

undercover aircraft does not display agency markings but is registered with the FAA to the owning agency.

Unsalvageable aircraft part is an aircraft part which cannot be restored to an airworthy condition due to its age, physical condition, a non-repairable defect, insufficient documentation, or non-conformance with applicable specifications. For additional information on disposition of such parts refer to FAA Advisory Circular No. 21-38, or other current applicable guidelines.

Useful life means the service life, in years, of the aircraft as estimated by the manufacturer or evidenced by historical performance. The useful life is established at the time of acquisition.

Using agency means an executive agency using aircraft for which it does not maintain ownership. This term applies when an agency obtains aircraft from any other executive agency on a temporary basis.

Variable costs means the costs of operating aircraft that vary depending on how much the aircraft are used. For specific variable aircraft program cost information see § 101-37.201(a).

[60 FR 3548, Jan. 18, 1995, as amended at 62 FR 43472, Aug. 14, 1997]

Subpart 101-37.2—Accounting for Aircraft Costs

SOURCE: 60 FR 3550, Jan. 18, 1995, unless otherwise noted.

§ 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.