U.S. Forest Service
WCF Aircraft User Guide

United States Department of Agriculture, Forest Service

January 28, 2016

[This page left intentionally blank]

File Code:	5700; 6580	**Date:**	March 7, 2016
Route To:			

Subject: Approval of the USDA Forest Service Working Capital Fund Aircraft User Guide

To: Regional Foresters, Station Directors, Area Director, IITF Director, Regional Fire Directors, Regional Aviation Officers

The Forest Service Working Capital Fund (WCF) Aircraft User Guide is approved for use by the Deputy Chief of Business Operations and the Deputy Chief of State and Private Forestry per Forest Service Manual 6584.

Albuquerque Service Center (ASC) Budget and Finance, WCF Branch, provides financial direction, monitoring, and oversight in collaboration with Forest Service Fire and Aviation Management (FAM) to manage WCF aircraft in accordance with Forest Service, Departmental, and General Services Administration policy.

Forest Service Manual 5718.2 states, "All Forest Service owned and operated aircraft will be managed through the WCF program. Units cannot opt out. The Forest Service is required to comply with Federal Management Regulations for aircraft management which requires financial sustainability (41CFR 102-33)." The FS will not support aircraft that are not financially sustainable. These aircraft will be disposed of or other procurement options will be implemented.

It is the responsibility of the user unit to follow the WCF Aircraft User Guide and to ensure all items and or services are charged to the proper job code so accurate costs will be reflected in the financial management systems.

A copy of this letter and the WCF User Guide is on ASC's website at http://fsweb.asc.fs.fed.us/bfm/programs/financial-operations/property-wcf/wcf/aircraft-policies-procedures.php and the FAM website at http://www.fs.fed.us/fire/aviation/av_library/index.html.

/s/ **James E. Hubbard**   /s/ **Thelma Strong**
JAMES E. HUBBARD   THELMA STRONG
Deputy Chief, State and Private Forestry   Chief Financial Officer

Enclosure

cc: Dan Olsen, Art Hinaman, John A. Nelson, Paul Linse, Gary Sterling, Thomas Ricks, Rock Parrilla, Heather Matusiak

2016 WCF Aircraft User Guide

USFS Fire and Aviation Management Signatures and Approval

Prepared:	**H. Matusiak**	**Date:**	**02/04/2016**
	Heather Matusiak, Aviation Management Specialist		
Reviewed:	**Art Hinaman**	**Date:**	**11 Feb 2016**
	Arthur Hinaman, Assistant Director, Aviation		
Reviewed:	**Denise Blankenship (acting for)**	**Date:**	**23 Feb 2016**
	Dan Olsen, Director (Acting), Fire and Aviation Management		
Approved:	**J E Hubbard**	**Date:**	**2/23/16**
	James E. Hubbard, Deputy Chief, State and Private Forestry		

2016 WCF Aircraft User Guide

USFS Business Operations Signatures and Approval

Reviewed: **Date:** _____

Reviewed: _____ **Date:** _____

Reviewed: _____ **Date:** _____

Reviewed: _____ **Date:** _____

Approved: _____ **Date:** _____

Digest

Revises WCF Aircraft User Guide in its entirety. Establishes codes, captions, and sets forth new direction throughout the guide.

Overall Guide Enhancements:

- Section 4—Entry of Aircraft into the WCF Aircraft Program: Referenced FSH 5709.16 Chapter 40 and 41 CFR 102-33 in which details the guidance and directives that must be followed when acquiring an aircraft.
- Section 3.2—Prestructured Job Codes: Included the addition of two new job codes, WPxxxx and EPxxxx, to account for the cost of aircraft parts.
- Section 4.1.3—Upgrading of Aircraft added guidance and procedures on obtaining approval for aircraft modifications and upgrades.
- Section 5—Budgeting: Added due date of December 15 for Regions to send their Aircraft Rates Template to ASC WCF. Aircraft shall not be operated in the forthcoming calendar year if rates are not submitted by December 15. Added WO Airworthiness Branch Chief or delegated representative will concur with all rates.
- Added Section 5.2—Expenditure and Income Review.
- Added Section 6.3—Aircraft Rate Justification.
- Section 7—Use Reporting and Cost Recovery (previously Recording): added aircraft usage reporting requirements.
- Added Appendix 4—Prestructured Aircraft Job Code Listing to provide further explanation and definition, including explanation on the new job codes, WPxxxx and EPxxxx, to account for the cost of aircraft parts.

Terminology Changes throughout Guide to Reflect Current Usage, Policy, and Regulation:

- References to EMIS are followed by "or its replacement." Once all the processes, functionality, and reporting of EMIS has been replaced, the guide will be updated to reference the new system(s).
- Changed the job code description of 81xxxx, Maintenance–in-house to Maintenance Labor–Federal to clarify this is maintenance labor performed by a federal employee.
- Clarified job code 906625 by removing mechanics labor and nursery workers.

Table of Contents

WCF Aircraft User Guide

1   Overview

The primary mission of WCF Aircraft is to support fire suppression activities such as Aerial Supervision Module (ASM), Leadplane, Smokejumper, transportation of fire personnel, transportation of fire cargo, helicopter operations, Airtanker operations, and imagery collection. These aircraft also support non-fire related activities including administrative passenger transport, aerial photography, wildlife management, and natural resource management.

The purpose of the Working Capital Fund (WCF) is to provide a sustainable funding mechanism for the continued operation, refurbishment, and replacement of agency owned aircraft.

This guide expands on the direction contained in the **Working Capital Fund Accounting Operations Handbook,** FSH 6509.11f, as it pertains to aircraft, and provides greater detail on how to accomplish day-to-day management, operations and tasks.

Prior to aircraft entering the WCF program each aircraft must be Forest Service property. This is first approved by the Washington Office Headquarters (WO), Director-Fire and Aviation Management and then accepted as Forest Service property by the Forest Service Washington Office AQM Property Branch.

2   WCF Financial Management and Oversight

FSH 5709.16 Chapter 40, Paragraph 47.1 states "Manage all Forest Service-owned and -operated aircraft through the Forest Service WCF in accordance with FSM 6580, FSH 6509.11f, and the WCF Aircraft User Guide." This means that all Forest Service owned aircraft that are, or intend to be, operated are done so through the Forest Service WCF program. Users cannot opt out. The FS is required to comply with Federal Management Regulations for aircraft management which requires financial sustainability (41 CFR 102-33).

ASC Budget and Finance, WCF Branch provides financial direction, monitoring, and oversight in collaboration with FS Fire and Aviation Management (FAM) to manage FS WCF aircraft in accordance with Forest Service, Departmental, and GSA policy.

It is the responsibility of the user unit to ensure all items and or services being procured or incurred for WCF aircraft are charged to the proper job code so accurate costs are reflected under the correct Account Codes in the WCF financial accounting and fleet/property management information system(s). With the coordination of ASC Budget and Assurance staff, ASC WCF and WO FAM will perform random audits of the program to ensure proper expenditures and financial management. A Region may also request through the WO FAM a program review to be conducted by the WO, ASC WCF, and Regional representatives.

3 Job Codes and Account Code Structure
The WCF program is comprised of structured job codes and prestructured job codes to track costs.

3.1 Structured Job Codes
WCF structured job codes referenced in Appendix 3—Structured Aircraft Job Code Listing will be created each year as necessary by FS WO Financial Management Systems. These are the job codes that do not tie to a specific aircraft, such as the job code for jet fuel, 906602. See FSH 6509.11f, 11.2, and Appendix 3—Structured Aircraft Job Code Listing for job codes and definitions.

3.2 Prestructured Job Codes
The prestructured job codes referenced below are established each year by ASC WCF for each specific aircraft by the equipment identification number where "xxxx" represents the aircraft's unique equipment identification number. Refer to FSH 6509.11f and 11.2 for job codes and definitions as well as Section 6.2—Aircraft Use Rate (USE) and Appendix 4—Prestructured Aircraft Job Code Listing for further description and use. The following table is a sample of job codes and how they tie to the fund, program, and account codes associated with the Cash Balance Statement.

Job Code	Description	Fund Code[1]	Program Code[2]	Account Code[3]
W2xxxx	Capitalization of Aircraft	WCWC	WCAO	157
W3xxxx	Extraordinary Airworthiness Repair	WCWC	WCAO	671
EPxxxx	Extraordinary Maintenance Parts	WCWC	WCAO	671
W8xxxx	Maintenance– Commercial	WCWC	WCAO	612
81xxxx	Maintenance– Federal	WCWC	WCAO	613
WPxxxx	Regular Maintenance Parts	WCWC	WCAO	620
83xxxx	Reserve	WCWC	WCAR	352

[1]Fund Code: WCWC is the funding mechanism for all WCF activities.

[2]Program Code: This is used to identify the funding for each of the different WCF activities. WCF Aircraft activities have two Program Codes:
   a) Working Capital Aircraft Operations (WCAO) used at the Regional level
   b) Working Capital Aircraft Reserve (WCAR) used at the National level.

[3]Account Code: The Account Code is the tie between job codes and the information on the Aircraft FS-6500-30–WCF Budget Financial Estimate and the Cash Balance Statement.

4   Entry of Aircraft into the WCF Aircraft Program

FSH 5709.16 Chapter 40, Paragraph 47.44 policy states, "All decisions to transfer, acquire, or lease aircraft must be approved by the Washington Office, Director, Fire and Aviation Management (FAM)." All efforts to obtain an aircraft for use must be coordinated, directed, and approved through the WO FAM. There are various methods the Government may acquire an aircraft. 41 CFR 102-33 defines these methods, the circumstances when an aircraft may be acquired, and the directives that must be followed when planning to acquire a Government aircraft.

WCF aircraft are also subject to the same regulations regarding capitalization, decapitalization, and depreciation as other WCF non-expendable personal property. Acquisition of aircraft must be financed from the National Reserve account 352. If account 352 does not have sufficient funds to acquire an aircraft, additional appropriations must be requested and then donated into account 352 prior to procurement. Once approval has been given to acquire an aircraft by the Washington Office Headquarters (WO), Director, Fire and Aviation Management, ASC WCF will establish the aircraft in the financial accounting and fleet/property management information system(s) (i.e. EMIS or its replacement) and create all prestructured job codes.

Based on an availability of funds document (FS-6500-224) showing funds that will be transferred into WCF, these WCF job codes shall be used for any initial repair, modification, or upgrade to newly acquired aircraft. This is done so that actual costs of the aircraft and any increase in its capitalized value are reflected in the WCF system. Users shall work with ASC WCF and WO FAM to determine if upfront funding is needed for initial operations with the entry of an aircraft into WCF. Project funds shall not be used to directly fund or procure aircraft, maintenance, equipment, or modifications. Project dollars must first be donated into the WCF account before expending.

Prior approval shall be obtained from WO FAM Director or their designee to acquire, dispose of, or transfer aircraft. Prior approval shall also be obtained from the WO FAM Director or their designee to utilize funds from Washington Office account 352 for purchase, refurbishment, or upgrades. The cash in WO account 352 aircraft reserve is built up through monthly transfers from Regional accounts 352 of cash equal to accounts 640, Depreciation Expense, and 411, Increased Replacement Cost (IRC) Income. The 352 account can also receive funds by the ASC "*Donation by Project*" Process. Contact ASC WCF for assistance with this.

4.1   Aircraft Capitalization

Capitalization is the recording of the costs of acquiring and readying aircraft for Forest Service use. These costs are captured through FMMI and fed into the financial and fleet/property management information systems (i.e. EMIS or its replacement). These figures are not to be forced in through EMIS. The total is depreciated over the aircraft's lifecycle (i.e. 20 years); this generates funds for replacement and upgrading. Refer to Section 6.1.2—Depreciation, 41 CFR 102-33, GSA's U.S. Government Aircraft Cost Accounting Guide, and OMB Circular A-76 for more information.

Aircraft capitalization can be broken down into three major categories; induction of an aircraft from a commercial source (i.e. purchase), induction of a transferred or surplus aircraft, and upgrading of aircraft. Documentation of the following processes creates the audit trail:

4.1.1 Induction of Aircraft from Commercial Source

Once an aircraft has been approved in accordance with FSH 5709.16 Chapter 40, all costs of purchasing an aircraft are financed by WO FAM from WCF funds, project funds, or a combination of both. If the WCF account does not have sufficient funds for the entire purchase, project funds shall be transferred into the WCF account for purchases. All costs associated with ferrying the aircraft to its duty station, including pilot's travel to the delivery point, flight time from delivery point, and any modifications made to the aircraft before it is placed in service are to be included in the aircraft's initial acquisition price. WO FAM and ASC WCF work together to complete the "*WCF Aircraft Induction and Upgrading*" process (contact ASC for procedure).

4.1.2 Induction of Transferred or Surplus Aircraft

Once an aircraft has been approved in accordance with FSH 5709.16 Chapter 40, all costs of acquiring aircraft from surplus sources and modifying them to fit Forest Service requirements are to be capitalized. These costs include:

a) Pilot's salary and travel to pick up and ferry aircraft to its duty station.
b) Flight time to home base.
c) Painting and upholstering.
d) Radio repair and installation of new radios.
e) Tires and tubes.
f) Testing and inspections.
g) Overhaul and repair of engines, propeller, or airframe.

The aircraft will be entered into the WCF program at a capitalized value. This is calculated by taking the fair market value of the aircraft at time of acquisition, less the value of equipment removed by the FS, plus any of the above additional acquisition costs accrued to ready the aircraft for FS operations. This capitalized value is depreciated over the lifecycle of the aircraft (i.e. 20 years). Refer to Section 6.1.2— Depreciation for more information. WO FAM and ASC WCF will work together to complete the *"WCF Aircraft Induction and Upgrading"* process (see ASC Procedure).

4.1.3 Upgrading of Aircraft

Upgrades consist of additions, alterations, betterments, rehabilitations, or replacement of components where they significantly extend the aircraft's useful life or its ability to provide service. All significant upgrades over $20,000 shall be approved by the Branch Chief, Airworthiness and Quality Assurance per FSH 5709.16, Chapter 40, Paragraph 47.21 and follow ASC WCF procedure "*WCF Aircraft Induction and Upgrading*." Approval from the Branch Chief shall be obtained prior to the Region planning the collection of funds. Before making such modifications as to the engines, airframe, or installed equipment, the Regions shall:

1. First obtain approval from FAM Branch Chief, Airworthiness and Quality Assurance to begin collecting funds for the upgrade.
2. Include the estimated cost for the upgrade on the Airworthiness tab in the Rate Calculation Template (see Section 6—Aircraft Rates).
3. Once funds have been collected to cover the cost of the upgrade, obtain approval from FAM Branch Chief, Airworthiness and Quality Assurance to perform the upgrade on the aircraft.
4. Ensure the upgrade is charged to the proper job code. Contact ASC WCF for assistance.

If approval is not obtained from FAM Branch Chief, Airworthiness and Quality Assurance prior to the upgrade, the Region may be asked to reverse the upgrade and absorb all costs associated with returning the aircraft to its previous state.

Total charges of $20,000 or less are not capitalized and shall be charged to maintenance labor (W3xxxx or W8xxxx) and maintenance parts (EPxxxx or WPxxxx). Charges shall not be split. Some examples of upgrades include:

- Modifications to enable the use of imagery collection systems.
- Modification of instrumentation, engines, or airframe, including landing gear to provide greater safety, utility, or to fill a specialized need.
- Safety devices such as built-in fire extinguishers and fire detectors.
- Superchargers and higher powered engines.
- New radio or electronic equipment to provide greater safety or allow access to certain airports.

These are only a few examples of many possible upgrades. Capitalization/De-capitalization determinations will be made between ASC, the assigned user unit, and WO FAM.

All upgrades shall be funded through WCF; this ensures accurate asset costs are accounted for in the financial accounting and fleet/property management information systems (i.e. EMIS or its replacement). Program Staffs can donate project funds to WCF for this purpose. Contact ASC WCF and follow procedure *"WCF Aircraft Induction and Upgrading"* for detailed direction.

5   Budgeting

Regions shall provide a completed WCF Aircraft Rates Template to ASC WCF no later than December 15. Aircraft shall not be operated in the forthcoming calendar year if rates are not submitted by December 15.

Contact ASC WCF for the current version of the Aircraft Rate Calculation Template. This template is used to develop the FOR and USE rate for each aircraft. Estimated costs are based on previous fiscal years historical costs and include projected changes in programs, personnel, maintenance costs, and number

or type of aircraft. ASC WCF and WO FAM will review template data submitted by each Region to ensure financial stability and adherence to the WCF **Cash Management Standard**.[1]

If the need exists, ASC WCF and WO FAM will work with the Region to establish rates that will ensure a sustainable program. Once the Regions and ASC have agreed upon rates, the Branch Chief of Airworthiness and Quality Assurance or delegated representative will concur with all rates.

5.1   Budget Review

Each fiscal year, ASC WCF prepares an estimated budget (Aircraft 6500-30) that contains the prior fiscal year's actual income and expenses. Quarterly updates to the FS-6500-30 to reflect the forecasted and actual information will be completed by ASC WCF and posted to the ASC WCF web site. Total estimated costs should be broken out as anticipated and be cumulative by quarter. By end of FY Quarter 3, sizable differences between forecasted and actual amounts should be investigated and explained. Corrective action should be taken as soon as possible where indicated; one action could involve making a rate change or donation of project funds to ensure a deficit will not result.

WO FAM and Regional Aviation program leaders shall be included in the review of cash flow analysis and rate structure each fiscal year.

5.2   Expenditure and Income Review

Regions shall continually monitor and track the expenditures and income associated with their WCF Program on a quarterly basis at a minimum (monthly is recommended) by reviewing their WorkPlan Transaction Registers (WPTR TROB) and Cash Balance Statements. Regions shall work with their Regional budget or program representative(s) to ensure expenditures are valid and charged to the correct job code. This will ensure accurate Cash Balance Statements to set future rates.

If a Region notices an expense charged to the wrong job code, please contact ASC WCF to perform an accounting adjustment. Supporting documentation must be submitted with the request.

6   Aircraft Rates

Income for aircraft operations originates from use of WCF-owned aircraft by Forest Service and other Government agency programs. The aircraft rates consist of the following two components, each of which recovers certain costs related to owning and operating the aircraft. Refer to Appendix 5—FOR and USE Funds Distribution Graphic

The diagrams below display how funds flow through the WCF accounts.

---

[1] FSM Chapter 6580–Working Capital Fund; 6583 Policy, 11 Cash Management Standard. "Plan cash levels for each WCF activity to be in the 20 percent to 35 percent range of the average total outlays on October 1 for each fiscal year."

Things to remember:

- If money is being taken from your 411, 412, and 413 accounts faster than it can be collected, the program will be deficit.
- At a minimum, Regions should review their expenditures and Cash Balance Sheets monthly and the FS-6500-30 WCF Budget Financial Estimate quarterly. Frequent review of these documents will help identify possible shortages and mischarges.

to see how funds flow through the WCF program.

6.1 Fixed Ownership Rate (FOR)

FOR recovers the fixed costs of owning equipment. Fixed costs vary little, regardless of whether or not the aircraft is used; therefore, FOR is a charge for the availability of equipment. FOR is comprised of the following elements:

a) **Fixed Managerial Costs (Program management, Account 624, Job Code 906624)**: This includes the cost of salaries, travel or managerial employees when work performed is directly related to WCF aircraft management by Regional, ASC, and WO employees.

b) **Direct Labor, Travel (Account 625, Job Code 906625):** If Pilots or Mechanics are required to travel for WCF purposes pertaining to the direct maintenance of a WCF aircraft, travel relative to flying WCF aircraft and the maintenance of one or more specific aircraft may be charged to this account. Do not charge travel to this account if the primary purpose is to perform non-pilot duties (e.g. inspecting a helicopter, transportation of passengers), even if the pilot(s) fly a WCF aircraft to the location of the job. Travel costs non-WCF purposes shall be charged to project funds.

This job code may also include payroll costs of direct labor personnel for pilots. Pilots will only charge their time to this job code when they are flying the aircraft for a WCF purpose (i.e. repositioning an aircraft for maintenance or maintenance test flight), see Section 6.1.1—Pilots' Salaries.

Mechanics shall not charge their time to this job code. Mechanics shall charge their time when maintaining WCF aircraft to the prestructured job codes described in Section 3.2— Prestructured Job Codes and Appendix 4—Prestructured Aircraft Job Code Listing.

c) **Depreciation Costs (Account 640):** This is the current year's depreciation expense charges for aircraft; it can be found on EMIS-29, or its replacement. See Section 6.1.2—Depreciation for more information.

6.1.1 Pilots' Salaries

Agency and contracted pilots shall only charge their time to job code 906625 when they are flying the aircraft for a WCF purpose (i.e. repositioning an aircraft for maintenance or maintenance test flight). All other charges for non-WCF flight purposes, the pilots' salaries shall be charged to the benefiting program or project they are working for (e.g. the incident job code or program job code).

Non-WCF flights that shall be charged to the benefiting program include ferry flights flown to replace/cover operations for an aircraft in maintenance (e.g. a Smokejumper aircraft from Redmond is flown to Redding to cover operations while the Redding aircraft is down for maintenance), or an aircraft being used to shuttle pilots home that are delivering/returning an aircraft to/from maintenance.

Pilots are allowed up to an hour total for the pre and post-flight checks per day when flying for a WCF purpose. Salaries charged to this account must be charged as worked, not on a predetermined or budgeted basis. This is necessary so actual costs can be related to income.

6.1.2   Depreciation

Depreciation is the distribution of the capitalized value over the aircraft's lifetime. The estimated lifetime or lifecycle of new aircraft is 20 years; on used aircraft, it is the estimated remaining airframe life if less than 20 years. Users shall work with ASC WCF and WO FAM if the useful life is less than 20 years.

If an aircraft is brought into the WCF program with less than 20 year life remaining the IRC shall be increased by a factor that will ensure sufficient funding will have been captured into the 352 account for aircraft replacement at the end of its lifecycle.

Depreciation is calculated monthly and is reflected on EMIS-29 Monthly Depreciation for Other Than Fleet Equipment, or its replacement. WCF automatically withdraws an equivalent amount of monthly depreciation from the Regional account 352, Aircraft Replacement Reserve (Unit 97), and deposits it into the WO account 352 (Unit 97). Depreciation is an expense that is recovered through the revenue collected by FOR rates. This is one way funds are generated for procurement, refurbishment, and upgrades.

6.2   Aircraft Use Rate (USE)

The USE rate recovers the variable costs incurred in the operation and maintenance of the aircraft. Variable costs increase with increased use of the equipment; therefore, the USE rate is charged at an hourly flight rate only when the aircraft is actually used and includes the following components:

a) ***Fuels and lubricants (Accounts 601 and 602, Job Code 906601–AV Gas and 906602–Jet fuel).*** This includes aviation gasoline, jet fuel, and other fluids. It is important to consider the cost of all sources of fuel, i.e., commercial, Department of Defense, and other Government sources. Forest Service policy requires any user using a Government furnished fuel card to complete training for fuel acquisitions. Contact the FS DLA Fuel Card Manager for guidance on training and proper use.

b) ***Maintenance (Federal, Account 620, Job Code 81xxxx for labor and WPxxxx for parts, where xxxx is the aircraft equipment number).*** This shows the cost of maintaining WCF aircraft by Forest Service personnel and the associated cost for regular maintenance parts.

c) ***Maintenance (Commercial, Account 620, Job Code W8xxxx and WPxxxx for parts, where xxxx is the aircraft equipment number).*** This shows the cost of maintaining WCF aircraft by contracted services and the associated cost for regular maintenance parts. Some costs to

consider are minor checks and inspections, tires and brakes, routine avionics maintenance, cleaning, and routine maintenance test flights.

d) ***Miscellaneous Costs (Account 635, Job Code 906635).*** This includes the costs of various expense items, not identified in other accounts, which are properly chargeable to WCF aircraft. Examples of some expenses are IFR approach plates, ForeFlight subscriptions, and aircraft test equipment.

e) ***Deferred Extraordinary Maintenance (Account 671, Job Code W3xxxx for labor and EPxxxx for parts, where xxxx is the aircraft equipment number).*** This includes estimates for extraordinary maintenance for the aircraft and parts associated with extraordinary maintenance. Refer to Section 6.2.1—Airworthiness/Extraordinary Maintenance Account (job codes W3xxxx and EPxxxx), Appendix 4—Prestructured Aircraft Job Code Listing, and the Airworthiness tab on the WCF Aircraft Rate Calculation Template for costs that should be charged to these job codes.

6.2.1 Airworthiness/Extraordinary Maintenance Account (job codes W3xxxx and EPxxxx)

"Airworthiness and Overhaul" or "Extraordinary Maintenance," refers to major and costly maintenance and repair that is over $5,000.00 and are performed on an irregular basis. Some examples include:

- Engine overhaul (removal/installation of engines of the same kind and general power range as the ones removed)
- Rebuilding of ailerons, elevators, and tail assemblies
- Rebuilding, replacement, and installation of avionics and flight instruments of the same capability as the previous equipment
- Propeller overhaul or replacement of the same type
- Painting
- Overhaul or repair of airframe skin and skeleton
- Hot section inspections
- Additional inspections or structural component replacements based on the age or usage of the aircraft

After preparing a budget and accumulating the estimated costs for the components of FOR and Use, aircraft rates can be set. Contact ASC WCF for instructions on computing rates and for the WCF Aircraft Rate Calculation Template.

6.3 Aircraft Rate Justification

When submitting the Aircraft Rate Calculation Template, Regions shall include justification statements if the percentage of unobligated cash to cash outlay is more than the allowed Cash Management Standard, 20 to 35 percent, and if the average maintenance cost per hour and expected flight hours is different from the three-year average in the template. Such justifications may include: if there are documented and approved extraordinary maintenance expenses, or other major upgrades, in future years; new contract maintenance costs that significantly raise or lower the current hourly rate; and an

increase in average flight hours due to the aircraft being unavailable for an entire year or significant portion of a year.

7   Use Reporting and Cost Recovery

All operational (USE) income is recorded on the Flight Use Report, FS-Aircraft 6500-122. In addition, miscellaneous charges and FOR charged to external (non-Forest Service) users should be included. Flight Use Reports provide supporting documentation for billing users. Completed FS-6500-122's are summarized and entered into AMIS and EMIS, or their replacement systems.

All Regions are required to have all FS-6500-122's entered into the designated reporting system (i.e. AMIS) within thirty (30) days of flight completion. Regions are encouraged to have invoices entered no later than two (2) weeks after a fiscal quarter ends (Quarter 1: October 1 to December 31; Quarter 2: January 1 to March 31; Quarter 3: April 1 to June 30; Quarter 4: July 1 to September 30). Regions are heavily encouraged to enter FS-6500-122's into the designated system weekly to ensure proper accounting and income generation.

Entering the FS-6500-122's into EMIS, or its replacement, generates income to account 413 and charges to project funds. Only flight time can be processed through EMIS; non-Forest Service users' FOR charges must be billed manually.

- *Billing Forest Service Users.* USE is billed directly to Forest Service users, using their Region, Unit, and job code.
- *Billing Non-Forest Service Users*. For non-Forest Service users, an Interagency Agreement or Cooperative Agreement should be in effect prior to flying for a Non-Forest Service User. A specific job code for that agreement should be set up to collect the charges for flight time and prorated FOR. Collect the amount charged for FOR on the FS-6500-122 from the agreement job code. Whenever FOR is collected from non-Forest Service users it reduces the primary user's FOR expense. Bill Non-Forest Service Users with the appropriate billing action in a timely manner.

8   Removal of Aircraft from the WCF Program

To remove an aircraft from the WCF Program, the following procedures shall be followed:

1. The user (Region/Station/Area) determines to discontinue use of an aircraft and notifies the WO FAM of discontinuation.
2. The user, ASC WCF, and WO FAM review the WCF account for reconciliation. If the account is deficit (more dollars have been spent than income generated), the user shall donate the deficit amount using program or project dollars to balance the account.
3. Aircraft is transferred to the WO FAM for sale, reallocation, excess, or other appropriate form of disposal.

4. Remove aircraft destroyed by accident, sold, excessed, donated, or dismantled for parts by processing an FS-6500-61, Fleet Equipment and Aircraft (Accountability and Data Record), placing the equipment in a status 8 in block 2 of the FS-6500-61. WO FAM must approve the removal before the action is taken.

Appendix 1—Definitions

Airworthiness and Overhaul: Includes major and costly maintenance, repair, and overhaul expenses to keep the aircraft airworthy. Generally not performed on an annual basis per individual aircraft.

AMIS: Aviation Management Information Systems. AMIS is used to collect, store, and analyze information about aircraft usage for Forest Service owned aircraft. This is a Web-based application for entering and storing information from the FS-6500-122, Flight Use Report. Aircraft use information is required to be reported by each Region. The data is then reported into GSA's Federal Aviation Interactive Reporting System (FAIRS), as mandated by the Office of Management and Budget.

Cash Balance Statement: The purpose of a cash balance statement is to show the financial position of the business on a specific date. Web Link: Cash Balance Statement.

Cash Management Standard: FSM Chapter 6580–Working Capital Fund; 6583 Policy, 11 Cash Management Standard. Plan cash levels for each WCF activity to be in the 20 percent to 35 percent range of the average total outlays on October 1 for each fiscal year.

Depreciation: Depreciation is the distribution of the capitalized value over the aircraft's lifetime. Depreciation is an expense that is recovered through the revenue collected by FOR rates. This is one way funds are generated for procurement, refurbishment, and upgrades.

EMIS: Equipment Management Information System. This is an electronic sub system that tracks information about each aircraft. Some of the information includes capitalized value, maintenance costs and Use/FOR rates.

Fixed Ownership Rate (FOR): The FOR is a monthly set amount charged to the job code of the project funding the aircraft. FOR is used to recover the fixed costs of owning equipment. Fixed costs vary little, regardless of whether or not the aircraft is used; therefore FOR is a charge for the availability of equipment.

Maintenance: Ordinary repair and maintenance that is performed on a recurring basis, annually and as needed.

Quarterly Budget Statement (FS-6500-30): The purpose of the budget statement is to provide actual account information for the quarter showing all income and expenses. Regions should compare actuals to estimates to identify and correct financial problems before the fiscal year ends. Web Link: Aircraft 6500-30.

Use Rate: The USE rate recovers the variable costs incurred in the operation and maintenance of the aircraft. The USE rate is an hourly charge billed to the job code of the project for which the aircraft is used.

Appendix 2—Acronyms

Acronym	Meaning
AMIS	Aviation Management Information Systems
ASC	Albuquerque Service Center
FAM	Fire and Aviation Management
EMIS	Equipment Management Information System
FAA	Federal Aviation Administration
FMMI	Financial Management Modernization Initiative
FOR	Fixed Operating Rate
FS	Forest Service
FSH	Forest Service Handbook
FSM	Forest Service Manual
FY	Fiscal Year
GSA	General Services Administration
IFR	Instrument Flight Rules
IRC	Increased Replacement Cost
OMB	Office of Management and Budget
RO	Regional Office
WCF	Working Capital Fund
WO	Washington Office

Appendix 3—Structured Aircraft Job Code Listing

WCAO—WCF Aircraft Operations			
Job Code	For ASC/WO Use Only	Job Code Name	Job Code Definition
906101	X	Cash	Shows the unexpended cash balance carried in WCF Aircraft.
906121	X	Inventory, Stock	Shows the value of inventory acquired for the purpose of production or direct resalable items.
906122	X	Inventory, Gasoline, Diesel, and Other Fuel	Shows the value of unissued gasoline, diesel, and other fuel on hand acquired for the purpose of resale.
906156	X	Machinery and Miscellaneous Equipment	Shows the cost of all nonexpendable equipment (including transportation and installation) that other accounts do not cover. This account includes equipment at any location when its use is primarily for operations that the WCF finances.
906157	X	Aircraft	Shows the cost of aircraft. Charge this account with all costs of acquiring aircraft and preparing them for Forest Service use. Any major upgrading or refurbishing of aircraft requires the approval of the WO FAM Branch Chief of Airworthiness and Quality Assurance.
906172	X	Allocated Extraordinary Equipment Maintenance	Shows the amount of the reserve used during the current year for nonrecurring or irregular type aircraft and ranger boat maintenance.
906352	X	Reserve, Aircraft Replacement	Shows the amount earned for replacement, upgrading, and refurbishing of aircraft. Replacement generally refers to the purchase of new aircraft. Upgrading refers to work done on already owned aircraft which increases the capital value. Refurbishing refers to work on used aircraft, normally acquired from surplus sources, that is necessary to make the aircraft operable for use in Forest Service programs. The service-wide balance in this account must equal zero.

WCAO—WCF Aircraft Operations			
Job Code	**For ASC/WO Use Only**	**Job Code Name**	**Job Code Definition**
906355	X	Retained Earnings, Operations	Reflects the current balance of net accumulated operational income for a particular WCF activity.
906411	X	Rental Income, FOR, Other Than Increased Cost of Fleet Equipment	Shows rental income from the replacement differential portion of the fixed ownership rate charged for the assignment of Replacement fleet equipment.
906412	X	Rental Income, FOR, Other Than Increased Cost of Replacement	Shows the income from the Fixed Ownership Rate (other than the portion of the Fixed Ownership Rate that is the replacement factor differential) that is charged for the assignment of fleet equipment and aircraft to them.
906413	X	Rental of Equipment, Use Rate	Shows the amount of income from the use of fleet equipment and aircraft by WCF activities, which is chargeable at the use rate established for that class of equipment.
906425	X	Other Income	Shows the amount of income not creditable to other specific accounts.
906453	X	Sale of Excess Assets	Shows the amount of income from Exchange Sale of assets.
906601		Gasoline & Operations Costs, Gasoline Consuming Equipment	Shows the cost of all gasoline, and aviation fuel for use in WCF-owned or operated equipment.
906602		Fuel and Operation Costs, Diesel and Other Fuel Consuming Equipment	Shows the cost of all diesel and other fuels (except gasoline) for use in WCF-owned or operated equipment.
906612	X	Maintenance, Labor, Parts & Other/Forest Service	Shows the costs that are incurred for maintenance of fleet and aircraft equipment by Forest Service personnel. **Charges to this account will be via pre-structured management code**.

WCAO—WCF Aircraft Operations

Job Code	For ASC/WO Use Only	Job Code Name	Job Code Definition
906613	X	Maintenance, Commercial Shops, or Other Government Agency Facilities	Shows the cost of maintaining fleet equipment or aircraft in either commercial shops or other Government agency facilities. **Charges to this account will be via pre-structured management code.**
906620	X	Purchases, Stores Stock, Parts, & Materials	Shows the cost of maintenance parts, supplies, materials, store stock, and contracted services of a direct cost nature. The cost includes the purchase, inspection, unloading, and transportation costs that are directly assignable to the stock.
906624		Fixed Managerial Costs	Shows the cost of salaries, travel, and associated benefits for administrative or managerial employees costs (other than general administration such as ASC WCF), as well as time spent by direct labor personnel performing managerial duties. This time must be identifiable to the WCF, such as time the activity or financial manager spends on budget formulation, rate reviews, and WCF meetings. Charge this account also with the cost of (1) aircraft hangar rental or aircraft parking facilities rented from commercial or other than Forest Service sources, (2) Airport landing fees, and (3) Airframe taxes. Do not include time spent on utilization and motor pool studies, equipment development, or testing and training or operators, which are project fund charges. Charge clerical time to this account only when services directly support and are readily identifiable with the WCF activity. Charge program-related communications, rents, and utilities to this account.
906625		Direct Labor, Travel	Charge this account with the direct cost if Pilots or Mechanics are required to travel for WCF purposes pertaining to the direct maintenance of a WCF aircraft. Do not charge travel to this account if the primary purpose is to perform non-pilot duties (e.g. inspecting a helicopter, transportation of passengers), even if the pilot(s) fly a WCF aircraft to the location of the job. Travel costs for non-WCF purposes shall be charged to project funds.

WCAO—WCF Aircraft Operations			
Job Code	**For ASC/WO Use Only**	**Job Code Name**	**Job Code Definition**
			This job code may also include payroll costs of direct labor personnel for pilots. Pilots will only charge their time to this job code when they are flying the aircraft for a WCF purpose (i.e. repositioning an aircraft for maintenance or maintenance test flight), see 6.1.1 Pilots' Salaries. Pilots are not to charge their time to an aircraft being repositioned to replace a different aircraft under maintenance or when shuttling crew to deliver/return an aircraft to/from maintenance.
906635		Miscellaneous Operating Expenses	Shows the cost of various expense items not attributable to an individual aircraft and not identified in other accounts that are properly chargeable to the WCF. Examples of some expenses are IFR approach plates, ForeFlight subscriptions, and aircraft test equipment.
906636		General Administration	Shows the cost of salaries and other expenses of fiscal, accounting personnel, and similar services employees at Regional, Forest, or similar headquarters levels where the Forest Service authorizes WCF expenditures.
906640	X	Depreciation Expense, Fleet, and Aircraft Equipment	Shows the amount of current year depreciation expense charges for Fleet and Aircraft equipment (accounts 155 and 157).
906642	X	Depreciation Expense, Machinery, Hardware, and Miscellaneous Equipment	Shows the amount of current year depreciation expense charges for (computer) accounts 143, 144, 156, and 158.
906671	X	Deferred Extraordinary Equipment Maintenance Expense	Charge this account with an estimate for nonrecurring or irregular interval maintenance for aircraft and Ranger boats.

WCAO—WCF Aircraft Operations			
Job Code	**For ASC/WO Use Only**	**Job Code Name**	**Job Code Definition**
906167	X	Accumulated Depreciation	Shows the total amount of depreciation accumulated for an asset.

WCAR—WCF Aircraft Reserve			
Job Code	For ASC/WO Use Only	Job Code Name	Job Code Definition
906101	X	Cash	Shows the unexpended cash balance carried in the accounts of the Department of the Treasury for the Working Capital Fund (WCF). The all-service balance in this account is reconciled with the balance reported in the statement furnished by the Department of the Treasury to the National Finance Center.
906352	X	Reserve, Aircraft Replacement	Shows the amount earned for replacement, upgrading, and refurbishing of aircraft. Replacement generally refers to the purchase of new aircraft. Upgrading refers to work done on already owned aircraft which increases the capital value. Refurbishing refers to work on used aircraft, normally acquired from surplus sources, that is necessary to make the aircraft operable for use in Forest Service programs. The Service-wide balance in this account must equal zero.

Appendix 4—Prestructured Aircraft Job Code Listing

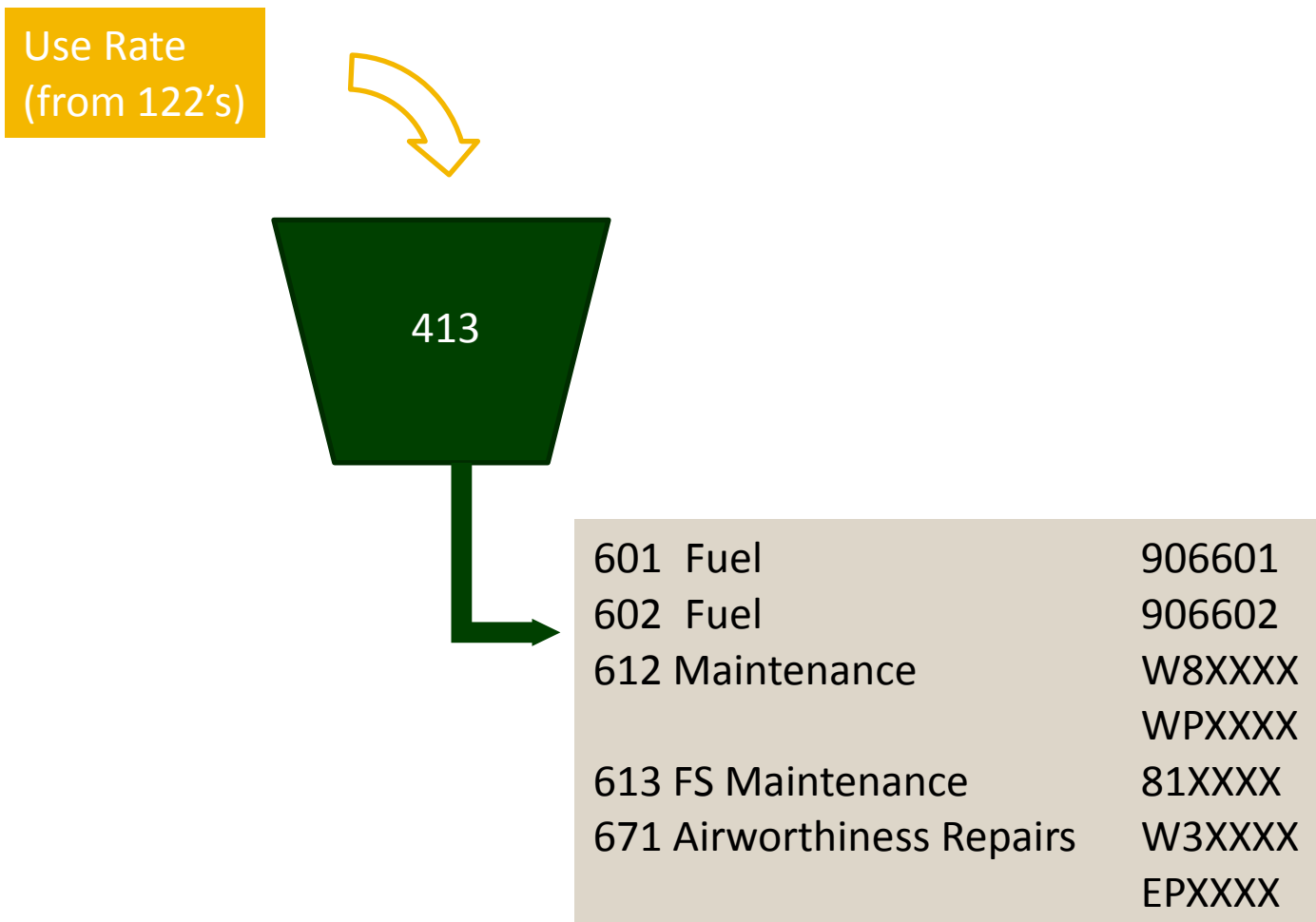| Job Code	Job Code Name	Job Code Definition
W2xxxx	Capitalization of Aircraft	The cost of labor and parts associated with modifications, alterations, betterments that are capitalized. See Section 4.1—Aircraft Capitalization or contact ASC for more information on costs to charge to this job code. Example: • See Section 4.1—Aircraft Capitalization • Full avionics panel upgrade
W3xxxx	Extraordinary Airworthiness Repair–Labor	The cost of labor associated with extraordinary maintenance performed directly on a specific aircraft. These expenses are estimated on the Airworthiness tab of the WCF Aircraft Rate Calculation Template. Example: • If an engine is being repaired on a labor hour time and materials basis (e.g. repair or hot section), all labor costs shall be charged to W3xxxx and all material costs charged to EPxxxx.

Job Code	Job Code Name	Job Code Definition
EPxxxx	Extraordinary Airworthiness Maintenance Parts	The cost of parts and material and/or parts overhauled associated with labor charged to Extraordinary Airworthiness Repair (W3xxxx). These parts and materials are associated with items entered on the Airworthiness tab of the WCF Aircraft Rate Calculation Template. The costs associated with leasing a space for storing aircraft parts may be charged to this job code. The total lease costs should be divided amongst aircraft based on square footage used per aircraft make/model. Examples include: • If an engine is being repaired on a labor hour time and materials basis (e.g. repair or hot section), all labor costs shall be charged to W3xxxx and all material costs charged to EPxxxx. • Engines procured on an exchange basis or that are not done on a time and material basis. • Cost of prop overhaul done at repair center (the cost to install prop on aircraft shall be charged to labor). • Parts discovered during the painting of an aircraft that need to be replaced. The actual paint time and materials shall be charged fully to labor. • Cost of avionic components in non-capitalized upgrade.
W8xxxx	Maintenance–Commercial Labor	The cost of all labor expended by mechanics, technicians, and inspectors associated with maintenance performed on a specific WCF aircraft paid to a contractor or commercial source.
81xxxx	Maintenance–Federal Labor	The cost of all labor expended by mechanics, technicians, and inspectors associated with maintenance performed on a specific WCF aircraft paid to a Federal source (i.e. Forest Service employee).
WPxxxx	Regular Maintenance Parts	The cost of materials and parts consumed in regular aircraft maintenance and inspections. This is job code is used for all parts not determined to be an extraordinary or capitalized part.
83xxxx	Reserve	

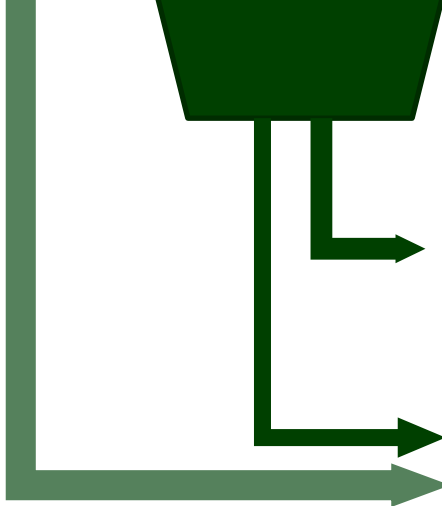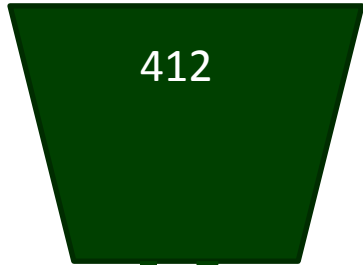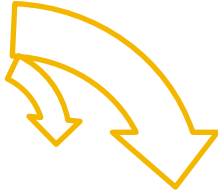## Appendix 5—FOR and USE Funds Distribution Graphic

The diagrams below display how funds flow through the WCF accounts.

Things to remember:

- If money is being taken from your 411, 412, and 413 accounts faster than it can be collected, the program will be deficit.
- At a minimum, Regions should review their expenditures and Cash Balance Sheets monthly and the FS-6500-30 WCF Budget Financial Estimate quarterly. Frequent review of these documents will help identify possible shortages and mischarges.

Use Rate
(from 122's)

413

601 Fuel	906601
602 Fuel	906602
612 Maintenance	W8XXXX
	WPXXXX
613 FS Maintenance	81XXXX
671 Airworthiness Repairs	W3XXXX
	EPXXXX

FOR

411
412

624 Fixed Managerial costs   906624
625 Direct Labor, travel   906625
635 Misc. Operating Expenses   906635
636 General Administration   906636

352 Aircraft Replacement   906352