this date in support of the agency's mission, which agency project or cost code benefited from each flight, contracts, etc.. Time should be entered in decimal hours for ease of addition.
- (4) **Waiting Time** - This shows the total waiting time associated with the time shown in (3).
- (5) **Other Flying or Flight Time** - This shows any other time that was logged on this aircraft for this day. This might include flight-training time, ferry time or maintenance test flight time. Adding the times shown in (3) and (5) should match the total time shown in the aircraft log book for this date.
- (6) **In Maintenance** - This shows the total time that the aircraft was in maintenance for this date.
- (7) **Other (Specify)** - This shows the total time that the aircraft was in use for something other than flight, waiting associated with a flight, or maintenance. Do not record the time that the aircraft is available for flight but not in use.
- (8) **Contract/Job Number** - Record the contract number or job number here for any flight that is performed under a contract or specific job number. The use of the aircraft for public or non-public use can also be recorded here.
- (9) **Comments** - Show what other use the aircraft was put to in this space. This must be completed if time is shown under (7).
- (10) **Reviewed By** - This is the signature of the individual who has reviewed the entries for the week for correctness.
- (11) **Vendor Name and Address** - The aircraft used may be a commercially procured service.
- (12) **Crew Names**
- (13) **Pre-Numbered Form** - This is very important for an aircraft use report as it allows traceability through the systems.
- (14) **Aircraft Make and Model**
- (15) **Flight Activity** - Flight data such as From/To, number of passengers, pounds of cargo, etc. This should contain data summarized from the passenger or cargo manifest.
- (16) **Pilot Signatures** - These signatures are just as important as the "Reviewed By" signature.
- (17) **Receiving Agent Signature** - This is needed so the Government Representative may sign that the services were received. This block must provide for the person's organization and address.

Appendix C

REPORTS AVAILABLE

The recommended accounting system discussed in this guide will provide numerous reports. These reports fall into the four broad categories discussed below.

C.1 Financial Statements

These reports are the direct output of the accounting system without any further manipulation.

- * Balance Sheet - This is the financial statement that shows assets, liabilities, and owner's equity.
- * Income and Expense Statement - This is the financial statement that shows the income and expenses for the accounting period. This statement also supports the changes shown in the balance sheet when compared with the one from the previous accounting period.
- * Cash Flow Statement - This is the statement that shows how the available cash changed during the accounting period.

C.2 Government Report Input

One of the primary objectives of the cost accounting system proposed in this guide is to provide the accounting data required to prepare financial statements and to provide the input for the following:

- OMB cost comparisons (such as those required in Circulars A-11 and A-126)

Both Circulars A-11 and A-126 require input data that can be obtained from the accounting system. The CAG Correlation Matrix in section 2.4 provides a cross reference to show which account in the accounting system generates the required data. In addition, the detailed account descriptions shown in chapter 3.0 indicate the detailed applicability of each account to the required cost elements for A-11 and/or A-126 calculations.

- FAIRS

The agency cost accounting system will be the major contributor to the quarterly FAIRS reports of aviation use and cost. The CAG Correlation Matrix on in section 2.4 provides a cross reference to show which account in the accounting system generates the required data. In addition, the detailed account descriptions shown in chapter 3 indicate the detailed applicability of each account to the matching FAIRS cost elements.

C.3 U.S. Federal Standard General Ledger System (SGL)

As discussed in chapter 3, the chart of accounts developed in this guide is based directly on the SGL. In fact, the two use the same major account categories and many of the same subsidiary account categories. Therefore, there is **direct** correlation between the two accounting systems and data created by the proposed aviation cost accounting system can be fed directly into the SGL.

C.4 Object Class/Line Item Accounting

The Object Class/Line Item system of accounting in use by the Federal Government uses a different way of classifying costs that is focused on the purpose of the obligation, rather than the service or product produced. It uses a series of very broad categories of costs (Object Classes) that cut across the

functional cost allocation categories needed in a cost accounting system. These object classes are defined in OMB Circular A-11.

Object Class definition contained in this circular are as follows:

Personal Services and Benefits

11.1	Personnel Compensation - Full time Permanent
11.3	„ „ - Other than Full time permanent
11.5	„ „ - Other personnel compensation
11.7	„ „ - Military personnel
11.8	„ „ - Special personal services
11.9	„ „ - Total
12.1	Personnel benefits - Civilian personnel
12.2	„ „ - Military personnel
13.0	Personnel benefits - Former personnel

Contractual Services and Supplies

21.0	Travel and transportation of persons
22.0	Transportation of things
23.1	Rental payments to GSA
23.2	Rental payments to others
23.3	Communications, utilities and miscellaneous
24.0	Printing and reproduction
25.0	Other services
26.0	Supplies and materials

Acquisition of Capital Assets

31.0	Equipment
32.0	Land and structures
33.0	Investments and loans

Grants and Fixed Charges

41.0	Grants subsidies and contributions
42.0	Insurance claims and indemnities
43.0	Interest and dividends
44.0	Refunds

Other

91.0	Unvouchered
92.0	Undistributed
93.0	Limitation on expenses
99.0	Subtotal obligations
99.9	Total obligations

It is relatively easy to take cost collected by the cost accounting system and consolidate and assign them to object classes. It is expected that the costs collected by the cost collection system can also be allocated to line items by each agency. However, unless the line item suffixes and/or other suffixes are set up to match the cost accounting account numbers, it will be very difficult to make a correlation the other way -- i.e. from object class/line item to aviation cost account.

C.5 Management Reports

When an accounting system is designed as discussed in this guide, the standard financial reports as well as custom designed reports can be easily generated to support management decisions. This is possible because flexibility has been built into the chart of accounts and suffixes are used to collect information in detailed categories (i.e., aircraft tail number, work order number, and object class code). The way to ensure desired output can be produced is to define what is needed prior to constructing the accounting system.

C.6 Federal Aviation Interactive Reporting System (FAIRS)

OMB has charged GSA to establish and maintain a statistical database of Federal agency aircraft use and costs. GSA has developed FAIRS to meet that mandate and to provide a powerful analysis structure for the Federal agencies to use in planning, programming, and budgeting for aircraft use. FAIRS is a centralized statistical database which is accessed through the Internet (Web). Federal agencies designate certain authorized individuals to input and retrieve information from FAIRS. Each person with access to FAIRS must be trained and certified by GSA for access to the system. Each Federal agency that uses aircraft or aircraft services in the course of its business must designate an appropriate number of persons to input and retrieve information in FAIRS. FAIRS collects several data elements which are not common to cost accounting systems. These include specific inventory information on each Federal aircraft, level of activity of each aircraft. **The agency aircraft cost accounting system must extract information elements in strict accordance with the business rules for reporting to FAIRS and must translate chart-of-account entries into the appropriate reporting elements for FAIRS.** The matrices in Section 2.4 show a cross-reference of FAIRS data elements and accounting cost elements. Appendix D provides the definitions of the FAIRS data elements and corresponding Chart of Accounts Code, where applicable. Specific assistance is available to any Federal agency establishing or refining its internal cost accounting methods to support FAIRS. Contact: GSA, Aircraft Management Policy Division (MTA), 1800 F St. NW, Washington, DC 20405 (202-208-0519).

Appendix D

FAIRS Data Elements and Their Definitions with Corresponding Chart of Accounts Codes

This section lists the FAIRS cost data elements and defines them. See CAG section 2.1 for discussion of general terms related to Government aircraft.

(These Accounting Code numbers will be 'stamped' on the back of the costs and/or hours records by INL. This will be a new enhancement.)

	Data Element	Definition	Accounting Codes	Type of Account
1	Acquisition Date	The date that the acquiring executive agency took responsibility of the aircraft, e.g., received title, signed a lease/purchase agreement, signed a bailment agreement, accepted physical transfer, or signed an SF 122.	N/A	
2	Acquisition Method	Indicates the acquisition method used to acquire the aircraft.	N/A	
3	Acquisition Primary Mission	Identifies the primary justification for the bureau/office/service of the executive agency to acquire the aircraft.	N/A	
4	Acquisition Secondary Mission	Identifies the secondary justification for the bureau/office/service of the executive agency to acquire the aircraft.	N/A	
5	Acquisition Source Type	Describes the type of organization or source from which the aircraft was acquired.	N/A	
6	Aircraft Equipment Value	This account is maintained to show the cost of aircraft, aircraft modifications, mission equipment and other equipment used to support the aviation operation. The amounts shown are either the purchase price and/or the estimated market value of aircraft and equipment at the time they are transferred without cost. <u>This is AIRCRAFT VALUE SUMMARY ACCOUNT.</u>	17500	Summary
7	Acquisition Value	The value initially recorded on agency property records and/or accounting records at the time of acquisition. If the aircraft is acquired through an interagency transfer, the acquisition value is the greater of the aircraft net book value plus the cost of returning the aircraft to an airworthy condition or the commercial retail value of that aircraft in average condition. If it is a military aircraft without a commercial equivalent in an airworthy condition, the	17510	Posting

		acquisition value is equal to the scrap value. If not in airworthy condition, the acquisition value is equal to the scrap value plus the cost of returning the aircraft to an airworthy condition. Subsequent modifications made to the airframe are not part of the acquisition value. <u>This is AIRCRAFT VALUE ACQUISITION COST.</u>		
8	Actual Cost Indicator	Indicates whether the data associated with the Federal Aircraft costs being reported are actual cost versus estimated cost.	N/A	
9	Administrative Overhead Cost – Summary Cost	Severable or allocable costs that do not relate directly to the operation of the agency's aircraft, but are necessary for the conduct of aircraft operations paid to a commercial and Federal source. Examples include payroll and personnel office costs in support of the aviation program. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an administrative overhead cost for this report. Administrative overhead may be allocated to an aircraft cost only where a direct connection between the administrative function and the aircraft can be shown. Otherwise, the administrative cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST SUMMARY.</u>	66000	Summary
10	Administrative Overhead Cost – Commercial Cost	Severable or allocable costs that do not relate directly to the operation of the agency's aircraft, but are necessary for the conduct of aircraft operations paid to a commercial source. Examples include payroll and personnel office costs in support of the aviation program. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an administrative overhead cost for this report. Administrative overhead may be allocated to an aircraft cost only where a direct connection between the administrative function and the aircraft can be shown. Otherwise, the administrative cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST COMMERCIAL.</u>	66010	Posting
11	Administrative Overhead	Severable or allocable costs that do not	66020	Posting

	Cost – Federal Cost	relate directly to the operation of the agency's aircraft, but are necessary for the conduct of aircraft operations paid to a Federal source. Examples include payroll and personnel office costs in support of the aviation program. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an administrative overhead cost for this report. Administrative overhead may be allocated to an aircraft cost only where a direct connection between the administrative function and the aircraft can be shown. Otherwise, the administrative cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST FEDERAL.</u>		
12	Agreement Begin Date	Date on which the type of service that includes use of charter aircraft, contract aircraft, rental aircraft, lease aircraft, ISSA aircraft and related activities in support of an executive agency, starts.	N/A	
13	Agreement Comment	Relevant remarks which add clarifications to the aircraft CAS Cost and Hours Flown or Flight Time information.	N/A	
14	Agreement End Date	Date on which the type of service that includes use of charter aircraft, contract aircraft, rental aircraft, and related activities in support of an executive agency, ends.	N/A	
15	Agreement Number	Reference number for the type of service that includes use of charter aircraft, contract aircraft, rental aircraft, and related activities in support of an executive agency.	N/A	
16	Agreement Type	Indicates the type of commercial aviation service in support of an executive agency.	N/A	
17	Aircraft Comment	Relevant remarks that clarify the Federal aircraft inventory information.	N/A	
18	Allow Secure Aircraft Indicator	Indicates whether the bureau/office/service is allowed to have mission-sensitive aircraft in its inventory.	N/A	
19	Bureau/Office/Service	Identifies the reporting subunit within the executive agency. Usually the first major subunit of the agency but may be a lower level unit at the agency's discretion.	N/A	
20	Can Report for Others Indicator	Indicates whether the bureau/office/service is allowed to report CAS cost and hours flown or flight time for another bureau/office/service.	N/A	
21	Certificate of Airworthiness Class for Type "Special"	Indicates the class of airworthiness for an aircraft holding a Certificate of Airworthiness of type "Special". See 14	N/A	

		CFR 21.		
22	Certificate of Airworthiness Class for Type "Standard"	Indicates the class of airworthiness for an aircraft holding a Certificate of Airworthiness of type "Standard". See 14 CFR 21.	N/A	
23	Certificate of Airworthiness Type	Indicates the type of Certificate of Airworthiness held by the aircraft.	N/A	
24	Commercial Aviation Services (CAS) Cost – Summary Cost	This is Commercial Aviation Services (CAS) costs associated with the occurrence of having in-house operating expenses provided by the using Government agency that benefits from the commercial service, such as pilot and fuel expenses and paid-out operating expenses paid out to commercial or other Government agency providers of the CAS. Paid-out costs include operations and administrative overhead costs allocated to the CAS. <u>This is CAS SUMMARY for operating expenses.</u>	65000	Summary
25	Cost Comment	Relevant remarks that clarify the cost reporting.	N/A	
26	Cost Offset for CAS and Federal Aircraft – Total Commercial and Federal Summary Cost	Funds, or the value of resources-in-kind, contributed from outside your agency by a commercial and federal source to share the costs of this aircraft operation. Contributions by non-Federal Government agencies are classed as commercial cost offsets. Contributions by Federal Government agencies are classed as federal cost offsets for CAS and Federal Aircraft. Examples include the supply of fuel, dollars, crewmembers, hangaring or other materials donated by outside entities or by other Federal Government agencies towards the expense or operation of the aircraft. <u>This is COST-OFFSET SUMMARY.</u>	52000	Summary
27	Cost Offset for CAS and Federal Aircraft - Commercial Cost - Summary Cost	Funds, or the value of resources-in-kind, contributed from outside your agency by a commercial source to share the costs of this aircraft operation. Contributions by non-Federal Government agencies are classed as commercial cost offsets for CAS and Federal aircraft. Examples include the supply of fuel, dollars, crewmembers, hangaring or other materials donated by outside entities towards the expense or operation of the aircraft. <u>This is COST-OFFSET COMMERCIAL</u>	52400	Summary
28	Cost Offset for CAS Aircraft - Commercial Cost	Funds, or the value of resources-in-kind, contributed from outside your agency by a commercial source to share the costs of this aircraft operation. Contributions by non-Federal Government agencies are classed as commercial cost offsets for CAS aircraft.	52410	Posting

		Examples include the supply of fuel, dollars, crewmembers, hangaring or other materials donated by outside entities towards the expense or operation of the aircraft. <u>This is COST-OFFSET COMMERCIAL</u>		
29	Cost Offset for Federal Aircraft - Commercial Cost	Funds, or the value of resources-in-kind, contributed from outside your agency by a commercial source to share the costs of this aircraft operation. Contributions by non-Federal Government agencies are classed as commercial cost offsets for Federal Aircraft. Examples include the supply of fuel, dollars, crewmembers, hangaring or other materials donated by outside entities towards the expense or operation of the aircraft. <u>This is COST-OFFSET COMMERCIAL</u>	52420	Posting

30	Cost Offset for CAS and Federal Aircraft - Federal Cost - Summary Cost	Funds, or the value of resources-in-kind, contributed from outside your agency by a Federal source to share the costs of this aircraft operation. Contributions by Federal Government agencies are classed as Federal cost offsets for CAS and Federal Aircraft. Examples include the supply of fuel, dollars, crewmembers, hangaring or other materials donated by Federal Government agencies towards the expense or operation of the aircraft. <u>This is COST-OFFSET FEDERAL.</u>	52100	Summary
31	Cost Offset for CAS Aircraft - Federal Cost	Funds, or the value of resources-in-kind, contributed from outside your agency by a Federal source to share the costs of this aircraft operation. Contributions by Federal Government agencies are classed as Federal cost offsets for CAS aircraft. Examples include the supply of fuel, dollars, crewmembers, hangaring or other materials donated by Federal Government agencies towards the expense or operation of the aircraft. <u>This is COST-OFFSET FEDERAL.</u>	52110	Posting
32	Cost Offset for Federal Aircraft - Federal Cost	Funds, or the value of resources-in-kind, contributed from outside your agency by a Federal source to share the costs of this aircraft operation. Contributions by Federal Government agencies are classed as Federal cost offsets for Federal aircraft. Examples include the supply of fuel, dollars, crewmembers, hangaring or other materials donated by Federal Government agencies towards the expense or operation of the aircraft. <u>This is COST-OFFSET FEDERAL.</u>	52120	Posting
33	Data Availability Status	Indicates the availability of the data. Its purpose is to allow the agency's designated reviewing official to review the data in the FAIRS database prior to using the data in reporting.	N/A	
34	Data Quarters Allowed	Represents the number of calendar quarters for which an agency/bureau is allowed to report data.	N/A	
35	Disposal Date	The date that the disposing executive agency relinquishes responsibility for an aircraft, (a) the date the executive agency transfers title in the case of a sale or exchange, returns the aircraft to the lessor or bailor, declassifies it, or otherwise disposes of the aircraft, or (b) the date that the accepting party signs the SF122 or SF123 in the case of transferred or surplus aircraft.	N/A	
36	Disposal Method	Indicates the transaction method used to dispose of the aircraft.	N/A	
37	Disposal Recipient	Indicates the name of the organization,	N/A	

		company, or individual that is accepting title to the aircraft from the owning agency.		
38	Disposal Recipient Type	Identifies the type of recipient that is accepting title to the aircraft from the owning agency.	N/A	
39	Executive Agency	Identifies any executive department or independent establishment in the executive branch of the Government, including any wholly-owned Government corporation.	N/A	
40	Fixed Crew Cost – Total Commercial and Federal Summary Cost	Total crew costs which do not vary according to aircraft usage, paid to a commercial and Federal source. This includes flight crew salaries, benefits and training costs for contractor crews. If any person in this descriptive category performs other duties on a part-time basis which are not flight crew duties, allocate that portion of the costs related only to flight crew duties. Include standby time as crew cost. Example: Physical Scientist Contract employee performs flight crew duties 25% of the time and acts as Senior Advisor for Science for the balance of the time. Allocate 25% of cost to this category and disregard the balance. <u>This is a FIXED COST SUMMARY.</u>	61160	Summary
41	Fixed Crew – Total Commercial Summary Cost	Total crew costs which do not vary according to aircraft usage, paid to a commercial source. This includes flight crew salaries and benefits. Example: Physical Scientist Contract employee performs flight crew duties 25% of the time and acts as Senior Advisor for Science for the balance of the time. Allocate 25% of cost to this category and disregard the balance. <u>This is a FIXED COST COMMERCIAL SUMMARY.</u>	61161	Summary
42	Fixed Crew – Total Federal Summary Cost	Total crew costs which do not vary according to aircraft usage, paid to a Federal source. This includes flight crew salaries and benefits. Example: Physical Scientist Contract employee performs flight crew duties 25% of the time and acts as Senior Advisor for Science for the balance of the time. Allocate 25% of cost to this category and disregard the balance. <u>This is a FIXED COST FEDERAL SUMMARY.</u>	61162	Summary
43	Fixed Crew – Commercial Cost (Other Costs Associated with Crew)	Crew costs which do not vary according to aircraft usage, paid to a commercial source. This includes invoices from outside sources that demonstrate authenticity of charges. <u>This is a FIXED COST COMMERCIAL.</u>	61168	Posting
44	Fixed Crew - Federal Cost (Other Costs Associated with Crew)	Crew costs which do not vary according to aircraft usage, paid to a Federal source. This includes invoices from outside sources	61169	Posting

		that demonstrate authenticity of charges. <u>This is a FIXED COST FEDERAL.</u>		
45	Fixed Crew – Commercial Cost (Training)	Crew costs which do not vary according to aircraft usage, paid to a commercial source. This includes training costs for contractor crews. <u>This is a FIXED COST COMMERCIAL.</u>	61166	Posting
46	Fixed Crew - Federal Cost (Training)	Crew costs which do not vary according to aircraft usage, paid to a Federal source. This includes flight training costs for Federal employee crews. <u>This is a FIXED COST FEDERAL.</u>	61167	Posting
47	Fixed Crew - Commercial Cost (Wages and Benefits)	Crew costs which do not vary according to aircraft usage, paid to a commercial source. This includes flight crew salaries and benefits. Example: Physical Scientist Contract employee performs flight crew duties 25% of the time and acts as Senior Advisor for Science for the balance of the time. Allocate 25% of cost to this category and disregard the balance. <u>This is a FIXED COST COMMERCIAL.</u>	61164	Posting
48	Fixed Crew - Federal Cost (Wages and Benefits)	Crew costs which do not vary according to aircraft usage, paid to a Federal source. This includes flight crew salaries and benefits. If any person in this descriptive category performs other duties on a part-time basis which are not flight crew duties, allocate that portion of the costs related only to flight crew duties. Include standby time as crew cost. Example: Aviation Program Manager performs flight crew duties 25% of the time. Allocate 25% of costs to this category and the balance to Operations Overhead. <u>This is a FIXED COST FEDERAL.</u>	61165	Posting
49	Fixed Lease – Summary Cost	The portion of lease costs paid to a commercial and Federal source that are based on the time the aircraft is available to the agency, but not those costs associated with flight time. If the agreement is a lease/purchase and a portion of the payments is being accrued to equity in the aircraft, include the entire amount in this category. Example: Your lease/purchase agreement requires \$70,000 per month plus \$2,000 per flying hour. A variable portion of the \$70,000 is allocated toward your equity in the ownership of the aircraft. Report \$70,000 per month to FAIRS. The flying hour portion is reported under Variable Lease - Commercial Cost. <u>This is a FIXED COST SUMMARY.</u>	61140	Summary
50	Fixed Lease - Commercial Cost	The portion of lease costs paid to a commercial source that are based on the time the aircraft is available to the agency,	61142	Posting

		but not those costs associated with flight time. If the agreement is a lease/purchase and a portion of the payments is being accrued to equity in the aircraft, include the entire amount in this category. Example: Your lease/purchase agreement requires \$70,000 per month plus \$2,000 per flying hour. A variable portion of the \$70,000 is allocated toward your equity in the ownership of the aircraft. Report \$70,000 per month to FAIRS. The flying hour portion is reported under Variable Lease - Commercial Cost. <u>This is a FIXED COST COMMERCIAL.</u>		
51	Fixed Lease - Federal Cost	The portion of lease costs paid to a Federal source that are based on the time the aircraft is available to the agency, but not those costs associated with flight time. If the agreement is a lease/purchase and a portion of the payments is being accrued to equity in the aircraft, include the entire amount in this category. Example: Your lease/purchase agreement requires \$70,000 per month plus \$2,000 per flying hour. A variable portion of the \$70,000 is allocated toward your equity in the ownership of the aircraft. Report \$70,000 per month to FAIRS. The flying hour portion is reported under Variable Lease - Federal Cost. <u>This is a FIXED COST FEDERAL.</u>	61144	Posting
52	Fixed Maintenance Costs – Total Commercial and Federal Summary Cost	Total fixed maintenance costs paid to a commercial and Federal source that include maintenance and inspection activities that occur based on a calendar interval rather than a flight-hour interval. This can include both major calendar-based inspections and the cost of maintenance personnel employed regardless of the exact number of hours flown or flight time. <u>This is a FIXED COST SUMMARY.</u>	61300	Summary
53	Flight Support – (Variable) Includes Flight Support, Ground and Oxygen Servicing – Summary Cost	Cost of landing, tiedown, parking, hangaring, and ground handling, away from home station; air traffic control fees, flight planning, clearances, etc. paid to a commercial or non-Federal and Federal source. Ground Servicing, are costs associated with towing, cleaning, air conditioning, start service, etc. paid to a commercial or non-Federal and Federal source, away from home station. Oxygen Servicing Costs are costs of servicing breathing oxygen systems paid to a commercial or non-Federal and Federal source. <u>This is a VARIABLE COST SUMMARY.</u>	61170	Summary

54	Flight Support – (Variable) Includes Flight Support, Ground and Oxygen Servicing - Commercial Cost – Summary Cost	Cost of landing, tiedown, parking, hangaring, and ground handling, away from home station; air traffic control fees, flight planning, clearances, etc. paid to a commercial or non-Federal source. Ground Servicing, are costs associated with towing, cleaning, air conditioning, start service, etc. paid to a commercial or non-Federal and Federal source, away from home station. Oxygen Servicing Costs are costs of servicing breathing oxygen systems paid to a commercial or non-Federal and Federal source. <u>This is a VARIABLE COST COMMERCIAL SUMMARY.</u>	61171	Summary
55	Flight Support - (Variable) Includes Flight Support, Ground and Oxygen Servicing – Federal Cost – Summary Cost	Cost of landing, tiedown, parking, hangaring, and ground handling, away from home station; air traffic control fees, flight planning, clearances, etc. paid to a Federal source. Ground Servicing, are costs associated with towing, cleaning, air conditioning, start service, etc. paid to a commercial or non-Federal and Federal source, away from home station. Oxygen Servicing Costs are costs of servicing breathing oxygen systems paid to a Federal source. <u>This is a VARIABLE COST FEDERAL SUMMARY.</u>	61172	Summary
56	Flight Support – (Variable) Commercial Cost	Cost of landing, tiedown, parking, hangaring, and ground handling, away from home station; air traffic control fees, flight planning, clearances, etc., paid to a commercial or non-Federal source. <u>This is a VARIABLE COST COMMERCIAL.</u>	61174	Posting
57	Flight Support - (Variable) Federal Cost	Cost of landing, tiedown, parking, hangaring, and ground handling, away from home station; air traffic control fees, flight planning, clearances, etc., paid to a Federal source. <u>This is a VARIABLE COST FEDERAL.</u>	61176	Posting
58	Flight Support – (Variable) Ground and Oxygen Servicing Summary Cost	Ground Servicing are costs associated with towing, cleaning, air conditioning, start service, etc., away from home station. Oxygen Servicing Costs are costs of servicing breathing oxygen systems. These are costs paid to a commercial or non-Federal source and Federal source. <u>This is a VARIABLE COST SUMMARY.</u>	61180	Summary
59	Flight Support - (Variable) Ground Servicing Commercial Cost	Ground Servicing are costs associated with towing, cleaning, air conditioning, start service, etc., away from home station. These are costs paid to a commercial or non-Federal source. <u>This is a VARIABLE COST COMMERCIAL.</u>	61182	Posting
60	Flight Support - (Variable) Ground Servicing Federal Cost	Ground Servicing are costs associated with towing, cleaning, air conditioning, start service, etc., away from home station.	61184	Posting

		These are costs paid to a Federal source. <u>This is a VARIABLE COST FEDERAL.</u>		
61	Flight Support - (Variable) Oxygen Servicing Commercial Cost	Oxygen Servicing Costs are costs of servicing breathing oxygen systems. These costs are paid to a commercial or non-Federal source. <u>This is a VARIABLE COST COMMERCIAL.</u>	61186	Posting
62	Flight Support - (Variable) Oxygen Servicing Federal Cost	Oxygen Servicing Costs are costs of servicing breathing oxygen systems, paid to a Federal source. <u>This is a VARIABLE COST FEDERAL.</u>	61188	Posting
63	Flight Support – (Fixed) Includes Flight Support, Ground and Oxygen Servicing - Commercial Summary Cost	Cost of landing, tiedown, parking, hangaring, and ground handling, at your home station; air traffic control fees, flight planning, clearances, etc. paid to a commercial or non-Federal and Federal source. Ground Servicing are costs associated with towing, cleaning, air conditioning, start service, etc. paid to a commercial or non-Federal and Federal source, at your home station. Oxygen Servicing Costs are costs of servicing breathing oxygen systems paid to a commercial or non-Federal and Federal source. <u>This is a FIXED COST SUMMARY.</u>	61190	Summary
64	Flight Support – (Fixed) Commercial Cost	Cost of landing, tiedown, parking, hangaring, and ground handling, at your home station; air traffic control fees, flight planning, clearances, etc. paid to a commercial or non-Federal source. <u>This is a FIXED COST COMMERCIAL.</u>	61192	Posting
65	Flight Support – (Fixed) Federal Cost	Cost of landing, tiedown, parking, hangaring, and ground handling, at your home station; air traffic control fees, flight planning, clearances, etc. paid to a Federal source. <u>This is a FIXED COST FEDERAL.</u>	61193	Posting
66	Flight Support – (Fixed) Ground and Oxygen Servicing Summary Cost	Ground Servicing are costs associated with towing, cleaning, air conditioning, start service, etc. paid to a commercial or non-Federal source and Federal source, at your home station. Oxygen Servicing Costs are costs of servicing breathing oxygen systems paid to a commercial or non-Federal source and Federal source. <u>This is a FIXED COST SUMMARY.</u>	61194	Posting
67	Flight Support – (Fixed) Ground Servicing Commercial Cost	Ground Servicing are costs associated with towing, cleaning, air conditioning, start service, etc. paid to a commercial or non-Federal source, at your home station. <u>This is a FIXED COST COMMERCIAL.</u>	61195	Posting
68	Flight Support – (Fixed) Ground Servicing Federal Cost	Ground Servicing are costs associated with towing, cleaning, air conditioning, start service, etc. paid to a Federal source, at your home station. <u>This is a FIXED COST FEDERAL.</u>	61196	Posting

69	Flight Support – (Fixed) Oxygen Servicing Commercial Cost	Oxygen Servicing Costs are costs of servicing breathing oxygen systems paid to a commercial or non-Federal source. <u>This is a FIXED COST COMMERCIAL.</u>	61197	Posting
70	Flight Support – (Fixed) Oxygen Servicing Federal Cost	Oxygen Servicing Costs are costs of servicing breathing oxygen systems paid to a Federal source. <u>This is a FIXED COST FEDERAL.</u>	61198	Posting
71	Flight Time – Fixed Wing (FW) Summary	The amount of time, expressed in hours and tenths of an hour, from when the aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This SUMMARY account represents the flight time for all Fixed Wing. <u>FIXED WING</u>	93000	Summary
72	Flight Time – FW Single Engine (SE) Summary	The amount of time, expressed in hours and tenths of an hour, from when the aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This SUMMARY account represents the flight time for Fixed Wing – Single Engine (SE). <u>FIXED WING</u>	93100	Summary
73	Flight Time – FW SE Reciprocating Engine	The amount of time, expressed in hours and tenths of an hour, from when the aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This account represents the flight time for Fixed Wing – SE Reciprocating Engine. <u>FIXED WING</u>	93110	Posting
74	Flight Time – FW SE Turbine Engine	The amount of time, expressed in hours and tenths of an hour, from when the aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This account represents the flight time for Fixed Wing – SE Turbine Engine. <u>FIXED WING</u>	93120	Posting
75	Flight Time – FW SE Jet Powered	The amount of time, expressed in hours and tenths of an hour, from when the aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This account represents the flight time for Fixed Wing – SE Jet Powered. <u>FIXED WING</u>	93130	Posting
76	Flight Time – UAS FW SE	The amount of time, expressed in hours and tenths of an hour, from when the UAS aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This account represents the flight time for UAS Fixed Wing – SE. <u>FIXED WING</u>	93140	Posting
77	Flight Time – FW Multi-Engine (ME) Summary	The amount of time, expressed in hours and tenths of an hour, from when the aircraft moves under its own power for the purpose of flight and ends when the aircraft	93200	Summary

		comes to rest after landing. This SUMMARY account represents the flight time for Fixed Wing – Multi-Engine (ME). <u>FIXED WING</u>		
78	Flight Time – FW ME Reciprocating Engine	The amount of time, expressed in hours and tenths of an hour, from when the aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This account represents the flight time for Fixed Wing – ME Reciprocating Engine. <u>FIXED WING</u>	93210	Posting
79	Flight Time – FW ME Turbine Engine	The amount of time, expressed in hours and tenths of an hour, from when the aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This account represents the flight time for Fixed Wing – ME Turbine Engine. <u>FIXED WING</u>	93220	Posting
80	Flight Time – FW ME Jet Powered	The amount of time, expressed in hours and tenths of an hour, from when the aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This account represents the flight time for Fixed Wing – ME Jet Powered. <u>FIXED WING</u>	93230	Posting
81	Flight Time – UAS FW ME	The amount of time, expressed in hours and tenths of an hour, from when the UAS aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This account represents the flight time for UAS Fixed Wing – ME. <u>FIXED WING</u>	93240	Posting
82	Flight Time – Helicopter (HE) Summary	The amount of time, expressed in hours and tenths of an hour, from when the aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This SUMMARY account represents the flight time for Helicopter (HE). <u>HELICOPTER</u>	94000	Summary
83	Flight Time – HE Single Engine (SE)	The amount of time, expressed in hours and tenths of an hour, from when the aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This SUMMARY account represents the flight time for HE Single Engine (SE). <u>HELICOPTER</u>	94100	Summary
84	Flight Time – HE SE Reciprocating Engine	The amount of time, expressed in hours and tenths of an hour, from when the aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This account represents the flight time for HE SE Reciprocating Engine. <u>HELICOPTER</u>	94110	Posting
85	Flight Time – HE SE	The amount of time, expressed in hours	94120	Posting

	Turbine Engine	and tenths of an hour, from when the aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This account represents the flight time for HE SE Turbine Engine. <u>HELICOPTER</u>		
86	Flight Time – UAS HE SE	The amount of time, expressed in hours and tenths of an hour, from when the UAS aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This account represents the flight time for UAS HE SE. <u>HELICOPTER</u>	94130	Posting
87	Flight Time – HE Multi-Engine (ME) Summary	The amount of time, expressed in hours and tenths of an hour, from when the aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This SUMMARY account represents the flight time for HE Multi-Engine (ME). <u>HELICOPTER</u>	94200	Summary
88	Flight Time – HE ME Reciprocating Engine	The amount of time, expressed in hours and tenths of an hour, from when the aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This account represents the flight time for HE ME Reciprocating Engine. <u>HELICOPTER</u>	94210	Posting
89	Flight Time – HE ME Turbine Engine	The amount of time, expressed in hours and tenths of an hour, from when the aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This account represents the flight time for HE ME Turbine Engine. <u>HELICOPTER</u>	94220	Posting
90	Flight Time – UAS HE ME	The amount of time, expressed in hours and tenths of an hour, from when the UAS aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing. This account represents the flight time for UAS HE ME. <u>HELICOPTER</u>	94230	Posting
91	Fuel and additives (Bulk and Retail)– Summary Cost	Total cost of fuel for both bulk and retail expended in the operation of the aircraft, paid to a commercial and Federal source. This includes fuel injection fluids such as deionized water, water methanol and Prist. This is a <u>VARIABLE COST SUMMARY</u> .	61110	Summary
92	Fuel and additives – (Bulk and Retail) Commercial Summary Cost	Total cost of fuel for both bulk and retail expended in the operation of the aircraft, paid to a commercial source. This includes fuel injection fluids such as deionized water, water methanol and Prist. This is a <u>VARIABLE COST COMMERCIAL SUMMARY</u>	61111	Summary

93	Fuel and additives – (Bulk and Retail) Federal Summary Cost	Total cost of fuel for both bulk and retail expended in the operation of the aircraft, paid to a Federal source. This includes fuel injection fluids such as deionized water, water methanol and Prist. <u>This is a VARIABLE COST FEDERAL SUMMARY</u>	61112	Summary
94	Fuel and additives - (Bulk) Commercial Cost	Cost of bulk fuel expended in the operation of the aircraft, paid to a commercial source. This includes fuel injection fluids such as deionized water, water methanol and Prist. <u>This is a VARIABLE COST COMMERCIAL</u>	61114	Posting
95	Fuel and additives - (Bulk) Federal Cost	Cost of bulk fuel expended in the operation of the aircraft, paid to a Federal source. This includes fuel injection fluids such as deionized water, water methanol and Prist. <u>This is a VARIABLE COST FEDERAL</u>	61115	Posting
96	Fuel and additives – (Retail) Commercial Cost	Cost of retail fuel expended in the operation of the aircraft, paid to a commercial source. This includes fuel injection fluids such as deionized water, water methanol and Prist. <u>This is a VARIABLE COST COMMERCIAL.</u>	61116	Posting
97	Fuel and additives - (Retail) Federal Cost	Cost of retail fuel expended in the operation of the aircraft, paid to a Federal source. This includes fuel injection fluids such as deionized water, water methanol and Prist. <u>This is a VARIABLE COST FEDERAL.</u>	61117	Posting
98	Ground Utilization Time Fixed Wing (FW) – Alert Time Summary	That time, expressed in hours and tenths of an hour, an Alert Aircraft is: 1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration. Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure. This SUMMARY account represents the alert time for Fixed Wing. <u>FIXED WING.</u>	95000	Summary
99	Ground Utilization Time – Alert Time – Fixed Wing (FW) Single Engine (SE) Summary	That time, expressed in hours and tenths of an hour, an Alert Aircraft is: 1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration. Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure.	95100	Summary

		This SUMMARY account represents the alert time for Fixed Wing – Single Engine (SE). <u>FIXED WING</u>		
100	Ground Utilization Time – Alert Time – FW SE Reciprocating Engine	That time, expressed in hours and tenths of an hour, an Alert Aircraft is: 1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration. Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure. This account represents the alert time for Fixed Wing – SE Reciprocating Engine. <u>FIXED WING</u>	95110	Posting
101	Ground Utilization Time – Alert Time – FW SE Turbine Engine	That time, expressed in hours and tenths of an hour, an Alert Aircraft is: 1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration. Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure. This account represents the alert time for Fixed Wing – SE Turbine Engine. <u>FIXED WING</u>	95120	Posting
102	Ground Utilization Time – Alert Time – FW SE Jet Powered	That time, expressed in hours and tenths of an hour, an Alert Aircraft is: 1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration. Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure. This account represents the alert time for Fixed Wing – SE Jet Powered. <u>FIXED WING</u>	95130	Posting
103	Ground Utilization Time – Alert Time – UAS FW SE	That time, expressed in hours and tenths of an hour, an UAS Alert Aircraft is:	95140	Posting

		<p>1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration.</p> <p>Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure. This account represents the alert time for UAS Fixed Wing – SE. <u>FIXED WING</u></p>		
104	Ground Utilization Time – Alert Time – FW Multi-Engine (ME) Summary	<p>That time, expressed in hours and tenths of an hour, an Alert Aircraft is:</p> <p>1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration.</p> <p>Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure. This SUMMARY account represents the alert time for Fixed Wing – Multi-Engine (ME). <u>FIXED WING</u></p>	95200	Summary
105	Ground Utilization Time – Alert Time – FW ME Reciprocating Engine	<p>That time, expressed in hours and tenths of an hour, an Alert Aircraft is:</p> <p>1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration.</p> <p>Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure. This account represents the alert time for Fixed Wing – ME Reciprocating Engine. <u>FIXED WING</u></p>	95210	Posting
106	Ground Utilization Time – Alert Time – FW ME Turbine Engine	<p>That time, expressed in hours and tenths of an hour, an Alert Aircraft is:</p> <p>1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration.</p>	95220	Posting

		<p>Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure.. This account represents the alert time for Fixed Wing – ME Turbine Engine. <u>FIXED WING</u></p>		
107	Ground Utilization Time – Alert Time – FW ME Jet Powered	<p>That time, expressed in hours and tenths of an hour, an Alert Aircraft is:</p> <ol style="list-style-type: none"> 1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration. <p>Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure.. This account represents the alert time for Fixed Wing – ME Jet Powered. <u>FIXED WING</u></p>	95230	Posting
108	Ground Utilization Time – Alert Time – UAS FW ME	<p>That time, expressed in hours and tenths of an hour, an UAS Alert Aircraft is:</p> <ol style="list-style-type: none"> 1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration. <p>Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure.. This account represents the alert time for UAS Fixed Wing – ME. <u>FIXED WING</u></p>	95240	Posting
109	Ground Utilization Time – Alert Time – Helicopter (HE) Summary	<p>That time, expressed in hours and tenths of an hour, an Alert Aircraft is:</p> <ol style="list-style-type: none"> 1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration. <p>Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure.</p>	96000	Summary

		This SUMMARY account represents the alert time for Helicopter (HE). <u>HELICOPTER</u>		
110	Ground Utilization Time – Alert Time – HE Single Engine (SE) Summary	That time, expressed in hours and tenths of an hour, an Alert Aircraft is: 1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration. Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure. This SUMMARY account represents the alert time for HE Single Engine (SE). <u>HELICOPTER</u>	96100	Summary
111	Ground Utilization Time – Alert Time – HE SE Reciprocating Engine	That time, expressed in hours and tenths of an hour, an Alert Aircraft is: 1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration. Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure. This account represents the alert time for HE SE Reciprocating Engine. <u>HELICOPTER</u>	96110	Posting
112	Ground Utilization Time – Alert Time – HE SE Turbine Engine	That time, expressed in hours and tenths of an hour, an Alert Aircraft is: 1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration. Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure.. This account represents the alert time for HE SE Turbine Engine. <u>HELICOPTER</u>	96120	Posting
113	Ground Utilization Time – Alert Time – UAS HE SE	That time, expressed in hours and tenths of an hour, an UAS Alert Aircraft is: 1. Airworthy and not being utilized to meet	96130	Posting

		<p>other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration.</p> <p>Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure.. This account represents the alert time for <u>UAS HE SE. HELICOPTER</u></p>		
114	Ground Utilization Time – Alert Time – HE Multi-Engine (ME) Summary	<p>That time, expressed in hours and tenths of an hour, an Alert Aircraft is:</p> <ol style="list-style-type: none"> 1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration. <p>Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure. This SUMMARY account represents the alert time for HE Multi-Engine (ME). <u>HELICOPTER</u></p>	96200	Summary
115	Ground Utilization Time – Alert Time – HE ME Reciprocating Engine	<p>That time, expressed in hours and tenths of an hour, an Alert Aircraft is:</p> <ol style="list-style-type: none"> 1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration. <p>Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure. This account represents the alert time for HE ME Reciprocating Engine. <u>HELICOPTER</u></p>	96210	Posting
116	Ground Utilization Time – Alert Time – HE ME Turbine Engine	<p>That time, expressed in hours and tenths of an hour, an Alert Aircraft is:</p> <ol style="list-style-type: none"> 1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration. <p>Alert Aircraft: An operation government</p>	96220	Posting

		aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure. This account represents the alert time for HE ME Turbine Engine. <u>HELICOPTER</u>		
117	Ground Utilization Time – Alert Time – UAS HE ME	That time, expressed in hours and tenths of an hour, an UAS Alert Aircraft is: 1. Airworthy and not being utilized to meet other program needs, 2. Not undergoing any maintenance (including inspection), modification, testing, calibration or alteration. Alert Aircraft: An operation government aircraft that is configured (including any mission equipment) and dedicated to meet a mission that requires a rapid response with a flight crew and essential personnel, if applicable, readily available for departure. This account represents the alert time for UAS HE ME. <u>HELICOPTER</u>	96230	Posting
118	Ground Utilization Time - Research and Development (R&D) Time – Fixed Wing (FW) Summary	That time, expressed in hours and tenths of an hour, a R&D Aircraft is: 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft: a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other program needs; and c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project. R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This SUMMARY account represents the R&D time for Fixed Wing. <u>FIXED WING</u>	97000	Summary
119	Ground Utilization Time - R&D Time – FW Single Engine (SE) Summary	That time, expressed in hours and tenths of an hour, a R&D Aircraft is: 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 2. For the sole purpose of determining if,	97100	Summary

		<p>an aircraft qualifies to report R&D Utilization the aircraft:</p> <ul style="list-style-type: none"> a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other program needs; and c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project. <p>R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This SUMMARY account represents the R&D time for Fixed Wing – Single Engine (SE). <u>FIXED WING</u></p>		
120	Ground Utilization Time - R&D Time – FW SE Reciprocating Engine	<p>That time, expressed in hours and tenths of an hour, a R&D Aircraft is:</p> <ol style="list-style-type: none"> 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft: <ul style="list-style-type: none"> a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other program needs; and c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project. <p>R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This account represents the R&D time for Fixed Wing – SE Reciprocating Engine. <u>FIXED WING</u></p>	97110	Posting
121	Ground Utilization Time - R&D Time – FW SE Turbine Engine	<p>That time, expressed in hours and tenths of an hour, a R&D Aircraft is:</p> <ol style="list-style-type: none"> 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft: <ul style="list-style-type: none"> a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other program needs; and 	97120	Posting

		<p>c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project.</p> <p>R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This account represents the R&D time for Fixed Wing – SE Turbine Engine. FIXED WING</p>		
122	Ground Utilization Time - R&D Time – FW SE Jet Powered	<p>That time, expressed in hours and tenths of an hour, a R&D Aircraft is:</p> <ol style="list-style-type: none"> 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft: <ol style="list-style-type: none"> a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other program needs; and c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project. <p>R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This account represents the R&D time for Fixed Wing – SE Jet Powered. FIXED WING</p>	97130	Posting
123	Ground Utilization Time - R&D Time – UAS FW SE	<p>That time, expressed in hours and tenths of an hour, an UAS R&D Aircraft is:</p> <ol style="list-style-type: none"> 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft: <ol style="list-style-type: none"> a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other program needs; and c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project. <p>R&D Aircraft: An operational Government</p>	97140	Posting

		aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This account represents the R&D time for UAS Fixed Wing – SE. <u>FIXED WING</u>		
124	Ground Utilization Time - R&D Time – FW Multi-Engine (ME) Summary	<p>That time, expressed in hours and tenths of an hour, a R&D Aircraft is:</p> <ol style="list-style-type: none"> 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft: <ol style="list-style-type: none"> a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other program needs; and c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project. <p>R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This SUMMARY account represents the R&D time for Fixed Wing – Multi-Engine (ME). <u>FIXED WING</u></p>	97200	Summary
125	Ground Utilization Time - R&D Time – FW ME Reciprocating Engine	<p>That time, expressed in hours and tenths of an hour, a R&D Aircraft is:</p> <ol style="list-style-type: none"> 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft: <ol style="list-style-type: none"> a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other program needs; and c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project. <p>R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This account represents the R&D time for Fixed Wing – ME Reciprocating Engine. <u>FIXED WING</u></p>	97210	Posting
126	Ground Utilization Time -	That time, expressed in hours and tenths of	97220	Posting

	R&D Time – FW ME Turbine Engine	<p>an hour, a R&D Aircraft is:</p> <ol style="list-style-type: none"> 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft: <ol style="list-style-type: none"> a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other program needs; and c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project. <p>R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This account represents the R&D time for Fixed Wing – ME Turbine Engine. FIXED WING</p>		
127	Ground Utilization Time - R&D Time – FW ME Jet Powered	<p>That time, expressed in hours and tenths of an hour, a R&D Aircraft is:</p> <ol style="list-style-type: none"> 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft: <ol style="list-style-type: none"> a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other program needs; and c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project. <p>R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This account represents the R&D time for Fixed Wing – ME Jet Powered. FIXED WING</p>	97230	Posting
128	Ground Utilization Time - R&D Time – UAS FW ME	<p>That time, expressed in hours and tenths of an hour, an UAS R&D Aircraft is:</p> <ol style="list-style-type: none"> 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 	97240	Posting

		<p>2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft:</p> <ul style="list-style-type: none"> a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other program needs; and c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project. <p>R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This account represents the R&D time for UAS Fixed Wing – ME. <u>FIXED WING</u></p>		
129	Ground Utilization Time - R&D Time – Helicopter (HE) Summary	<p>That time, expressed in hours and tenths of an hour, a R&D Aircraft is:</p> <ul style="list-style-type: none"> 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft: <ul style="list-style-type: none"> a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other program needs; and c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project. <p>R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This SUMMARY account represents the R&D time for Helicopter (HE). <u>HELICOPTER</u></p>	98000	Summary
130	Ground Utilization Time - R&D Time – HE Single Engine (SE) Summary	<p>That time, expressed in hours and tenths of an hour, a R&D Aircraft is:</p> <ul style="list-style-type: none"> 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft: <ul style="list-style-type: none"> a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other 	98100	Summary

		<p>program needs; and</p> <p>c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project.</p> <p>R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This SUMMARY account represents the R&D time for HE Single Engine (SE). <u>HELICOPTER</u></p>		
131	Ground Utilization Time - R&D Time – HE SE Reciprocating Engine	<p>That time, expressed in hours and tenths of an hour, a R&D Aircraft is:</p> <ol style="list-style-type: none"> 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft: <ol style="list-style-type: none"> a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other program needs; and c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project. <p>R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This account represents the R&D time for HE SE Reciprocating Engine. <u>HELICOPTER</u></p>	98110	Posting
132	Ground Utilization Time - R&D Time – HE SE Turbine Engine	<p>That time, expressed in hours and tenths of an hour, a R&D Aircraft is:</p> <ol style="list-style-type: none"> 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft: <ol style="list-style-type: none"> a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other program needs; and c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project. 	98120	Posting

		<p>R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This account represents the R&D time for HE SE Turbine Engine. <u>HELICOPTER</u></p>		
133	Ground Utilization Time - R&D Time – UAS HE SE	<p>That time, expressed in hours and tenths of an hour, an UAS R&D Aircraft is:</p> <ol style="list-style-type: none"> 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft: <ol style="list-style-type: none"> a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other program needs; and c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project. <p>R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This account represents the R&D time for UAS HE SE. <u>HELICOPTER</u></p>	98130	Posting
134	Ground Utilization Time - R&D Time – HE Multi-Engine (ME) Summary	<p>That time, expressed in hours and tenths of an hour, a R&D Aircraft is:</p> <ol style="list-style-type: none"> 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft: <ol style="list-style-type: none"> a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other program needs; and c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project. <p>R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This SUMMARY account represents the R&D time for HE Multi-Engine (ME). <u>HELICOPTER</u></p>	98200	Summary

135	Ground Utilization Time - R&D Time – HE ME Reciprocating Engine	<p>That time, expressed in hours and tenths of an hour, a R&D Aircraft is:</p> <ol style="list-style-type: none"> 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft: <ol style="list-style-type: none"> a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other program needs; and c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project. <p>R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This account represents the R&D time for HE ME Reciprocating Engine. <u>HELICOPTER</u></p>	98210	Posting
136	Ground Utilization Time - R&D Time – HE ME Turbine Engine	<p>That time, expressed in hours and tenths of an hour, a R&D Aircraft is:</p> <ol style="list-style-type: none"> 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project equipment calibration, and system tuning. 2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft: <ol style="list-style-type: none"> a) Must be the aircraft of intended use for the research project; b) Not being utilized to meet other program needs; and c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project. <p>R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This account represents the R&D time for HE ME Turbine Engine. <u>HELICOPTER</u></p>	98220	Posting
137	Ground Utilization Time - R&D Time – UAS HE ME	<p>That time, expressed in hours and tenths of an hour, an UAS R&D Aircraft is:</p> <ol style="list-style-type: none"> 1. Undergoing configuration to meet its R&D project; or is configured with project equipment and undergoing ground operational checks such as project 	98230	Posting

		<p>equipment calibration, and system tuning.</p> <p>2. For the sole purpose of determining if, an aircraft qualifies to report R&D Utilization the aircraft:</p> <p>a) Must be the aircraft of intended use for the research project;</p> <p>b) Not being utilized to meet other program needs; and</p> <p>c) Undergoing only that maintenance (including inspection), modification, testing, calibration or alteration associated with R&D project.</p> <p>R&D Aircraft: An operational Government aircraft, which has a mission of supporting scientific, aeronautical, or environmental research programs. This account represents the R&D time for UAS HE ME. <u>HELICOPTER</u></p>		
138	Home Base City Name	Identifies the city from which the aircraft is normally operated and/or scheduled.	N/A	
139	Home Base Foreign Location	Identifies the foreign location from which the aircraft is normally operated and/or scheduled, outside of the United States and its territories.	N/A	
140	Home Base State Abbreviation	Identifies the two-character state code from which the aircraft is normally operated and/or scheduled.	N/A	
141	Home Base Zip Code	Identifies the zip code of the location from which the aircraft is normally operated and/or scheduled.	N/A	
142	Hull Insurance	Coverage on an All Risks basis whether the airplane is on the ground or in the air. The hull value includes instruments, radios, autopilots, wings, engines, and other equipment attached to or carried on the plane as described in the policy.	69011	Posting
143	Include in Aircraft Totals Indicator	Indicates whether a specific cost for a Federal Aircraft is to be included in the totals pertaining to the aircraft.	N/A	

144	In-House Cost (CAS) – Summary Cost	Operating expenses provided by the using Government agency, that is paid to a commercial and Federal source, which benefits from the commercial service, such as pilot and fuel expenses. For ISSA agreement, in addition to reporting the in-house costs, the benefiting (operating) agency/bureau must report all costs (fuel, crew, etc.) incurred to the owning agency/bureau that, in turn, will report these costs to FAIRS. <u>This is CAS IN-HOUSE COST SUMMARY.</u>	65100	Summary
145	In-House Cost (CAS) – Commercial Cost	Operating expenses provided by the using Government agency, that is paid to a commercial source, which benefits from the commercial service, such as pilot and fuel expenses. For ISSA agreement, in addition to reporting the in-house costs, the benefiting (operating) agency/bureau must report all costs (fuel, crew, etc.) incurred to the owning agency/bureau that, in turn, will report these costs to FAIRS. <u>This is CAS IN-HOUSE COST COMMERCIAL.</u>	65110	Posting
146	In-House Cost (CAS)– Federal Cost	Operating expenses provided by the using Government agency, that is paid to a Federal source, such as pilot and fuel expenses. For ISSA agreement, in addition to reporting the in-house costs, the benefiting (operating) agency/bureau must report all costs (fuel, crew, etc.) incurred to the owning agency/bureau that, in turn, will report these costs to FAIRS. <u>This is CAS IN-HOUSE COST FEDERAL.</u>	65120	Posting
147	Insurance Premium Cost	Cost of premiums for commercial insurance policies for liability or hull damage. It does not include self-insurance costs. <u>This is a FIXED COST.</u>	N/A	
148	ISSA Vendor Agency	Identifies any executive department or independent establishment in the executive branch of the Government, including any wholly owned Government corporation, which is providing the service, i.e., the ISSA provider (Federal).	N/A	
149	ISSA Vendor Bureau/Office/Service	Identifies the reporting subunit within the executive agency, i.e., the ISSA provider.	N/A	
150	Liability Insurance	This account applies only when reserve accounts under a WCF (Working Capital Fund) have been established by the agency. Aviation activity involves risks and potential casualty losses and liability claims. Unlike the private industry, the Government is self-insuring by way of the Treasury's General Fund that covers casualty losses and liability claims from accidents	69012	Posting

151	Litigation Settlement Cost	Cost to settle litigation against the Federal Government resulting from tort claims and that are a direct result of aircraft operation (aircraft in motion). Costs are reported in the year paid and are not allocated to other aircraft. <u>This is a FIXED COST.</u>	72300	N/A
152	Lubricants and Oil – Summary Cost	Cost of lubricants, hydraulic oils, and similar expendable fluids not including those quantities which are changed at regular maintenance intervals, paid to a commercial and Federal source. <u>This is a VARIABLE COST SUMMARY.</u>	61120	Summary
153	Lubricants and Oil - Commercial Cost	Cost of lubricants, hydraulic oils, and similar expendable fluids not including those quantities which are changed at regular maintenance intervals, paid to a commercial source. <u>This is a VARIABLE COST COMMERCIAL.</u>	61122	Posting
154	Lubricants and Oil - Federal Cost	Cost of lubricants, hydraulic oils, and similar expendable fluids not including those quantities which are changed at regular maintenance intervals, paid to a Federal source. <u>This is a VARIABLE COST FEDERAL.</u>	61124	Posting
155	Manufacturer	Identifies the original manufacturer of the aircraft as designated on the aircraft data plate.	N/A	
156	Mission	Represents the principal purpose for which the aircraft was dispatched. One mission may be designated per sortie (one take off and landing).	N/A	
157	Mission Sensitive Indicator	Indicates whether the data associated with the aircraft is protected.	N/A	
158	Model	Identifies the model of the aircraft as designated on the aircraft data plate.	N/A	
159	Modification – Cost	Identifies the dollar value of the permanent modification made to the airframe of the aircraft. This excludes modifications needed to make the aircraft airworthy and special mission equipment not part of the airframe. <u>This is a MISCELLANEOUS COST.</u>	17520	Posting
160	Modification - Description	Describes the permanent modification made to the airframe, engine, propeller, or appliances of the aircraft. This excludes modifications needed to make the aircraft airworthy and special mission equipment not part of the airframe.	N/A	
161	Operating Expenses/Program Costs	The total costs of operational expenses and program costs for the account codes in the 61000 series. This total could include the costs from account codes 65000 and 66000 series.	61000	Summary
162	Operational Category	Describes the current status of the aircraft.	N/A	
163	Operations Overhead	Total severable or allocable costs of	61500	Summary

	Cost – Total Commercial and Federal Summary Cost	support functions such as personnel, building and ground maintenance, janitorial service, hangar fees, tie down fees at base, shop equipment, shop parts, and aircraft components, which are directly related to the ownership or operation of the aircraft which costs are paid to a commercial and Federal source. Examples include the costs of aviation program managers, flight dispatchers, and allocable costs of physical facilities and equipment in support of the aircraft. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST SUMMARY.</u>		
164	Operations Overhead Cost – Total Commercial Summary Cost	Total severable or allocable costs of support functions such as personnel, building and ground maintenance, janitorial service, hangar fees, tie down fees at base, shop equipment, shop parts, and aircraft components, which are directly related to the ownership or operation of the aircraft which costs are paid to a commercial source. Examples include the costs of aviation program managers, flight dispatchers, and allocable costs of physical facilities and equipment in support of the aircraft. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST COMMERCIAL SUMMARY.</u>	61501	Summary
165	Operations Overhead Cost – Total Federal Summary Cost	Total severable or allocable costs of support functions such as personnel, building and ground maintenance, janitorial	61502	Summary

		<p>service, hangar fees, tie down fees at base, shop equipment, shop parts, and aircraft components, which are directly related to the ownership or operation of the aircraft which costs are paid to a Federal source. Examples include the costs of aviation program managers, flight dispatchers, and allocable costs of physical facilities and equipment in support of the aircraft. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST FEDERAL SUMMARY.</u></p>		
166	<p>Operations Overhead Cost – Summary Cost (Personnel cost – Administration and Management)</p>	<p>Severable or allocable costs of support functions, which are directly related to the ownership or operation of the aircraft paid to a commercial and Federal source. Examples include the costs of aviation program managers, flight dispatchers, and allocable costs of physical facilities and equipment in support of the aircraft. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST SUMMARY.</u></p>	61510	Summary
167	<p>Operations Overhead Cost – Commercial Cost (Personnel cost – Administration and Management)</p>	<p>Severable or allocable costs of support functions, which are directly related to the ownership or operation of the aircraft paid to a commercial source. Examples include the costs of aviation program managers, flight dispatchers, and allocable costs of physical facilities and equipment in support of the aircraft. Report costs at the operations level and one tier above. Test:</p>	61512	Posting

		Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST COMMERCIAL.</u>		
168	Operations Overhead Cost – Federal Cost (Personnel cost – Administration and Management)	Severable or allocable costs of support functions, which are directly related to the ownership or operation of the aircraft paid to a Federal source. Examples include the costs of aviation program managers, flight dispatchers, and allocable costs of physical facilities and equipment in support of the aircraft. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST FEDERAL.</u>	61513	Posting
169	Operations Overhead Cost – Summary Cost (Building and Ground Maintenance)	Severable or allocable costs of support functions, which are directly related to the ownership or operation of the aircraft paid to a commercial and Federal source. Examples include the costs allocable costs of physical facilities and ground maintenance in support of the aircraft. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and	61520	Summary

		is not reportable in FAIRS. <u>This is a FIXED COST SUMMARY.</u>		
170	Operations Overhead Cost – Commercial Cost (Building and Ground Maintenance)	Severable or allocable costs of support functions, which are directly related to the ownership or operation of the aircraft paid to a commercial source. Examples include the costs allocable costs of physical facilities and ground maintenance in support of the aircraft. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST COMMERCIAL.</u>	61522	Posting
171	Operations Overhead Cost –Federal Cost (Building and Ground Maintenance)	Severable or allocable costs of support functions, which are directly related to the ownership or operation of the aircraft paid to a Federal source. Examples include the costs allocable costs of physical facilities and ground maintenance in support of the aircraft. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST FEDERAL.</u>	61523	Posting
172	Operations Overhead Cost – Summary Cost (Janitorial Service)	Severable or allocable costs of support functions, such as janitorial service, which are directly related to the ownership or operation of the aircraft paid to a commercial and Federal source. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a	61530	Summary

		<p>programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST SUMMARY.</u></p>		
173	Operations Overhead Cost – Commercial Cost (Janitorial Service)	<p>Severable or allocable costs of support functions, such as janitorial service, which are directly related to the ownership or operation of the aircraft paid to a commercial source. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST COMMERCIAL.</u></p>	61532	Posting
174	Operations Overhead Cost – Federal Cost (Janitorial Service)	<p>Severable or allocable costs of support functions, such as janitorial service, which are directly related to the ownership or operation of the aircraft paid to a Federal source. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST FEDERAL.</u></p>	61533	Posting
175	Operations Overhead Cost – Summary Cost (Hangar Fees)	<p>Severable or allocable costs of support functions, such as hangar fees, which are directly related to the ownership or operation of the aircraft paid to a commercial and Federal source. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to</p>	61540	Summary

		exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST SUMMARY.</u>		
176	Operations Overhead Cost – Commercial Cost (Hangar Fees)	Severable or allocable costs of support functions, such as hangar fees, which are directly related to the ownership or operation of the aircraft paid to a commercial source. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST COMMERCIAL.</u>	61542	Posting
177	Operations Overhead Cost – Federal Cost (Hangar Fees)	Severable or allocable costs of support functions, such as hangar fees, which are directly related to the ownership or operation of the aircraft paid to a Federal source. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST FEDERAL.</u>	61543	Posting
178	Operations Overhead Cost – Summary Cost (Tie Down Fees at Base)	Severable or allocable costs of support functions, such as tie down fees at base, which are directly related to the ownership or operation of the aircraft paid to a commercial and Federal source. Report	61550	Summary

		costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST SUMMARY.</u>		
179	Operations Overhead Cost – Commercial Cost (Tie Down Fees at Base)	Severable or allocable costs of support functions, such as tie down fees at base, which are directly related to the ownership or operation of the aircraft paid to a commercial source. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST COMMERCIAL.</u>	61552	Posting
180	Operations Overhead Cost – Federal Cost (Tie Down Fees at Base)	Severable or allocable costs of support functions, such as tie down fees at base, which are directly related to the ownership or operation of the aircraft paid to a Federal source. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST FEDERAL.</u>	61553	Posting
181	Operations Overhead Cost – Summary Cost	Severable or allocable costs of support functions, such as shop equipment, which	61560	Summary

	(Shop Equipment)	are directly related to the ownership or operation of the aircraft paid to a commercial and Federal source. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST SUMMARY.</u>		
182	Operations Overhead Cost – Commercial Cost (Shop Equipment)	Severable or allocable costs of support functions, such as shop equipment, which are directly related to the ownership or operation of the aircraft paid to a commercial source. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST COMMERCIAL.</u>	61562	Posting
183	Operations Overhead Cost – Federal Cost (Shop Equipment)	Severable or allocable costs of support functions, such as shop equipment, which are directly related to the ownership or operation of the aircraft paid to a Federal source. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a</u>	61563	Posting

		<u>FIXED COST FEDERAL.</u>		
184	Operations Overhead Cost – Summary Cost (Shop Parts)	Severable or allocable costs of support functions, such as shop parts which are directly related to the ownership or operation of the aircraft paid to a commercial and Federal source. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST SUMMARY.</u>	61570	Summary
185	Operations Overhead Cost – Commercial Cost (Shop Parts)	Severable or allocable costs of support functions, such as shop parts which are directly related to the ownership or operation of the aircraft paid to a commercial source. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST COMMERCIAL.</u>	61572	Posting
186	Operations Overhead Cost – Federal Cost (Shop Parts)	Severable or allocable costs of support functions, such as shop parts which are directly related to the ownership or operation of the aircraft paid to a Federal source. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function	61573	Posting

		and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST FEDERAL.</u>		
187	Operations Overhead Cost – Summary Cost (Aircraft Components)	Severable or allocable costs of support functions, such as aircraft components, which are directly related to the ownership or operation of the aircraft paid to a commercial and Federal source. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST SUMMARY.</u>	61580	Summary
188	Operations Overhead Cost – Commercial Cost (Aircraft Components)	Severable or allocable costs of support functions, such as aircraft components, which are directly related to the ownership or operation of the aircraft paid to a commercial source. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report. Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST COMMERCIAL.</u>	61582	Posting
189	Operations Overhead Cost – Federal Cost (Aircraft Components)	Severable or allocable costs of support functions, such as aircraft components, which are directly related to the ownership or operation of the aircraft paid to a Federal source. Report costs at the operations level and one tier above. Test: Costs are included in this category only if they would not continue to exist if the agency disposed of its aircraft. In other words, if you got rid of your aircraft, and the cost still existed, it is a programmatic cost and not an operations overhead cost for this report.	61583	Posting

		Operations overhead may be allocated to an aircraft cost only where a direct connection between the operations function and the aircraft can be shown. Otherwise the operations cost is a programmatic cost and is not reportable in FAIRS. <u>This is a FIXED COST FEDERAL.</u>		
190	Other Cost – Summary Cost	Any aircraft cost paid to a commercial and Federal source that does not meet any other cost element definition. <u>This is a FIXED COST SUMMARY.</u>	61600	Summary
191	Other Cost - Commercial Costs	Any aircraft cost paid to a commercial source that does not meet any other cost element definition. <u>This is a FIXED COST COMMERCIAL.</u>	61610	Posting
192	Other Cost - Federal Costs	Any aircraft cost paid to a Federal source that does not meet any other cost element definition. <u>This is a FIXED COST FEDERAL.</u>	61620	Posting
193	Ownership Category	Indicates the aircraft ownership.	N/A	
194	Paid-Out Cost (CAS) – Summary Cost	Operating expenses paid out to commercial or other Government agency (Federal source) providers of CAS. Paid-out costs include operations and administrative overhead costs allocated to CAS. <u>This is CAS PAID-OUT COST SUMMARY.</u>	65200	Summary
195	Paid-Out Cost (CAS) – Commercial Cost	Operating expenses paid out to commercial source of the CAS. Paid-out costs include operations and administrative overhead costs allocated to CAS. <u>This is CAS PAID-OUT COST COMMERCIAL.</u>	65210	Posting
196	Paid-Out Cost (CAS) – Federal Cost	Operating expenses paid out to Government agency (Federal source) providers of CAS. Paid-out costs include operations and administrative overhead costs allocated to CAS. <u>This CAS PAID-OUT COST FEDERAL.</u>	65220	Posting
197	Post Disposal Quarters Allowed	Represents the number of calendar quarters for which an agency/bureau is allowed to report data for a disposed aircraft after its disposal.	N/A	
198	Registration Mark	Identifies the unique identification mark--usually numbers and letters--displayed on Government aircraft (including foreign aircraft hired as CAS). "Tail number" is commonly used for "registration mark".	N/A	
199	Report Period Begin Date	Beginning date of the period for which the CAS or Federal Aircraft cost and hours flown or flight time data are submitted. This is the date for which agency costs begin to accrue, regardless of ownership or other agency use.	N/A	
200	Report Period End Date	Ending date of the period for which the CAS or Federal Aircraft cost and hours flown or flight time data are submitted. This is the	N/A	

		date for which agency costs cease to accrue, regardless of when paid or disbursed.		
201	Reporting Identifier	Represents the number that, in combination with the make and model, uniquely identifies the aircraft and is used for reporting purposes. Normally this number will be the serial number, but for a mission-sensitive aircraft it is the number assigned by the agency owning the aircraft in order to protect the identity of the aircraft.	N/A	
202	Scheduled Calendar Maintenance Contract Out – Summary Cost	Cost of contracts for maintenance or inspection scheduled on a calendar basis paid to a commercial and Federal source. This may include full service contracts, which include parts and labor costs. If contract labor is reported here, do not report it under Maintenance Labor - Commercial Cost or Maintenance Labor - Federal Cost. <u>This is a FIXED COST SUMMARY.</u>	61350	Summary
203	Scheduled Calendar Maintenance Contract Out – Commercial Cost	Cost of contracts for maintenance or inspection scheduled on a calendar basis paid to a commercial source. This may include full service contracts, which include parts and labor costs. If contract labor is reported here, do not report it under Maintenance Labor - Commercial Cost. <u>This is a FIXED COST COMMERCIAL.</u>	61351	Posting
204	Scheduled Calendar Maintenance Contract Out – Federal Cost	Cost of contracts for maintenance or inspection scheduled on a calendar basis paid to a Federal source. This may include full service contracts or agreements, which include parts and labor costs. If contract labor is reported here, do not report it under Maintenance Labor - Federal Cost. <u>This is a FIXED COST FEDERAL.</u>	61353	Posting
205	Scheduled Calendar Maintenance Labor – Total Commercial and Federal Summary Cost	Total cost of all labor expended by mechanics and inspectors associated with maintenance scheduled on a calendar basis paid to a commercial and Federal source. Report maintenance labor costs, benefits training and other costs associated with labor, which are severable from other costs or which result from agreements where the contractor provides only labor and the Government provides parts. <u>This is a FIXED COST SUMMARY.</u>	61310	Summary
206	Scheduled Calendar Maintenance Labor – Total Commercial Summary Cost	Total cost of all labor expended by mechanics and inspectors and benefits, training and other cost associated with all labor associated with maintenance scheduled on a calendar basis paid to a commercial source. Report maintenance labor costs and benefits which are severable from other costs or which result	61311	Summary

		from agreements where the contractor provides only labor and the Government provides parts. <u>This is a FIXED COST COMMERCIAL SUMMARY.</u>		
207	Scheduled Calendar Maintenance Labor – Total Federal Summary Cost	Total cost of all labor expended by mechanics and inspectors and benefits, training and other cost associated with all labor associated with maintenance scheduled on a calendar basis paid to a Federal source. Report maintenance labor costs and benefits which are severable from other costs or which result from agreements where another Federal Executive agency provides only labor and your Federal Executive agency provides parts. <u>This is a FIXED COST FEDERAL SUMMARY.</u>	61312	Summary
208	Scheduled Calendar Maintenance Labor – (Wages and Benefits) Commercial Cost	Cost of all labor expended by mechanics and inspectors and benefits associated with maintenance scheduled on a calendar basis paid to a commercial source. Report maintenance labor costs and benefits which are severable from other costs or which result from agreements where the contractor provides only labor and the Government provides parts. <u>This is a FIXED COST COMMERCIAL.</u>	61314	Posting
209	Scheduled Calendar Maintenance Labor – (Wages and Benefits) Federal Cost	Cost of all labor expended by mechanics and inspectors and benefits associated with maintenance scheduled on a calendar basis paid to a Federal source. Report maintenance labor costs and benefits which are severable from other costs or which result from agreements where another Federal Executive agency provides only labor and your Federal Executive agency provides parts. <u>This is a FIXED COST FEDERAL.</u>	61315	Posting
210	Scheduled Calendar Maintenance Labor – (Training) Commercial Cost	Cost of all training by mechanics and inspectors associated with maintenance scheduled on a calendar basis paid to a commercial source. Report training costs which are severable from other training costs which result from agreements where the contractor provides only training. <u>This is a FIXED COST COMMERCIAL.</u>	61316	Posting
211	Scheduled Calendar Maintenance Labor – (Training) Federal Cost	Cost of all training by mechanics and inspectors associated with maintenance scheduled on a calendar basis paid to a Federal source. Report training costs which are severable from other training costs which result from agreements where another Federal Executive agency provides only labor and your Federal Executive agency provides parts. <u>This is a FIXED COST FEDERAL.</u>	61317	Posting
212	Scheduled Calendar	Other cost associated with all labor	61318	Posting

	Maintenance Labor – (Other Costs Associated with Labor) Commercial Cost	expended by mechanics and inspectors associated with maintenance scheduled on a calendar basis paid to a commercial source. Report these other costs associated with all maintenance labor costs which are severable from other costs or which result from agreements where the contractor provides other costs and the Government provides parts. <u>This is a FIXED COST COMMERCIAL.</u>		
213	Scheduled Calendar Maintenance Labor – (Other Costs Associated with Labor) Federal Cost	Other cost associated with all labor expended by mechanics and inspectors associated with maintenance scheduled on a calendar basis paid to a Federal source. Report these other costs associated with all maintenance labor costs which are severable from other costs or which result from agreements where another Federal Executive agency provides only labor and your Federal Executive agency provides parts. <u>This is a FIXED COST FEDERAL.</u>	61319	Posting
214	Scheduled Calendar Maintenance Parts – Total Commercial and Federal Summary Cost	Total cost of all airframe, avionics, and engine parts and consumables used for maintenance scheduled on a calendar basis paid to a commercial and Federal source. The account does not include the costs associated with engine and component overhauls, refurbishment, and other major maintenance for which Government agencies have established reserve accounts. <u>This is a FIXED COST SUMMARY.</u>	61301	Summary
215	Scheduled Calendar Maintenance Parts –Total Commercial Summary Cost	Total cost of all airframe, avionics, and engine parts and consumables used for maintenance scheduled on a calendar basis paid to a commercial source. The account does not include the costs associated with engine and component overhauls, refurbishment, and other major maintenance for which Government agencies have established reserve accounts. <u>This is a FIXED COST COMMERCIAL SUMMARY.</u>	61302	Summary
216	Scheduled Calendar Maintenance Parts –Total Federal Summary Cost	Total cost of all airframe, avionics, and engine parts and consumables used for maintenance scheduled on a calendar basis paid to a Federal source. The account does not include the costs associated with engine and component overhauls, refurbishment, and other major maintenance for which Government agencies have established reserve accounts. <u>This is a FIXED COST FEDERAL SUMMARY.</u>	61303	Summary
217	Scheduled Calendar Maintenance Parts – (Airframe) Summary Cost	Cost of all airframe parts and consumables used for maintenance scheduled on a calendar basis paid to a commercial and	61320	Summary

		Federal source. <u>This is a FIXED COST SUMMARY.</u>		
218	Scheduled Calendar Maintenance Parts – (Airframe) Commercial Cost	Cost of all airframe parts and consumables used for maintenance scheduled on a calendar basis paid to a commercial source. <u>This is a FIXED COST COMMERCIAL.</u>	61321	Posting
219	Scheduled Calendar Maintenance Parts – (Airframe) Federal Cost	Cost of all airframe parts and consumables used for maintenance scheduled on a calendar basis paid to a Federal source. <u>This is a FIXED COST FEDERAL.</u>	61323	Posting
220	Scheduled Calendar Maintenance Parts – (Avionics) Summary Cost	Cost of all avionics parts and consumables used for maintenance scheduled on a calendar basis paid to a commercial and Federal source. <u>This is a FIXED COST SUMMARY.</u>	61330	Summary
221	Scheduled Calendar Maintenance Parts – (Avionics) Commercial Cost	Cost of all avionics parts and consumables used for maintenance scheduled on a calendar basis paid to a commercial source. <u>This is a FIXED COST COMMERCIAL.</u>	61331	Posting
222	Scheduled Calendar Maintenance Parts – (Avionics) Federal Cost	Cost of all avionics parts and consumables used for maintenance scheduled on a calendar basis paid to a Federal source. <u>This is a FIXED COST FEDERAL.</u>	61333	Posting
223	Scheduled Calendar Maintenance Parts – (Engine) Summary Cost	Cost of all engine parts and consumables used for maintenance scheduled on a calendar basis paid to a commercial and Federal source. <u>This is a FIXED COST SUMMARY.</u>	61340	Summary
224	Scheduled Calendar Maintenance Parts – (Engine) Commercial Cost	Cost of all engine parts and consumables used for maintenance scheduled on a calendar basis paid to a commercial source. <u>This is a FIXED COST COMMERCIAL.</u>	61341	Posting
225	Scheduled Calendar Maintenance Parts – (Engine) Federal Cost	Cost of all engine parts and consumables used for maintenance scheduled on a calendar basis paid to a Federal source. <u>This is a FIXED COST FEDERAL.</u>	61343	Posting
226	Scheduled Calendar Maintenance Refurbishment - Summary Cost	Material and labor costs, scheduled on a calendar basis, for restoring or upgrading appearance and operational items such as paint, cabin interiors, upholstery, or avionics, paid to a commercial and Federal source. This does not include engines or other major components. <u>This is FIXED COST SUMMARY.</u>	61700	Summary
227	Scheduled Calendar Maintenance Refurbishment - Commercial Cost	Material and labor costs, scheduled on a calendar basis, for restoring or upgrading appearance and operational items such as paint, cabin interiors, upholstery, or avionics, paid to a commercial source. This does not include engines or other major components. <u>This is FIXED COST COMMERCIAL.</u>	61710	Posting
228	Scheduled Calendar Maintenance Refurbishment - Federal	Material and labor costs, scheduled on a calendar basis, for restoring or upgrading appearance and operational items such as	61720	Posting

	Cost	paint, cabin interiors, upholstery, or avionics, paid to a Federal source. This does not include engines or other major components. <u>This is FIXED COST FEDERAL</u>		
229	Scheduled and Unscheduled Maintenance – Aircraft Inspection – Total Commercial and Federal Summary Cost	Total Scheduled and Unscheduled maintenance with the expense of contracts, labor, parts and management for the continued airworthiness of the aircraft paid to a commercial and Federal source. [Reporting at least one cost type in this category is MANDATORY. If you do not have costs to report, enter zero (0) in the "Maintenance Cost-None" cost type.]. <u>This is a FIXED COST SUMMARY.</u>	61360	Summary New per CAP Tool
230	Scheduled and Unscheduled Maintenance – Aircraft Inspection – Total Commercial Summary Cost	Total Scheduled and Unscheduled maintenance with the expense of contracts, labor, parts and management for the continued airworthiness of the aircraft paid to a commercial source. [Reporting at least one cost type in this category is MANDATORY. If you do not have costs to report, enter zero (0) in the "Maintenance Cost-None" cost type.]. <u>This is a FIXED COST COMMERCIAL SUMMARY.</u>	61361	Summary New per CAP Tool
231	Scheduled and Unscheduled Maintenance – Aircraft Inspection – Total Federal Summary Cost	Total Scheduled and Unscheduled maintenance with the expense of contracts, labor, parts and management for the continued airworthiness of the aircraft paid to a Federal source. [Reporting at least one cost type in this category is MANDATORY. If you do not have costs to report, enter zero (0) in the "Maintenance Cost-None" cost type.]. <u>This is a FIXED COST FEDERAL SUMMARY.</u>	61362	Summary New per CAP Tool
232	Scheduled Maintenance – Aircraft Inspection – Summary Cost	Scheduled maintenance with the expense of contracts, labor, parts and management for the continued airworthiness of the aircraft paid to a commercial and Federal source. [Reporting at least one cost type in this category is MANDATORY. If you do not have costs to report, enter zero (0) in the "Maintenance Cost-None" cost type.]. <u>This is a FIXED COST SUMMARY.</u>	61363	Summary New per CAP Tool
233	Scheduled Maintenance – Aircraft Inspection – Commercial Cost	Scheduled maintenance with the expense of contracts, labor, parts and management for the continued airworthiness of the aircraft paid to a commercial source. [Reporting at least one cost type in this category is MANDATORY. If you do not have costs to report, enter zero (0) in the "Maintenance Cost-None" cost type.]. <u>This is a FIXED COST COMMERCIAL</u>	61364	Posting New per CAP Tool
234	Scheduled Maintenance – Aircraft Inspection – Federal Cost	Scheduled maintenance with the expense of contracts, labor, parts and management for the continued airworthiness of the	61365	Posting New per CAP Tool

		aircraft paid to a Federal source. [Reporting at least one cost type in this category is MANDATORY. If you do not have costs to report, enter zero (0) in the "Maintenance Cost-None" cost type.]. <u>This is a FIXED COST FEDERAL.</u>		
235	Scheduled Maintenance Contract Out - Summary Cost	Contracted cost for maintenance scheduled on a flying hour or flight time basis or based on the condition of the part or component, paid to a commercial and Federal source. This includes inspections, repairs, Power-by-the-Hour agreements, and at the agency's option may include all roll-up maintenance costs incurred against the aircraft and paid to a commercial source. This does not include Unscheduled Maintenance costs and Refurbishment Costs that are reported elsewhere. <u>This is a VARIABLE COST SUMMARY.</u>	61250	Summary
236	Scheduled Maintenance Contract Out - Commercial Cost	Contracted cost for maintenance scheduled on a flying hour or flight time basis or based on the condition of the part or component, paid to a commercial source. This includes inspections, repairs, Power-by-the-Hour agreements, and at the agency's option may include all roll-up maintenance costs incurred against the aircraft and paid to a commercial source. This does not include Unscheduled Maintenance costs and Refurbishment Costs that are reported elsewhere. <u>This is a VARIABLE COST COMMERCIAL.</u>	61252	Posting
237	Scheduled Maintenance Contract Out - Federal Cost	Contracted cost for maintenance scheduled on a flying hour or flight time basis or based on the condition of the part or component, paid to a Federal source. This includes inspections, repairs, Power-by-the-Hour agreements, and at the agency's option may include all roll-up maintenance costs incurred against the aircraft and paid to a Federal source. This does not include Unscheduled Maintenance costs and Refurbishment Costs that are reported elsewhere. <u>This is a VARIABLE COST FEDERAL.</u>	61254	Posting
238	Scheduled and Unscheduled Maintenance Engine Inspection – Total Commercial and Federal Summary Cost	Total Scheduled and Unscheduled maintenance with the expense of contracts, labor, parts and management for the continued airworthiness of the aircraft paid to a commercial and Federal source. [Reporting at least one cost type in this category is MANDATORY. If you do not have costs to report, enter zero (0) in the "Maintenance Cost-None" cost type.] <u>This is a FIXED COST SUMMARY.</u>	61370	Summary New per CAP Tool
239	Scheduled and	Total Scheduled and Unscheduled with the	61371	Summary

	Unscheduled Maintenance Engine Inspection – Total Commercial Summary Cost	expense of contracts, labor, parts and management for the continued airworthiness of the aircraft paid to a commercial source. [Reporting at least one cost type in this category is MANDATORY. If you do not have costs to report, enter zero (0) in the "Maintenance Cost-None" cost type.] <u>This is a FIXED COST COMMERCIAL SUMMARY.</u>		New per CAP Tool
240	Scheduled and Unscheduled Maintenance Labor Engine Inspection – Total Federal Summary Cost	Total Scheduled and Unscheduled maintenance with the expense of contracts, labor, parts and management for the continued airworthiness of the aircraft paid to a Federal source. [Reporting at least one cost type in this category is MANDATORY. If you do not have costs to report, enter zero (0) in the "Maintenance Cost-None" cost type.] <u>This is a FIXED COST FEDERAL SUMMARY.</u>	61372	Summary New per CAP Tool
241	Scheduled Maintenance Engine Inspection – Summary Cost	Scheduled with the expense of contracts, labor, parts and management for the continued airworthiness of the aircraft paid to a commercial and Federal source. [Reporting at least one cost type in this category is MANDATORY. If you do not have costs to report, enter zero (0) in the "Maintenance Cost-None" cost type.] <u>This is a FIXED COST SUMMARY.</u>	61373	Summary New per CAP Tool
242	Scheduled Maintenance Engine Inspection – Commercial Cost	Scheduled with the expense of contracts, labor, parts and management for the continued airworthiness of the aircraft paid to a commercial source. [Reporting at least one cost type in this category is MANDATORY. If you do not have costs to report, enter zero (0) in the "Maintenance Cost-None" cost type.] <u>This is a FIXED COST COMMERCIAL.</u>	61374	Posting New per CAP Tool
243	Scheduled Maintenance Engine Inspection – Federal Cost	Scheduled with the expense of contracts, labor, parts and management for the continued airworthiness of the aircraft paid to a Federal source. [Reporting at least one cost type in this category is MANDATORY. If you do not have costs to report, enter zero (0) in the "Maintenance Cost-None" cost type.] <u>This is a FIXED COST FEDERAL.</u>	61375	Posting New per CAP Tool
244	Scheduled Maintenance Engine Overhaul (Variable)- Summary Cost	Cost of parts and labor for scheduled engine overhaul or rebuild, or Time Between Overhaul (TBO) replacement, paid to a commercial and Federal source. If the engine is operated on a Power-by-the-Hour or similar program, all engine maintenance costs are captured in the "Scheduled Maintenance Contract Out - Commercial Cost" category. <u>This is a VARIABLE COST SUMMARY.</u>	61260	Summary

245	Scheduled Maintenance Engine Overhaul (Variable)- Commercial Cost	Cost of parts and labor for scheduled engine overhaul or rebuild, or Time Between Overhaul (TBO) replacement, paid to a commercial source. If the engine is operated on a Power-by-the-Hour or similar program, all engine maintenance costs are captured in the "Scheduled Maintenance Contract Out - Commercial Cost" category. <u>This is a VARIABLE COST COMMERCIAL.</u>	61262	Posting
246	Scheduled Maintenance Engine Overhaul (Variable) - Federal Cost	Cost of parts and labor for scheduled engine overhaul or rebuild, or Time Between Overhaul (TBO) replacement, paid to a Federal source. If the engine is operated on a Power-by-the-Hour or similar program, all engine maintenance costs are captured in the "Scheduled Maintenance Contract Out - Federal Cost" category. <u>This is a VARIABLE COST FEDERAL.</u>	61264	Posting
247	Scheduled Maintenance Engine Overhaul (Fixed)- Summary Cost	Cost of parts and labor for scheduled engine overhaul or rebuild, or Time Between Overhaul (TBO) replacement, paid to a commercial and Federal source. If the engine is operated on a Power-by-the-Hour or similar program, all engine maintenance costs are captured in the "Scheduled Maintenance Contract Out - Commercial Cost" category. <u>This is a FIXED COST SUMMARY.</u>	61380	Summary New per CAP Tool
248	Scheduled Maintenance Engine Overhaul (Fixed) - Commercial Cost	Cost of parts and labor for scheduled engine overhaul or rebuild, or Time Between Overhaul (TBO) replacement, paid to a commercial source. If the engine is operated on a Power-by-the-Hour or similar program, all engine maintenance costs are captured in the "Scheduled Maintenance Contract Out - Commercial Cost" category. <u>This is a FIXED COST COMMERCIAL.</u>	61382	Posting New per CAP Tool

249	Scheduled Maintenance Engine Overhaul (Fixed) - Federal Cost	Cost of parts and labor for scheduled engine overhaul or rebuild, or Time Between Overhaul (TBO) replacement, paid to a Federal source. If the engine is operated on a Power-by-the-Hour or similar program, all engine maintenance costs are captured in the "Scheduled Maintenance Contract Out - Federal Cost" category. <u>This is a FIXED COST FEDERAL.</u>	61384	Posting New per CAP Tool
250	Scheduled and Unscheduled Maintenance Labor - Summary Cost	Cost of Scheduled and Unscheduled maintenance labor expended by mechanics, technicians and inspectors, benefits, training and other costs associated with labor for based on aircraft usage, paid to a commercial and Federal source. This does not include labor for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST SUMMARY.</u>	61210	Summary
251	Scheduled Maintenance Labor – Total Commercial and Federal Summary Cost	Total cost of scheduled labor expended by mechanics, technicians and inspectors, benefits, training and other costs associated with labor for scheduled maintenance based on aircraft usage, paid to a commercial and Federal source. This does not include labor for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST SUMMARY.</u>	61201	Summary
252	Scheduled Maintenance Labor – Total Commercial Summary Cost	Total cost of scheduled labor expended by mechanics, technicians and inspectors, benefits, training and other costs associated with labor for scheduled maintenance based on aircraft usage, paid to a commercial source. This does not include labor for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST COMMERCIAL SUMMARY.</u>	61202	Summary
253	Scheduled Maintenance Labor – Total Federal Summary Cost	Total cost of scheduled labor expended by mechanics, technicians and inspectors, benefits, training and other costs associated with labor for scheduled maintenance based on aircraft usage, paid to a Federal source. This does not include labor for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST FEDERAL SUMMARY.</u>	61203	Summary
254	Scheduled Maintenance Labor (Wages and Benefits) - Commercial Cost	Cost of scheduled labor expended by mechanics, technicians and inspectors, and benefits, for scheduled maintenance based on aircraft usage, paid to a commercial source. This does not include labor for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST COMMERCIAL.</u>	61212	Posting
255	Scheduled Maintenance Labor (Wages and Benefits)- Federal Cost	Cost of scheduled labor expended by mechanics, technicians and inspectors, and benefits, for scheduled maintenance based on aircraft usage, paid to a Federal source.	61213	Posting

		This does not include labor for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST FEDERAL.</u>		
256	Scheduled Maintenance Labor (Training) - Commercial Cost	Cost of training by mechanics, technicians and inspectors, for scheduled maintenance based on aircraft usage, paid to a commercial source. This does not include labor for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST COMMERCIAL.</u>	61216	Posting
257	Scheduled Maintenance Labor (Training) - Federal Cost	Cost of training mechanics, technicians and inspectors, for scheduled maintenance based on aircraft usage, paid to a Federal source. This does not include labor for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST FEDERAL.</u>	61217	Posting
258	Scheduled Maintenance Labor (Other Costs Associated with Labor) - Commercial Cost	Other cost associated with scheduled labor expended by mechanics, technicians and inspectors, for scheduled maintenance based on aircraft usage, paid to a commercial source. This does not include labor for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST COMMERCIAL.</u>	61218	Posting
259	Scheduled Maintenance Labor (Other Costs Associated with Labor) - Federal Cost	Other cost associated with scheduled labor expended by mechanics, technicians and inspectors, for scheduled maintenance based on aircraft usage, paid to a Federal source. This does not include labor for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST FEDERAL.</u>	61219	Posting
260	Scheduled and Unscheduled Maintenance Parts –Total Commercial and Federal Summary Cost	Total Scheduled and Unscheduled maintenance cost of airframe, avionics, and engine parts and consumables used for maintenance scheduled on a flying hour or cycle time basis paid to a commercial and Federal source. This does not include the cost of parts for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST SUMMARY.</u>	61205	Summary
261	Scheduled Maintenance Parts - Total Commercial Summary Cost	Total cost of airframe, avionics, and engine parts and consumables used for maintenance scheduled on a flying hour or cycle time basis paid to a commercial source. This does not include the cost of parts for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST COMMERCIAL SUMMARY.</u>	61206	Summary
262	Scheduled Maintenance Parts - Total Federal Summary Cost	Total cost of airframe, avionics, and engine parts and consumables used for maintenance scheduled on a flying hour or cycle time basis paid to a Federal source. This does not include the cost of parts for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST FEDERAL</u>	61207	Summary

		<u>SUMMARY.</u>		
263	Scheduled Maintenance Parts (Airframe) - Summary Cost	Cost of airframe parts and consumables used for maintenance scheduled on a flying hour or cycle time basis paid to a commercial and Federal source. This does not include the cost of parts for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST SUMMARY.</u>	61220	Summary
264	Scheduled Maintenance Parts (Airframe) - Commercial Cost	Cost of airframe parts and consumables used for maintenance scheduled on a flying hour or cycle time basis paid to a commercial source. This does not include the cost of parts for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST COMMERCIAL.</u>	61221	Posting
265	Scheduled Maintenance Parts (Airframe) - Federal Cost	Cost of airframe parts and consumables used for maintenance scheduled on a flying hour or cycle time basis paid to a Federal source. This does not include the cost of parts for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST FEDERAL.</u>	61223	Posting
266	Scheduled Maintenance Parts (Avionics) - Summary Cost	Cost of avionic parts and consumables used for maintenance scheduled on a flying hour or cycle time basis paid to a commercial and Federal source. This does not include the cost of parts for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST SUMMARY.</u>	61230	Summary
267	Scheduled Maintenance Parts (Avionics) - Commercial Cost	Cost of avionic parts and consumables used for maintenance scheduled on a flying hour or cycle time basis paid to a commercial source. This does not include the cost of parts for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST COMMERCIAL.</u>	61231	Posting
268	Scheduled Maintenance Parts (Avionics)- Federal Cost	Cost of avionic parts and consumables used for maintenance scheduled on a flying hour or cycle time basis paid to a Federal source. This does not include the cost of parts for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST FEDERAL.</u>	61233	Posting
269	Scheduled Maintenance Parts (Engine) - Summary Cost	Cost of engine parts and consumables used for maintenance scheduled on a flying hour or cycle time basis paid to a commercial and Federal source. This does not include the cost of parts for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST SUMMARY.</u>	61240	Summary
270	Scheduled Maintenance Parts (Engine) - Commercial Cost	Cost of engine parts and consumables used for maintenance scheduled on a flying hour or cycle time basis paid to a commercial source. This does not include the cost of parts for engine overhaul or aircraft	61241	Posting

		refurbishment. <u>This is a VARIABLE COST COMMERCIAL.</u>		
271	Scheduled Maintenance Parts (Engine)- Federal Cost	Cost of engine parts and consumables used for maintenance scheduled on a flying hour or cycle time basis paid to a Federal source. This does not include the cost of parts for engine overhaul or aircraft refurbishment. <u>This is a VARIABLE COST FEDERAL.</u>	61243	Posting
272	Scheduled Maintenance Refurbishment (Variable) - Summary Cost	Material and labor costs, scheduled on a flying hour basis or on-condition, for restoring or upgrading appearance and operational items such as paint, cabin interiors, upholstery, or avionics, paid to a commercial and Federal source. This does not include engines or other major components. <u>This is VARIABLE COST SUMMARY.</u>	61270	Summary
273	Scheduled Maintenance Refurbishment (Variable)- Commercial Cost	Material and labor costs, scheduled on a flying hour basis or on-condition, for restoring or upgrading appearance and operational items such as paint, cabin interiors, upholstery, or avionics, paid to a commercial source. This does not include engines or other major components. <u>This is VARIABLE COST COMMERCIAL</u>	61272	Posting
274	Scheduled Maintenance Refurbishment (Variable) - Federal Cost	Material and labor costs, scheduled on a flying hour basis or on-condition, for restoring or upgrading appearance and operational items such as paint, cabin interiors, upholstery, or avionics, paid to a Federal source. This does not include engines or other major components. <u>This is VARIABLE COST FEDERAL.</u>	61274	Posting
275	Scheduled Maintenance Service Life Enhancement Program (SLEP-LEP) Parts and Labor - – Summary Cost	Cost of parts and labor associated with the overhaul of an aircraft, scheduled on a flying hour basis, to include fuselage, wing(s), stabilizer(s), landing gear, flaps/slats, and other equipment associated with enhancing and extending the, overall, service life of the aircraft paid to a commercial and Federal source. It does not include the parts and labor associated with an engine overhaul or rebuild or refurbishment of the aircraft. This is a <u>VARIABLE COST SUMMARY</u> and reporting is <u>MANDATORY</u> when it occurs.	61800	Summary New per CAP Tool
276	Scheduled Maintenance Service Life Enhancement Program (SLEP-LEP) Labor – Summary Cost	Cost of labor associated with the overhaul of an aircraft, scheduled on a flying hour basis, to include fuselage, wing(s), stabilizer(s), landing gear, flaps/slats, and other equipment associated with enhancing and extending the, overall, service life of the aircraft paid to a commercial and Federal source. It does not include the parts and labor associated with an engine overhaul or	61810	Summary New per CAP Tool

		rebuild or refurbishment of the aircraft. This is a <u>VARIABLE COST SUMMARY</u> and reporting is MANDATORY when it occurs.		
277	Scheduled Maintenance Service Life Enhancement Program (SLEP-LEP) Labor – Commercial Cost	Cost of labor associated with the overhaul of an aircraft, scheduled on a flying hour basis, to include fuselage, wing(s), stabilizer(s), landing gear, flaps/slats, and other equipment associated with enhancing and extending the, overall, service life of the aircraft paid to a commercial source. It does not include the parts and labor associated with an engine overhaul or rebuild or refurbishment of the aircraft. This is a <u>VARIABLE COST COMMERCIAL</u> and reporting is MANDATORY when it occurs.	61814	Posting New per CAP Tool
278	Scheduled Maintenance Service Life Enhancement Program (SLEP-LEP) Labor – Federal Cost	Cost of labor associated with the overhaul of an aircraft, scheduled on a flying hour basis, to include fuselage, wing(s), stabilizer(s), landing gear, flaps/slats, and other equipment associated with enhancing and extending the, overall, service life of the aircraft paid to a Federal source. It does not include the parts and labor associated with an engine overhaul or rebuild or refurbishment of the aircraft. This is a <u>VARIABLE COST FEDERAL</u> and reporting is MANDATORY when it occurs.	61816	Posting New per CAP Tool
279	Scheduled Maintenance Service Life Enhancement Program (SLEP-LEP) Parts – Summary Cost	Cost of parts associated with the overhaul of an aircraft, scheduled on a flying hour basis, to include fuselage, wing(s), stabilizer(s), landing gear, flaps/slats, and other equipment associated with enhancing and extending the, overall, service life of the aircraft paid to a commercial and Federal source. It does not include the parts and labor associated with an engine overhaul or rebuild or refurbishment of the aircraft. This is a <u>VARIABLE COST SUMMARY</u> and reporting is MANDATORY when it occurs.	61820	Summary New per CAP Tool
280	Scheduled Maintenance Service Life Enhancement Program (SLEP-LEP) Parts – Commercial Cost	Cost of parts associated with the overhaul of an aircraft, scheduled on a flying hour basis, to include fuselage, wing(s), stabilizer(s), landing gear, flaps/slats, and other equipment associated with enhancing and extending the, overall, service life of the aircraft paid to a commercial source. It does not include the parts and labor associated with an engine overhaul or rebuild or refurbishment of the aircraft. This is a <u>VARIABLE COST COMMERCIAL</u> and reporting is MANDATORY when it occurs.	61824	Posting New per CAP Tool
281	Scheduled Maintenance Service Life Enhancement Program (SLEP-LEP) Parts – Federal Cost	Cost of parts associated with the overhaul of an aircraft, scheduled on a flying hour basis, to include fuselage, wing(s), stabilizer(s), landing gear, flaps/slats, and other equipment associated with enhancing	61826	Posting New per CAP Tool

		and extending the, overall, service life of the aircraft paid to a Federal source. It does not include the parts and labor associated with an engine overhaul or rebuild or refurbishment of the aircraft. This is a <u>VARIABLE COST FEDERAL</u> and reporting is MANDATORY when it occurs.		
282	Scheduled Maintenance Time Between Overhaul (TBO) Components – (Major Component Rebuild and Overhaul Expense) Summary Cost	Material and labor costs for removing, repairing, overhauling, replacing, and reinstalling finite life components that have reached their published life limits, paid to a commercial and Federal source. This does not include engines and engine accessories. <u>This is a VARIABLE COST SUMMARY.</u>	61280	Summary
283	Scheduled Maintenance Time Between Overhaul (TBO) Components - (Major Component Rebuild and Overhaul Expense) Commercial Cost	Material and labor costs for removing, repairing, overhauling, replacing, and reinstalling finite life components that have reached their published life limits, paid to a commercial source. This does not include engines and engine accessories. <u>This is a VARIABLE COST COMMERCIAL.</u>	61284	Posting
284	Scheduled Maintenance Time Between Overhaul (TBO) Components - (Major Component Rebuild and Overhaul Expense) Federal Cost	Material and labor costs for removing, repairing, overhauling, replacing, and reinstalling finite life components that have reached their published life limits, paid to a Federal source. This does not include engines and engine accessories. <u>This is a VARIABLE COST FEDERAL.</u>	61286	Posting
285	Scheduled Maintenance Time Between Overhaul (TBO) Components – (Life Limited Item Expense) Summary Cost	Material and labor costs for removing, repairing, overhauling, replacing, and reinstalling finite life components that have reached their published life limits, paid to a commercial and Federal source. This does not include engines and engine accessories. <u>This is a VARIABLE COST SUMMARY.</u>	61290	Summary
286	Scheduled Maintenance Time Between Overhaul (TBO) Components - (Life Limited Item Expense) Commercial Cost	Material and labor costs for removing, repairing, overhauling, replacing, and reinstalling finite life components that have reached their published life limits, paid to a commercial source. This does not include engines and engine accessories. <u>This is a VARIABLE COST COMMERCIAL.</u>	61294	Posting
287	Scheduled Maintenance Time Between Overhaul (TBO) Components - (Life Limited Item Expense) Federal Cost	Material and labor costs for removing, repairing, overhauling, replacing, and reinstalling finite life components that have reached their published life limits, paid to a Federal source. This does not include engines and engine accessories. <u>This is a VARIABLE COST FEDERAL.</u>	61296	Posting
288	Secure Aircraft Allowed Indicator	Indicates whether the bureau/office/service can specify that one of its aircraft is a secure aircraft.	N/A	N/A
289	Self-Insurance Summary	Aviation activity involves risks and potential	69010	Summary

	Cost	casualty losses and liability claims. Unlike the private industry, the Government is self-insuring by way of the Treasury's General Fund that covers casualty losses and liability claims from accidents. This includes Liability and Hull insurance. <u>This is a FIXED COST.</u>		
290	Serial Number	Identifies the serial number assigned to the aircraft by the original equipment manufacturer as designated on the aircraft data plate.	N/A	N/A
291	Total Aircraft Utilization Time - Summary	That time, expressed in hours and tenths of an hour, a Government aircraft has been utilized in a ground or flight capacity. This includes the sum of the Research and Development (R&D) ground utilization time, alert ground utilization time, and flight time for each registration number. Total possible hours in any given day are 24 hours and in any given year are 8,760 hours.	99000 (Includes Account Codes 93000 through 98000)	Summary
292	Total Flight Time - Summary	The total amount of time, expressed in hours and tenths of an hour, from when the aircraft moves under its own power for the purpose of flight and ends when the aircraft comes to rest after landing.	99100	Summary
293	Total Ground Utilization Time - Summary	The total time, expressed in hours and tenths of an hour, for an aircraft that is in Alert or R&D status.	99200	Summary
294	Total Ground Utilization Time – Alert Time - Summary	That time, expressed in hours and tenths of an hour, that an aircraft is in Alert status for all types of aircraft.	99210	Summary
295	Total Ground Utilization Time – R&D Time - Summary	That time, expressed in hours and tenths of an hour, that an aircraft is in R&D status.	99220	Summary
296	Unscheduled Maintenance – Aircraft Inspection – Summary Cost	Unscheduled maintenance with the expense of contracts, labor, parts and management for the continued airworthiness of the aircraft paid to a commercial and Federal source. [Reporting at least one cost type in this category is MANDATORY. If you do not have costs to report, enter zero (0) in the "Maintenance Cost-None" cost type.] This is a <u>FIXED COST SUMMARY.</u>	61366	Summary New per CAP Tool
297	Unscheduled Maintenance – Aircraft Inspection – Commercial Cost	Unscheduled maintenance with the expense of contracts, labor, parts and management for the continued airworthiness of the aircraft paid to a commercial source. [Reporting at least one cost type in this category is MANDATORY. If you do not have costs to report, enter zero (0) in the "Maintenance Cost-None" cost type.] This is a <u>FIXED COST COMMERCIAL.</u>	61367	Posting New per CAP Tool

298	Unscheduled Maintenance – Aircraft Inspection – Federal Cost	Unscheduled maintenance with the expense of contracts, labor, parts and management for the continued airworthiness of the aircraft paid to a Federal source. [Reporting at least one cost type in this category is MANDATORY. If you do not have costs to report, enter zero (0) in the "Maintenance Cost-None" cost type.]. This is a <u>FIXED COST FEDERAL</u> .	61368	Posting New per CAP Tool
299	Unscheduled Maintenance - Engine Inspection – Summary Cost	Unscheduled maintenance with the expense of contracts, labor, parts and management for the continued airworthiness of the aircraft paid to a commercial and Federal source. [Reporting at least one cost type in this category is MANDATORY. If you do not have costs to report, enter zero (0) in the "Maintenance Cost-None" cost type.] This is a <u>FIXED COST SUMMARY</u> .	61376	Summary New per CAP Tool
300	Unscheduled Maintenance - Engine Inspection – Commercial Cost	Unscheduled maintenance with the expense of contracts, labor, parts and management for the continued airworthiness of the aircraft paid to a commercial source. [Reporting at least one cost type in this category is MANDATORY. If you do not have costs to report, enter zero (0) in the "Maintenance Cost-None" cost type.] This is a <u>FIXED COST COMMERCIAL</u> .	61377	Posting New per CAP Tool
301	Unscheduled Maintenance - Engine Inspection – Federal Cost	Unscheduled maintenance with the expense of contracts, labor, parts and management for the continued airworthiness of the aircraft paid to a Federal source. [Reporting at least one cost type in this category is MANDATORY. If you do not have costs to report, enter zero (0) in the "Maintenance Cost-None" cost type.] This is a <u>FIXED COST FEDERAL</u> .	61378	Posting New per CAP Tool

302	Unscheduled Maintenance and Repairs Labor (Wages and Benefits)- Summary Cost	Costs Unscheduled maintenance for labor, travel, per diem and miscellaneous personnel expenses and repair expended by mechanics, technicians, and inspectors, paid to a commercial and Federal source. This includes costs of Airworthiness Directives (AD's) and Service Bulletins (SB's). <u>This is a VARIABLE COST SUMMARY.</u>	61204	Summary
303	Unscheduled Maintenance and Repairs Labor (Wages and Benefits) - Commercial Cost	Costs of labor, travel, per diem and miscellaneous personnel expenses for unscheduled maintenance and repair expended by mechanics, technicians, and inspectors, paid to a commercial source. This includes costs of Airworthiness Directives (AD's) and Service Bulletins (SB's). <u>This is a VARIABLE COST COMMERCIAL.</u>	61214	Posting
304	Unscheduled Maintenance and Repairs Labor (Wages and Benefits) - Federal Cost	Costs of labor, travel, per diem and miscellaneous personnel expenses for unscheduled maintenance and repair expended by mechanics, technicians, and inspectors, paid to a Federal source. This includes costs of Airworthiness Directives (AD's) and Service Bulletins (SB's). <u>This is a VARIABLE COST FEDERAL.</u>	61215	Posting
305	Unscheduled Maintenance and Repairs Parts - Total Commercial Summary Cost	Total costs of airframe, avionics and engine parts and materials used for unscheduled maintenance, paid to a commercial source. This includes the costs of repairing or replacing Time Between Overhaul (TBO) components that have failed prior to life limits. This also includes the costs of Airworthiness Directives (AD's) and Service Bulletins (SB's). <u>This is a VARIABLE COST COMMERCIAL SUMMARY.</u>	61208	Summary
306	Unscheduled Maintenance and Repairs Parts - Total Federal Summary Cost	Total costs of airframe, avionics and engine parts and materials used for unscheduled maintenance, paid to a Federal source. This includes the costs of repairing or replacing Time Between Overhaul (TBO) components that have failed prior to life limits. This also includes the costs of Airworthiness Directives (AD's) and Service Bulletins (SB's). <u>This is a VARIABLE COST FEDERAL SUMMARY.</u>	61209	Summary
307	Unscheduled Maintenance and Repairs Parts (Airframe) - Summary Cost	Costs of airframe parts and materials used for unscheduled maintenance, paid to a commercial and Federal source. This includes the costs of repairing or replacing Time Between Overhaul (TBO) components that have failed prior to life limits. This also includes the costs of Airworthiness Directives (AD's) and Service Bulletins (SB's). <u>This is a VARIABLE COST SUMMARY.</u>	61225	Summary

308	Unscheduled Maintenance and Repairs Parts (Airframe) - Commercial Cost	Costs of airframe parts and materials used for unscheduled maintenance, paid to a commercial source. This includes the costs of repairing or replacing Time Between Overhaul (TBO) components that have failed prior to life limits. This also includes the costs of Airworthiness Directives (AD's) and Service Bulletins (SB's). <u>This is a VARIABLE COST COMMERCIAL.</u>	61227	Posting
309	Unscheduled Maintenance and Repairs Parts (Airframe) - Federal Cost	Costs of airframe parts and materials used for unscheduled maintenance, paid to a Federal source. This includes the costs of repairing or replacing Time Between Overhaul (TBO) components that have failed prior to life limits. This also includes the costs of Airworthiness Directives (AD's) and Service Bulletins (SB's). <u>This is a VARIABLE COST FEDERAL.</u>	61229	Posting
310	Unscheduled Maintenance and Repairs Parts (Avionics) - Summary Cost	Costs of avionic parts and materials used for unscheduled maintenance, paid to a commercial and Federal source. This includes the costs of repairing or replacing Time Between Overhaul (TBO) components that have failed prior to life limits. This also includes the costs of Airworthiness Directives (AD's) and Service Bulletins (SB's). <u>This is a VARIABLE COST SUMMARY.</u>	61235	Summary
311	Unscheduled Maintenance and Repairs Parts (Avionics) - Commercial Cost	Costs of avionic parts and materials used for unscheduled maintenance, paid to a commercial source. This includes the costs of repairing or replacing Time Between Overhaul (TBO) components that have failed prior to life limits. This also includes the costs of Airworthiness Directives (AD's) and Service Bulletins (SB's). <u>This is a VARIABLE COST COMMERCIAL.</u>	61237	Posting
312	Unscheduled Maintenance and Repairs Parts (Avionics) - Federal Cost	Costs of avionic parts and materials used for unscheduled maintenance, paid to a Federal source. This includes the costs of repairing or replacing Time Between Overhaul (TBO) components that have failed prior to life limits. This also includes the costs of Airworthiness Directives (AD's) and Service Bulletins (SB's). <u>This is a VARIABLE COST FEDERAL.</u>	61239	Posting
313	Unscheduled Maintenance and Repairs Parts (Engine) - Summary Cost	Costs of engine parts and materials used for unscheduled maintenance, paid to a commercial and Federal source. This includes the costs of repairing or replacing Time Between Overhaul (TBO) components that have failed prior to life limits. This also includes the costs of Airworthiness Directives (AD's) and Service Bulletins (SB's). <u>This is a VARIABLE COST SUMMARY.</u>	61245	Summary

314	Unscheduled Maintenance and Repairs Parts (Engine) - Commercial Cost	Costs of engine parts and materials used for unscheduled maintenance, paid to a commercial source. This includes the costs of repairing or replacing Time Between Overhaul (TBO) components that have failed prior to life limits. This also includes the costs of Airworthiness Directives (AD's) and Service Bulletins (SB's). <u>This is a VARIABLE COST COMMERCIAL.</u>	61247	Posting
315	Unscheduled Maintenance and Repairs Parts (Engine) - Federal Cost	Costs of engine parts and materials used for unscheduled maintenance, paid to a Federal source. This includes the costs of repairing or replacing Time Between Overhaul (TBO) components that have failed prior to life limits. This also includes the costs of Airworthiness Directives (AD's) and Service Bulletins (SB's). <u>This is a VARIABLE COST FEDERAL.</u>	61249	Posting
316	Unscheduled Maintenance - Re-Engine - Summary Cost	Cost of parts and labor paid to commercial and Federal source, associated with the re-engineering of an aircraft's power plant as a result of the manufacturer's design review which results in improved performance characteristics for the engine and the aircraft. This is a <u>FIXED COST SUMMARY</u> and reporting is MANDATORY when it occurs. This cost should be considered an engine upgrade - not an overhaul or rebuild - and should not be added to acquisition cost of the aircraft.	61390	Summary New per CAP Tool
317	Unscheduled Maintenance Labor - Re-Engine - Summary Cost	Cost of labor paid to commercial and Federal source, associated with the re-engineering of an aircraft's power plant as a result of the manufacturer's design review which results in improved performance characteristics for the engine and the aircraft. This is a <u>FIXED COST SUMMARY</u> and reporting is MANDATORY when it occurs. This cost should be considered an engine upgrade - not an overhaul or rebuild - and should not be added to acquisition cost of the aircraft.	61391	Summary New per CAP Tool
318	Unscheduled Maintenance Labor - Re-Engine - Commercial Cost	Cost of labor paid to commercial source, associated with the re-engineering of an aircraft's power plant as a result of the manufacturer's design review which results in improved performance characteristics for the engine and the aircraft. This is a <u>FIXED COST COMMERCIAL</u> and reporting is MANDATORY when it occurs. This cost should be considered an engine upgrade - not an overhaul or rebuild - and should not be added to acquisition cost of the aircraft.	61394	Posting New per CAP Tool
319	Unscheduled Maintenance Labor- Re-Engine - Federal Cost	Cost of labor paid to Federal source, associated with the re-engineering of an aircraft's power plant as a result of the	61395	Posting New per CAP Tool

		manufacturer's design review which results in improved performance characteristics for the engine and the aircraft. This is a <u>FIXED COST FEDERAL</u> and reporting is MANDATORY when it occurs. This cost should be considered an engine upgrade - not an overhaul or rebuild - and should not be added to acquisition cost of the aircraft.		
320	Unscheduled Maintenance Parts - Re-Engine - Summary Cost	Cost of parts paid to commercial and Federal source, associated with the re-engineering of an aircraft's power plant as a result of the manufacturer's design review which results in improved performance characteristics for the engine and the aircraft. This is a <u>FIXED COST SUMMARY</u> and reporting is MANDATORY when it occurs. This cost should be considered an engine upgrade - not an overhaul or rebuild - and should not be added to acquisition cost of the aircraft.	61392	Summary New per CAP Tool
321	Unscheduled Maintenance Parts - Re-Engine - Commercial Cost	Cost of parts paid to commercial source, associated with the re-engineering of an aircraft's power plant as a result of the manufacturer's design review which results in improved performance characteristics for the engine and the aircraft. This is a <u>FIXED COST COMMERCIAL</u> and reporting is MANDATORY when it occurs. This cost should be considered an engine upgrade - not an overhaul or rebuild - and should not be added to acquisition cost of the aircraft.	61396	Posting New per CAP Tool
322	Unscheduled Maintenance Parts - Re-Engine - Federal Cost	Cost of parts paid to Federal source, associated with the re-engineering of an aircraft's power plant as a result of the manufacturer's design review which results in improved performance characteristics for the engine and the aircraft. This is a <u>FIXED COST FEDERAL</u> and reporting is MANDATORY when it occurs. This cost should be considered an engine upgrade - not an overhaul or rebuild - and should not be added to acquisition cost of the aircraft.	61397	Posting New per CAP Tool
323	Variable Crew – Total Commercial and Federal Summary Cost	Total flight crew costs that vary according to aircraft usage such as travel and per diem expenses, overtime pay, part-time pay, etc., paid to a commercial and Federal source. This includes labor costs for temporary and When-Actually-Employed (WAE) employees. This does not include labor costs for unscheduled maintenance. <u>This is a VARIABLE COST SUMMARY.</u>	61150	Summary
324	Variable Crew – Total Commercial Summary Cost	Total flight crew costs that vary according to aircraft usage such as travel and per diem expenses, overtime pay, part-time pay, etc., paid to a commercial source. This includes labor costs for temporary and When-	61151	Summary

		Actually-Employed (WAE) employees. This does not include labor costs for unscheduled maintenance. <u>This is a VARIABLE COST COMMERCIAL SUMMARY.</u>		
325	Variable Crew – Total Federal Summary Cost	Total flight crew costs that vary according to aircraft usage such as travel and per diem expenses, overtime pay, part-time pay, etc., paid to a Federal source. This includes labor costs for temporary and When-Actually-Employed (WAE) employees. This does not include labor costs for unscheduled maintenance. <u>This is a VARIABLE COST FEDERAL SUMMARY.</u>	61152	Summary
326	Variable Crew (Travel Expenses) - Commercial Cost	Flight crew costs that vary according to aircraft usage such as travel and per diem expenses, etc., paid to a commercial source. <u>This is a VARIABLE COST COMMERCIAL.</u>	61154	Posting
327	Variable Crew (Travel Expenses) - Federal Cost	Flight crew costs that vary according to aircraft usage such as travel and per diem expenses, etc., paid to a Federal source. <u>This is a VARIABLE COST FEDERAL.</u>	61155	Posting
328	Variable Crew (Wages – Hourly, Part-Time or Overtime) - Commercial Cost	Flight crew costs that vary according to aircraft usage such as overtime pay, part-time pay, etc., paid to a commercial source. This includes labor costs for temporary and When-Actually-Employed (WAE) employees. This does not include labor costs for unscheduled maintenance. <u>This is a VARIABLE COST COMMERCIAL.</u>	61156	Posting
329	Variable Crew (Wages – Hourly, Part-Time or Overtime) - Federal Cost	Flight crew costs that vary according to aircraft usage such as overtime pay, part-time pay, etc., paid to a Federal source. This includes labor costs for temporary and When-Actually-Employed (WAE) employees. This does not include labor costs for unscheduled maintenance. <u>This is a VARIABLE COST FEDERAL.</u>	61157	Posting
330	Variable Lease - Summary Cost	Component of aircraft lease costs based on flying hours, flight time or other usage criteria, paid to a commercial and Federal source. <u>This is a VARIABLE COST SUMMARY.</u> For clarification, please see the applicable parts of “fixed lease.”	61130	Summary
331	Variable Lease - Commercial Cost	Component of aircraft lease costs based on flying hours, flight time or other usage criteria, paid to a commercial source. <u>This is a VARIABLE COST COMMERCIAL.</u> For clarification, please see the applicable parts of “fixed lease.”	61132	Posting

332	Variable Lease - Federal Cost	Component of aircraft lease costs based on flying hours, flight time or other usage criteria, paid to a Federal source. <u>This is a VARIABLE COST FEDERAL.</u> For clarification, please see the applicable parts of "fixed lease."	61134	Posting
333	Variable Maintenance Costs – Summary Cost	This includes costs paid to a commercial and Federal source for scheduled and unscheduled maintenance that occurs based on the accumulation of hours flown, flight time or flight cycles as well as maintenance and repairs of items found during a scheduled maintenance inspection or squawked by the crews. In addition to the costs of normal maintenance activities, examples of costs that Government agencies should consider as variable are modification required by service bulletins and airworthiness directives. This includes cost from both Scheduled and Unscheduled Maintenance Summary Accounts. <u>This is a VARIABLE COST SUMMARY.</u>	61200 (See Chart of Account for the codes this cost contains)	Summary
334	Variable Maintenance Costs – Labor	Variable Maintenance Labor includes the costs paid to a commercial and Federal source expended by the Government agency for in-hours mechanics, technicians, and inspectors when they are performing maintenance tasks. This is the same account code as for Scheduled and Unscheduled Maintenance Labor. <u>This is a VARIABLE COST SUMMARY.</u>	61210	Summary
335	Year Manufactured	Indicates the year the aircraft was manufactured, as designated on the aircraft data plate.	N/A	N/A

Appendix E

FAIRS BUSINESS RULES

Business Rules for FAIRS (as they were in effect in FY 2003):

General Rules of Reporting:

1. FAIRS collect information on government aircraft (manned and Unmanned Aerial Systems (UAS)) on the costs and utilization of Federal aircraft and the costs and utilization of commercial aircraft services. This system does not attempt to collect the cost of establishing or maintaining an aviation program.
2. Report all factual and expended costs. Do not report speculative costs. Example: the cost of fuel dispensed to into an aircraft is factual. The cost of self-insurance is speculative. Generally speaking, factual costs represent actual outlay dollars and speculative costs represent accounting practices only.
3. If your agency operates under a working capital fund, report your costs only when funds are disbursed.
4. All FAIRS users will have "read" and "write" access to their own bureau data. All FAIRS users will have "read" access to their agency's data, except for certain data on mission sensitive aircraft, unless you are the data owner.
5. FAIRS require a designated agency official to approve data submissions before they are accepted to the database. This designated agency official has the ability to edit, approve, and/or disapprove the data. Each agency shall appoint a principal and an alternate approval official. The official reviewer (who approves the data) may be a different person from the user who initially enters the data and submits it to the reviewer as "awaiting review."
6. All aircraft (that includes UAS) must be entered into FAIRS with a registration number, serial number and make and model. This defines the uniqueness of this aircraft in order to track the cost and utilization of this aircraft.
7. FAIRS will contain information on mission sensitive aircraft. Certain information involving these mission sensitive aircraft, such as serial number, make, model, location, and registration number, are not accessible through "read" or "special query" access by any agency other than the owning agency and approved persons. However, this data will be accessible in roll-up or cumulative format only to the FAIRS Program Manager and Database Administrator in FAIRS pre-defined queries, where only the coded information of the aircraft will be provided.
8. All users and Reviewers/Approvers must complete the requisite training for the Federal (Operational) and/or Commercial aviation services module(s) within the FAIRS application prior to having access to FAIRS.
9. If you don't know how to report something or the system will not allow you to report data, contact the FAIRS Program Manager at GSA.
10. You must report any changes in your Federal aircraft inventory within 14 calendar days *of the event*. ***Make, model and serial number cannot be changed once it is, initially, reported on the inventory record.***

11. The reporting period for the cost and utilization data is the prior and current quarter. Once the reporting period passes and you identify costs that should have been in the reporting period, you must contact the FAIRS Administrator for assistance in reporting these costs. Just as above, if costs are identified for prior reporting periods, you must contact the FAIRS Administrator. Example: Litigation settlement costs paid five years after an accident that destroyed the aircraft. In such cases, call the FAIRS Administrator to report these costs.

You must report cost and utilization data to FAIRS at the end of every quarter of the fiscal year (December 31, March 31, June 30, and September 30). However, you may submit your information to FAIRS on a daily, weekly, or monthly basis. To provide enough time to calculate your cost and utilization data, you may report any one quarter's cost and utilization in the following quarter, as follows:

Quarter	Submit
QTR 1—October 1—December 31	Federal inventory for QTR 1. Federal cost and utilization for previous QTR 4. CAS cost and utilization for previous QTR 4.
QTR 2—January 1—March 31	Federal inventory for QTR 2. Federal cost and utilization for QTR 1. CAS cost and utilization for QTR 1.
QTR 3—April 1—June 30	Federal inventory for QTR 3. Federal cost and utilization for QTR 2. CAS cost and utilization for QTR 2.
QTR 4—July 1—September 30	Federal inventory for QTR 4. Federal cost and utilization for QTR 3. CAS cost and utilization for QTR 3.

General Rules for Reporting Federal Inventory Data:

12. All aircraft (that includes UAS) must be entered into FAIRS with a registration number, serial number and make and model. This defines the uniqueness of this aircraft.
13. FAIRS allows for the reporting of costs of an aircraft's modifications in the Cost Types – 'Scheduled Maintenance – 'Federal' and 'Commercial' (to include 'Calendar') 'Refurbishment' or 'Scheduled Maintenance SLEP/LEP' – 'Federal' or 'Commercial'.
14. Changes to your Federal aircraft inventory must be reported to FAIRS within 14 calendar days of the change. *If your agency disposes of an aircraft the following applies:*

You must report (1) the disposal recipient (e.g., name of the organization that has accepted title to the aircraft) (2) Disposal Recipient Type (commercial entity, educational institution, local government, etc.) (3) Disposal Method (Borrow, Bailment, Accident, Exchange Sale, etc.) and (4) Disposal Date. This information is located at the bottom of the FAIRS 'Aircraft Inventory Record'.

NOTE: Aircraft that are disposed will continue to appear on the 'Disposing' agency inventory for (12) calendar months after the transaction so that unreported costs and utilization that are obtained after the disposal date can be accounted for. After this 12-month period expires the aircraft will not be shown on the 'Disposing' agencies inventory. The 'Acquiring' agency will see their new acquisition on their inventory right away and may add cost and utilization data.

15. If the Department of Defense (DoD) bails an aircraft to your agency, you will be responsible for; (1) adding the aircraft to your FAIRS inventory, as soon as you take custody, **but no later than (7) days after acceptance**, (2) give the aircraft an ownership status of "Bailed From", and (3) report all costs to FAIRS (excluding costs reimbursed or sustained by the DOD) that you incur on the bailed aircraft, *as well as*, flight time. In order to report costs against the aircraft, it needs to be *included in your FAIRS inventory. The aircraft will not to be counted in your owned inventory with the status of 'Bailed From'.*
16. If an aircraft is '*Bailed To*' you from another executive agency, the owning agency will *maintain the aircraft in their inventory* and change the aircraft ownership status to "Bailed To." *The owning and 'Bailed To' agencies are responsible for reporting all costs and hours incurred. Thus, more than one agency may report Federal costs against a Bailed To aircraft.*
17. If a non-executive agency provides an aircraft to your agency, you will be responsible for; (1) adding the aircraft to your FAIRS inventory, as soon as you take custody, *but no later than 14-days after acceptance*; (2) giving the aircraft an ownership status of "Borrowed Aircraft," and (3) reporting all costs *and hours* to FAIRS..
18. *When you declassify an aircraft, you must make the change on the inventory record.*

General Rules for Reporting Federal Aircraft Cost and Hours Data:

19. *You must provide cost and utilization data (flight time, alert time and/or R&D) for all aircraft in your inventory.*
20. *Report costs only in one place. If a cost might fit multiple 'Cost Types' on the FAIRS costs sheet, choose the one which best represents the cost to your agency. Try to be consistent among all of your aircraft and from period to period.*
21. *There is several cost types associated with parts, maintenance, engine and labor costs. Regardless of which you choose, remember that the objective is always to be able to identify where the money was spent (Federal or commercial source). Try to be consistent among all of your aircraft and from period to period.*
22. FAIRS will permit the original 'Owning' agency to report costs and hours for a 'Disposed' aircraft for period of (12) calendar months after the aircraft has been disposed.
23. Report the costs of aircraft parts and installation, etc., only when actually installed on the aircraft. Thus costs of parts and supplies for warehouse inventory, bulk storage or future use are not reported until installed on the aircraft.
24. For bailed, transferred, and shared aircraft, FAIRS will allow for the reporting of costs and hours flown or flight time on the same aircraft by different agencies or bureaus of an agency for the same reporting period.
25. FAIRS require that flight time be reported by mission, by aircraft, in each reporting period. Since an aircraft may perform one or more missions during a sortie (one takeoff and landing), choose the principal mission the aircraft was dispatched for the sortie and accumulate all the hours of the sortie to the chosen principal mission. Accumulate the total hours for each principal mission by aircraft and report the sums for the period. The sum of mission hours during the period should add up to the total "Flight Time" as reported. FAIRS will accept more detailed data if provided.
26. FAIRS do not accommodate the reporting of costs of mission equipment which is not part of the aircraft design. Report any costs to change the aircraft design to accommodate mission equipment under "modifications."

- 27. You must report one cost for each of the four mandatory costs (Fuel, Overhead, Maintenance, and Crew) as well as the utilization data in order for the record to be approved. NOTE: Cost and utilization data are in two separate blocks on the 'Cost' and 'Hours' record in the FAIRS application. They can be filled in separately and 'saved' separately but the record cannot be 'Approved' unless BOTH are filled out and BOTH are 'saved'.**

CAS Business Rules - General

28. Report all commercial aviation services except scheduled airline travel.
29. Report commercial expenditures associated with Federal aircraft in the Federal Cost & Utilization category, not in CAS.
30. ISSA's are reported as CAS.

Security Business Rules - General

31. You may not transfer your FAIRS account authorization. Each user must be trained and authenticated by GSA.
32. Do not reveal your digital certificate information such as user identification or password to any other person, even another authorized user.
33. Be sure no one is watching when you type your password.
34. Do not allow someone else to create an account in your name.
35. Do not try to obtain unauthorized access to other users' accounts, data or files.
36. Do not try to crack, capture, or use others' passwords.
37. Do not attempt to gain root access on any systems.
38. Report any suspected unauthorized use of your account immediately to GSA.
39. If you suspect that someone knows your password, change it immediately
40. Do not base passwords on personal information, such as nicknames, names of friends, pets, or favorite sports. Do not use easy to guess passwords
41. Passwords must be between 8 and 24 characters in length with at least one upper case character and have at least one special character, such as an exclamation point (!) or a dollar sign (\$). Passwords may not end in a numeric character.

Appendix F

OMB Circular No. A-126 STANDARD AIRCRAFT PROGRAM COST ELEMENT DEFINITIONS

NOTE: The complete text of OMB Circular A-126 and its attachments may be found at www.whitehouse.gov/omb/circulars

VARIABLE COSTS

The variable costs of operating aircraft are those costs that vary depending on how much the aircraft are used. The specific variable cost elements include:

Crew costs - variable - The crew costs which vary according to aircraft usage consist of travel expenses (particularly reimbursement of subsistence (i.e., per diem and miscellaneous expenses), overtime charges, and wages of crew members hired on an hourly or part-time basis.

Maintenance costs - variable - Unscheduled maintenance and maintenance scheduled on the basis of flying time vary with aircraft usage and, therefore, the associated costs are considered variable costs. In addition to the costs of normal maintenance activities, variable maintenance costs shall include aircraft refurbishment, such as painting and interior restoration, and costs of or allowances for performing overhauls and modifications required by service bulletins and airworthiness directives. If they wish, agencies may consider all of their maintenance costs as variable costs and account for them accordingly. Otherwise, certain maintenance costs will be considered fixed as described in a subsequent paragraph. Variable maintenance costs include the costs of:

Maintenance labor - variable - This includes all labor (i.e., salaries and wages, benefits, travel, and training) expended by mechanics, technicians, and inspectors, exclusive of labor for engine overhaul, aircraft refurbishment, and/or repair of major components.

Maintenance parts - variable - This includes cost of materials and parts consumed in aircraft maintenance and inspections, exclusive of materials and parts for engine overhaul, aircraft refurbishment, and/or repair of major components.

Maintenance contracts - variable - This includes all contracted costs for unscheduled maintenance and for maintenance scheduled on a flying hour or flight time basis or based on the condition of the part or component.

Engine overhaul, aircraft refurbishment, and major component repairs - These are the materials and labor costs of overhauling engines, refurbishing aircraft, and/or repairing major aircraft components.

NOTE 1: In general, the flying hour cost is computed by dividing the costs for a period by the projected hours flown or flight time during the period. However, when computing the flying hour cost factor for this cost category, divide the total estimated cost for the activities in this category (e.g., overhaul, refurbishment and major repairs) by the number of hours flown or flight time between these activities.

NOTE 2: Separate cost or reserve accounts for engine overhaul, aircraft refurbishment, major component repairs, and other maintenance cost elements, may, at the agency's discretion, be identified

and quantified separately for mission-pertinent information purposes. Reserve accounts are generally used when the aircraft program is funded through a working capital or revolving fund.

Fuel and other fluids - The costs of the aviation gasoline, jet fuel, and other fluids (eg. engine oil, hydraulic fluids and water-methanol) consumed by aircraft.

Lease costs - variable - When the cost of leasing an aircraft is based on hours flown or flight time, the associated lease or rental costs are considered variable costs.

Landing and tie down fees - Landing fees and tie down fees associated with aircraft usage are considered variable costs. Tie down fees for storing an aircraft at its base of operations should be considered part of operations overhead, a fixed cost.

FIXED COSTS

The fixed costs of operating aircraft are those that result from owning and support the aircraft and that do not vary according to aircraft usage. The specific fixed cost elements include:

Crew costs - fixed - The crew costs which do not vary according to aircraft usage consist of salaries, benefits, and training costs. This includes the salaries, benefits, and training costs of crew members who also perform minimal aircraft maintenance. Also included in fixed crew costs are the costs of their charts, personal protective equipment, uniforms, and other personal equipment.

Maintenance costs - fixed - This cost category includes certain maintenance and inspection activities which are scheduled on a calendar interval basis and take place regardless of whether or how much the aircraft are flown. Agencies are encouraged to simplify their accounting systems and account for all maintenance costs as variable costs. However, if they wish, agencies may account for the following costs as fixed costs:

Maintenance labor - fixed - This includes all projected labor expended by mechanics and inspectors associated with maintenance scheduled on a calendar interval basis. This does not include variable maintenance labor or work on items having a TBO or retirement life.

This category also includes costs associated with unallocated maintenance labor expenses, i.e., associated salaries, benefits, travel expenses and training costs. These costs should be evenly allocated over the number of the aircraft in the fleet.

Maintenance parts - fixed - This includes all parts and consumables used for maintenance scheduled on a calendar basis.

Maintenance contracts - fixed - This includes all contracted costs for maintenance or inspections scheduled on a calendar basis.

Lease costs - fixed - When the cost of leasing an aircraft is based on a length of time (e.g., days, weeks, months, or years) and does not vary according to aircraft usage, the associated leased costs are considered fixed costs.

Operations overhead - These include all costs, not accounted for elsewhere, associated with direct management and support of the aircraft program. Examples of such costs include: personnel costs (salaries, benefits, travel, uniform allowances, training, etc.) for management and administrative personnel directly responsible for the aircraft program; building and ground maintenance; janitorial services; lease or rent costs for hangars and administrative buildings and office space; communications and utilities costs; office supplies and equipment; maintenance and depreciation of support equipment; tie down fees for aircraft located on base; and miscellaneous operational support costs.

Administrative overhead - These costs represent a pro-rated share of salaries, office supplies and

other expenses of fiscal, accounting, personnel, management, and similar common services performed outside and the aircraft program but which support this program. For purposes of recovering the costs of operations, agencies should exercise their own judgment as to the extent to which aircraft users should bear the administrative overhead costs. Agencies may, for example, decide to charge non-agency users a higher proportion of administrative overhead than agency users. For purposes of A-76 cost comparisons, agencies should compute the actual administrative costs that would be avoided if a decision is made to contract out the operation under study.

Self-insurance costs - Aviation activity involves risks and potential casualty losses and liability claims. These risks are normally covered in the private sector by purchasing and insurance policy. The government is self insuring; the Treasury's General Fund is charged for casualty losses and/or liability claims resulting from accidents. For the purposes of analyses, government managers will recognize a cost for "self-insurance" by developing a cost based on rates published in OMB Circular No. **A-76**.

Depreciation - Depreciation represents the cost or value of ownership. Aircraft have a finite useful economic or service life. Depreciation is the method used to spread the cost of the purchase price, less residual value, over an asset's useful life. A-76 provides guidance on computing depreciation charges to be used in computing the fixed costs of an aircraft or aircraft program. Although these costs are not direct outlays in the sense of most other aircraft costs, it is important to recognize them for A-76 cost comparison purposes and when replenishing a working capital fund by recovering the full cost of aircraft operations. Depreciation costs depend on aircraft acquisition or replacement costs, useful life, and residual or salvage value. To calculate the cost of depreciation that shall be allocated to each year, subtract the residual value from the total of the acquisition cost plus any capital improvements and, then, divide by the estimated useful life of the asset.

OTHER COSTS

There are certain other costs of the aircraft program which should be recorded but are not appropriate for inclusion in either the variable or fixed cost categories for the purposes of justifying aircraft use or recovering the cost of aircraft operations. These costs include:

Accident repair costs - These costs include all parts, materials, equipment and maintenance labor related to repairing accidental damage to airframes or aircraft equipment. Also included are all accident investigation costs.

Aircraft costs - This is the basic aircraft inventory or asset account used as the basis for determining aircraft depreciation charges. These costs include the cost of acquiring aircraft and accessories, including transportation and initial installation. Also included are all costs required to bring aircraft and capitalized accessories up to fleet standards.

Cost of Capital - The cost of capital is the cost to the Government of acquiring the funds necessary for capital investments. The agency shall use the borrowing rate announced by the Department of Treasury for bonds or notes whose maturities correspond to the useful life of the asset.

Appendix G

U.S. Government Standard General Ledger Chart of Accounts

This document and all other materials regarding the US Standard General Ledger accounting system may be found at the following website:

www.fms.treas.gov/ussgl

The Chart of Accounts is Section 1 of the USSGL TFM. The description of these accounts is found in section 2. These sections are available as Adobe Acrobat PDF files. The Chart of Accounts listing is 16 pages and the description of the accounts is 73 pages.

Appendix H

Additional Sources of Information

Additional resources may be found in the following

H.1 Reference books

The following books provide additional information on the accounting process and principals.

Finance and Accounting for Nonfinancial Managers. Steven A. Finkler. Prentice Hall, Englewood Cliffs, NJ 07632. 1992

Financial Management. (Second Edition). Joel G. Siegel, CPA and Jae K. Shim, PhD. Barron's Business Library, 250 Wireless Blvd. Hauppauge, NY 11788. 2000

Accounting. Charles T. Horngren and Walter T. Harrison, Jr. Prentice Hall, Englewood Cliffs, NJ 07632. 1989

H.2 Databases

The following databases provide acquisition and operating cost information.

Aircraft Acquisition Costs

- Aircraft Blue Book Price Digest (general aviation fixed and rotary wing aircraft)
Intertec Publishing
PO Box 12901
Overland Park, KS 66282
1 800 654 6776
- Airliner Price Guide (airline aircraft)
PO Box 270485
Oklahoma City, OK 73137
(405) 942 8225
- Official Helicopter Blue Book (helicopters)
HeliValue\$, Inc.
PO Box 876
Lincolnshire, IL 60069
(847) 634 3877

Aircraft Operating Costs

- Aircraft Cost Evaluator
Conklin & de Decker Associates, Inc.
PO Box 1142
Orleans, MA 02653
(508) 255 5975

- Helicopter Equipment List and Prices
HeliValue\$, Inc.
PO Box 876
Lincolnshire, IL 60069
(847) 634 3877
- Life Cycle Cost Analyzer
Conklin & de Decker Associates, Inc.
PO Box 1142
Orleans, MA 02653
(508) 255 5975

Charter Aircraft Costs

- Aircraft Charter Guide
Charter Guides
104 Mt Auburn
Cambridge, MA 02138
(617) 547 5811