3. Subpart 101–37.2 is revised to read as follows:

## **Subpart 101-37.2—Accounting for Aircraft Costs**

Sec.

101-37.200 General.

101–37.201 Standard aircraft program cost elements.

101-37.202 Policy.

101-37.203 [Reserved]

101–37.204 Operations cost recovery methods.

101–37.205 Aircraft program cost effectiveness.

## Subpart 101–37.2—Accounting for Aircraft Costs

## §101-37.200 General.

The provisions of this subpart prescribe policies and procedures for accounting for aircraft costs. This subpart also prescribes provisions and procedures contained in OMB Circulars A–76 and A–126.

## § 101–37.201 Standard aircraft program cost elements.

The following cost elements will be used for the establishment of cost accounting systems and for reporting Government-owned and operated aircraft cost and utilization data to the Federal Aviation Management Information System (FAMIS) on GSA Form 3552.

- (a) 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:
- (1) Crew costs. 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.
- (2) Maintenance costs. 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 paragraph (b) of this section. Variable maintenance costs include the costs of:

(i) Maintenance labor. 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.

(ii) Maintenance parts. 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.

(iii) Maintenance contracts. This includes all contracted costs for unscheduled maintenance and for maintenance scheduled on a flying hour basis or based on the condition of the part or component.

(iv) 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.

(A) In general, the flight hour cost is computed by dividing the costs for a period by the projected hours flown during the period. However, when computing the flight 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 flight hours between these activities.

(B) Cost or reserve accounts for engine overhaul, aircraft refurbishment, and major component repairs 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.

(3) Fuel and other fluids. The costs of the aviation gasoline, jet fuel, and other fluids (e.g., engine oil, hydraulic fluids, and water-methanol) consumed by aircraft.

(4) Lease costs. When the cost of leasing an aircraft is based on flight hours, the associated lease or rental costs are considered variable costs.

(5) 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.

(b) Fixed costs. The fixed costs of operating aircraft are those that result from owning and supporting the aircraft and do not vary according to aircraft usage. The specific fixed cost elements include:

(1) Crew costs. 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 when the agency is authorized to purchase such items.

(2) Maintenance costs. This cost category includes maintenance and inspection activities which are scheduled on a calendar interval basis and take place regardless of whether or how much an aircraft is 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:

(i) Maintenance labor. This includes all projected labor expended by mechanics, technicians, and inspectors associated with maintenance scheduled on a calendar interval basis. This does not include variable maintenance labor or work on items having a retirement life or time between overhaul. This category also includes costs associated with nonallocated maintenance labor expenses; i.e., associated salaries, benefits, travel expenses, and training costs. These costs should be evenly allocated over the number of aircraft in the fleet.

(ii) Maintenance parts. This includes all parts and consumables used for maintenance scheduled on a calendar interval basis.

(iii) Maintenance contracts. This includes all contracted costs for maintenance or inspections scheduled on a calendar interval basis.

- (3) Lease costs. 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 lease costs are considered fixed costs.
- (4) Operations overhead. This includes 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 (when the agency is authorized to purchase such items), 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