

**26 JULY 2004**



**Financial Management**

**TRANSPORTATION WORKING CAPITAL  
FUND (TWCF) BUDGET GUIDANCE AND  
PROCEDURES**

**COMPLIANCE WITH THIS PUBLICATION IS MANDATORY**

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OPR: AMCFSS/A88I (Mr. Bill Bjornstad)  
Supersedes AMCI 65-602, 1 February 2004

Certified by: HQ AMC/A88 (Mr. Gary W. Minor)  
Pages: 174  
Distribution: F

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This instruction implements AFD 65-6, Budget, DoDFMR 7000.14, Volume 2B, Budget Presentation and Formulation, DoDFMR 7000.14, Volume 11B, Reimbursable Operations, Policy and Procedures—Defense Business Operations Fund, and AFI 65-601, Volume 1, Budget Guidance and Procedures, to provide guidance on the Transportation Working Capital Fund (TWCF) accounting and budgeting policies and procedures. It is applicable to AMC organizations that manage TWCF funds. This instruction does not apply to Air National Guard or Air Force Reserve Command with the exception of paragraphs **5.4.** and **6.3.1.7.9.7.** (including their subparagraphs), paragraphs **6.3.1.7.8.4.**, **6.3.1.7.9.9.1.**, **6.3.1.7.9.9.4.**, **6.9.3.**, and **6.10.3.** See **Attachment 1** for a glossary of references and supporting information.

**SUMMARY OF REVISIONS**

This revision incorporates Interim Change IC 04-2. Interim Change (IC) 04-2 to AMCI 65-602 provides the following revisions: Deletes the sentences, “**(NOTE:** DCS is a direct reporting unit (DRU) to AMC and HQ AMC/FMB consolidates the AMC and DCS TWCF budget submissions to USTRANSCOM. AMC/FMB also distributes DCS their annual expense authority received from USTRANSCOM.)” from the introductory paragraph; changes all references of “Military Traffic Management Command” and “MTMC” throughout the publication (paragraphs **1.1.3.**, **8.3.5.5.4.**, and **10.2.1.**) excluding **Attachment 4**, to “Military Surface Deployment and Distribution Command” and “MSDDC” respectively; revises **Table 2.2.** by adding Spangdahlem AB and retaining Rhein-Main AB until 1 Jan 06; expands paragraph **4.3.4.2.** by adding C-17 aircraft to ANG flying hour reimbursement and also clarifies what the 3 percent additive covers; clarifies paragraph **6.3.1.6.6.4.** on funding for TWCF-assigned facilities; adds paragraph on PACAF/USAFE Phoenix Raven support for PACAF/USAFE-assigned aircraft flying TWCF missions (**6.3.1.7.9.5.1.**); revises paragraph **6.3.2.2.12.** to include TWCF funding for portable fire extinguishers within TWCF-assigned facilities; revises paragraph **6.6.3.** to include TWCF-assigned aircraft and provides additional clarification; amends paragraphs **6.6.3.1.**, **6.6.3.2.**, **6.6.3.5.**, **6.6.3.6.**, and **6.6.3.19.**; deletes paragraph **6.6.23.**; revises paragraph **6.8.4.** (3<sup>rd</sup> sentence) to add clarification. A copy of IC 04-2 is located at **Attachment 10** of this publication. A bar ( | ) indicates a revision from the previous edition.

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## Chapter 1

### INTRODUCTION

#### 1.1. General Information.

1.1.1. Title IV, Section 405, of the National Security Act of 1947, as amended (10 United States Code (USC), Section 2208), *Working Capital Funds*, authorizes the use of industrial funds to finance certain commercial-type activities in the Department of Defense (DoD). These funds finance investments in inventories, work in process, and other operating costs. These activities pay for full costs, including overhead, and are collected in the prices charged for the products and services provided to their customers.

1.1.2. Under the authority of the Act and USC referenced in paragraph 1.1.1. above, the Secretary of Defense, on 17 September 1957, established and approved a single manager position for airlift service entitled Airlift Service Industrial Fund (ASIF) and designated the Secretary of the Air Force as the single manager, with the present-day Air Mobility Command (AMC) as responsible for the airlift service.

1.1.3. Establishment of the Defense Business Operating Fund (DBOF). In FY92, the infusion of DBOF combined and incorporated all of the Services' stock and industrial funds under one umbrella. The result was the ASIF's consolidation along with the other Services' transportation industrial funds (Military Sealift Command (MSC) - Navy; and Military Surface Deployment and Distribution Command (MSDDC) - Army) into the Transportation Division of the DBOF, or more commonly known as Defense Business Operations Fund-Transportation (DBOF-T). The United States Transportation Command (USTRANSCOM) is now the single manager for all DoD transportation. In FY95, DBOF-T incorporated the Defense Courier Service (DCS). Thus, the primary mission of USTRANSCOM is to provide air, land, and sea transportation for DoD, in peace and war. Within USTRANSCOM, AMC is the operating agency for common-use strategic air mobility assets.

1.1.3.1. AMC executes airlift missions employing air assets assigned to USTRANSCOM supporting DoD-wide users. Additionally, AMC organizes, trains, equips, and provides operationally ready airlift forces, both active and reserve, for these worldwide strategic missions.

1.1.3.2. AMC plans, coordinates, and manages the Civil Reserve Airlift Fleet (CRAF) program. Upon activation of the CRAF, AMC assumes mission control of these assets through the Tanker Airlift Control Center (TACC) at HQ AMC.

1.1.4. Establishment of the Working Capital Fund (WCF). On 11 December 1996, the Office of the Undersecretary of Defense (Comptroller) (USD(C)) signed a decision paper that replaced DBOF with WCF, and granted the Services the authority to manage them. This act created five divisions of the WCF, with the Air Force Working Capital Fund (AFWCF) designated as the responsible agency for DBOF-T, for administrative and cash purposes only. As a result of this change, USTRANSCOM/TCJ8 renamed DBOF-T the Transportation Working Capital Fund (TWCF). Under TWCF, the DCS reports to USTRANSCOM for budget submission and funding purposes. See AFI 65-601, Volume 3, *The Air Force Budget Corporate Process*, attachment 1, for a brief description of the AFWCF. **Attachment 4** is a copy of the charter that established the DoD AFWCF USTRANSCOM activity group.

1.1.4.1. All budget and accounting policies, practices, and procedures previously applicable to DBOF-T remain the same for TWCF. The military components of the TWCF and USTRANSCOM will continue to be responsible for managing the functional and financial aspects of their supported functions and activities. USTRANSCOM still remains the single manager for all DoD transportation.

1.1.4.2. **Attachment 3** is a copy of the charter approved by the DoD Comptroller on 12 April 1958, that authorized financing of the operations of the ASIF, the initial predecessor of the TWCF. This charter established an initial cash working capital authorization of \$75 million provided from the Air Force Industrial Fund (AFIF). The acronyms and terminology of this charter are reflective of the time of establishment.

1.1.5. General policy guidance for the financial operation and reporting and other related principles, policies, and procedures for industrial funds, or known today as working capital funds, is provided in AFI 65-601, Volume 1, chapter 18 and DoDFMR 7000.14, Volumes 2B (chapter 9) and 11B. The code structure required for managing and reporting is in DFAS-DE 7000.1-R, *Responsibility Center/Cost Center Codes*, and AFI 33-110, *Data Administration Program*. This regulation does not contain detailed instructions in areas related to appropriation accounting; however, there are cross-references to the DFAS/Air Force manuals and instructions, which contain these procedures.

## 1.2. Funding, Budgeting, and Accounting System Overview.

1.2.1. The TWCF Operating Budget is exempt from apportionment and allotment controls. Financial control is kept by use of an operating budget based on revenue that provides authority to pay expenses of the WCF. **Chapter 7** of this instruction describes the TWCF budget process. **NOTE:** The acronym "TWCF" refers to the Transportation Component of the AFWCF throughout this publication.

1.2.2. The guidance referenced in paragraph **1.1.5.** above sets broad policy guidelines on costs chargeable to an industrial fund (now referred to as a working capital fund) activity. Additionally, **Chapter 6** of this instruction provides for those specific charges authorized for direct or reimbursable TWCF funding. **Chapter 2** and **Chapter 4** discuss accounting procedures for these costs.

1.2.3. Revenue (or reimbursement for airlift services) is received by the TWCF from authorized airlift customers by charging tariff rates based on the type of airlift services provided. These tariff rates are developed by HQ AMC/A88, reviewed by USTRANSCOM/TCJ8, and approved by USD(C) through the President's Budget cycle. (See AFI 65-601, Volume 1, chapter 18, paragraphs 18.3.1., 18.3.4.2., and DoDFMR 7000.14, Volume 2B, chapter 9, paragraph 090104.C.) Per AFI 65-601, Volume 1, chapter 18, paragraph 18.2.1., revenue earned by TWCF recoups direct and indirect costs, general and administrative support provided by others, depreciation, and amortization costs incurred by AMC in providing airlift services. TWCF tariffs include:

1.2.3.1. Rates for airlift furnished to authorized customers are chargeable to DoD funds, other federal funds, or allied air forces when a cooperative military airlift agreement exists. The annually published AMC rate guide, *US Government Airlift Rates and Non-US Government Airlift Rates* (see **Chapter 6**, paragraph **6.2.3.** for web site address) provides the appropriate rates for the specific channel route (passenger/cargo service) or if chartering an entire aircraft (Special Assignment Airlift Mission (SAAM)). Additionally, tariff rates for these same airlift services applicable to the non-DoD federal users recover a portion of the unfunded cost. HQ AMC/A88 is responsible for the publication of these tariff rates in an annual publication (generally published in October of

each fiscal year), as well as specific instructions and examples relating to their use. See **Chapter 3**, paragraph **3.2.2.** of this instruction for the web site address to access the TWCF tariff rate publication.

1.2.3.1.1. TWCF channel passenger and cargo tariff rates are set annually based on commercial competition or a standard rate per mile. As a result, they do not recover full costs due to AMC's requirement to maintain the wartime capacity of the airlift system. The difference between the revenue that TWCF receives and costs incurred for these airlift services is offset by an Air Force O&M-funded Readiness Account (see DoDFMR 7000.14, chapter 65, paragraph D.4.a.). The individual channel rates are implemented 1 Oct each year and remain stable for the fiscal year. AMC's rates and business rules can be viewed at [https://www.amcfm/scott.af.mil/FM\\_FMBT.cfm](https://www.amcfm/scott.af.mil/FM_FMBT.cfm). (**NOTE:** There is an underscore character ( ) in the blank space of the web address.)

1.2.3.1.2. There are circumstances where a non-DoD US Government agency may be charged the DoD rate for airlift services. As a general rule, this is supported by congressional action in a USC Title or in specific USD(C) guidance. An example is 10 USC, Section 2642, in which the Secretary of Defense may authorize DoD rates for airlift services provided to the Central Intelligence Agency, when the airlift services are "provided for activities related to national security objectives".

1.2.3.2. Rates for airlift services furnished to non-US Government users (e.g., foreign governments, state and local governments, private corporations and entities, etc.). The AMC rate guide provides these airlift tariffs that are designed to recover total costs, including unfunded costs such as military labor, depreciation, and other administrative and overhead costs.

1.2.3.3. Revenue generated from sources outside of the tariff structure. Examples include the reimbursement of landing fees from the Government of Germany for TWCF chartered commercial aircraft, terminal services provided to non-TWCF aircraft by TWCF aerial port operations, and the readiness costs paid by AMC Operations and Maintenance (O&M) funds for the amount of TWCF expenses that revenue earned from airlift customers and other revenue sources do not fully recoup (see paragraph **1.2.3.1.1.** above). **NOTE:** Payments received from landing fees assessed to civil aircraft at AMC bases/en route locations with a TWCF mission are not collected into the TWCF account as a reimbursement. See AMCS1 to AFI 65-601, Volume 1, *Budget Guidance and Procedures*, paragraph 7.12.4., for the proper collection of these fees.

1.2.4. The TWCF uses a double entry accrual basis accounting system that accumulates costs and revenues to provide accurate and timely data, used as follows:

1.2.4.1. Financial accounting and reporting (see paragraph **1.1.5.** above).

1.2.4.2. Developing POM estimates, budget estimates, tariff rates, and cost factors.

1.2.4.3. Cost control and management decisions.

1.2.5. AMC O&M funds reimburses the TWCF for the following airlift services at the HQ AMC level:

1.2.5.1. Joint Airborne and Air Transportability Training (JA/ATT).

1.2.5.2. SAAM airlift missions, such as PHOENIX BANNER, PHOENIX SILVER, PHOENIX COPPER, etc.

1.2.5.3. Unallocated and restricted airlift capability.

1.2.5.4. Readiness costs not recouped by customer revenue. See **Chapter 5**, paragraph **5.1.2.10** of this instruction.

1.2.5.5. Household goods movement (Department of the Air Force (DAF) civilian PCS only).

1.2.5.6. Alaskan Contract Airlift (CONAIR).

1.2.5.7. Group Travel.

**1.3. Financial Administration.** Under the TWCF, the use of the approved financial program and analysis of programmed activities determines financial administration and not actual performance.

1.3.1. USTRANSCOM/TCJ8 provides HQ AMC/A88 with fiscal guidance that shows approved operating budget and budget estimates to include the TWCF funding floor by category of service.

1.3.2. HQ AMC/A88 issues approved operating expense authority (to include facility maintenance and repair projects) and capital program authority to its subordinate funding points through the Command Budget Automated System (CBAS). All TWCF funding authority changes are provided to the bases/funding points telephonically by the AMCFSS/A88T base analyst prior to issuance of a CBAS funding document.

1.3.3. USTRANSCOM/TCJ8 authorizes working capital to meet operating needs of the TWCF. This authorization is for the minimum needs of the TWCF based on the review and approval of operating budget submissions.

1.3.4. The authority to incur obligations and accrue expenditures for the TWCF is the right of local management under the direction and supervision of HQ AMC/A8/A88.

**1.4. Disposition of Records.** Dispose of accounting records as shown in AFMAN 37-139, *Records Disposition Schedule*, table 65-2.

**1.5. Operational Risk Management (ORM).** AFI 91-213, *Operational Risk Management (ORM) Program*, defines ORM as “a logic-based common sense approach to making calculated decisions on human, material, and environmental factors before, during, and after Air Force operations. It enables commanders, functional managers, and supervisors to maximize operational capabilities while minimizing risk by applying a simple, systematic process appropriate for all personnel and Air Force functions.” ORM has 4 main principles: (1) accept no unnecessary risk; (2) make risk decisions at the appropriate level to establish clear accountability; (3) accept risk when the benefits outweigh the cost; and (4) integrate ORM into Air Force Doctrine and planning at all levels. HQ AMC/A8 has directed the implementation of the ORM fundamentals and philosophy into all aspects of our financial management culture in accordance with AFI 91-213.

**1.6. Distribution.** This AMCI is accessible on the HQ AMC/A8 web site at the following address: [https://www.amcfm.scott.af.mil/FM\\_BudgetPolicy.cfm](https://www.amcfm.scott.af.mil/FM_BudgetPolicy.cfm). (**NOTE:** There is an underscore character ( ) in the blank space on the web address.) To access the link to the publication, click on the “Budget Policy” key located under the “Navigate” menu; then select it under “Policy Guidance” menu. You may download the publication at any time and reproduce in sufficient copies to allow distribution to local financial managers, as determined by the local Comptroller. AMCI 65-602 is also directly available on the AMC Publi-

cations web site: <https://www.amc.af.mil/pubs/hqamc.htm>. Click on the “65-Series Financial Management” block and select on “AMCI 65-602”.

**1.7. Updates.** HQ AMC/A88 will provide changes by page replacements and inserts or interim message changes, and will also make them available on the HQ AMC/A8 web site. You may submit suggestions for updates to AMCFSS/A88I, Attn: Budget Policy and Procedures, 402 Scott Drive, Unit 1K1, Scott AFB IL 62225-5311. Please use the Air Force Form 847, **Recommendation for Change of Publication** and be specific as to the purpose of your suggestion. Provide as much information as possible to include the benefits derived from your proposed change.

## Chapter 2

### BASE-LEVEL ACCOUNTING FOR COSTS

**2.1. General Information.** Costs chargeable to AMC TWCF airlift operations are described in further detail in **Chapter 6** of this instruction. Specific procedures for the general accounting system for operations (e.g., accrual accounting, funds control, supporting documentation, etc.) are in the DFAS-DE 7000-series as well as the DoDFMR 7000.14-series publications. This chapter gives policy on accounting procedures unique to TWCF base-level operations. **NOTE:** All references to accruals in this chapter mean the accrued expenditures unpaid (AEU) stage of accounting.

**2.2. Coding of Costs.** Record all AMC TWCF airlift operations accounting transactions as a Commitment (COMM), Undelivered Orders Outstanding (UOO), AEU, or Accrued Expenditures Paid (AEP), depending upon the stage of accounting at the time of the transaction. A debit or credit general ledger entry is made either mechanically or by manual input for each UOO, AEU and AEP transaction. Each cost transaction for AMC TWCF reflects the following: Appropriation symbol/limit 97X4930.FD40; fund code (FC) 68; fiscal year (FY) X (insert the last numerical digit of the appropriate fiscal year); operating agency code (OAC) 65; operating budget account number (OBAN) XX (insert the appropriate OBAN designation); budget project account code (BPAC) XXXXX (insert the appropriate TWCF BPAC); element of expense and investment code (EEIC) XXXXX (insert the appropriate EEIC designation); responsibility center/cost center (RC/CC) XXXXXX (insert the applicable RC/CC code); and Accounting and Disbursing Station (ADSN) XXXXXX (525700 for AMC TWCF locations; for non-AMC TWCF locations, use the assigned DFAS Field Site ADSN applicable to the host base); and any other supporting data required to allow processing in the general accounting system (e.g., applicable Emergency and Special Program (ESP) code). Certification of fund availability is unnecessary on planning purchase request forms if the documents include the following certification statement: "The procurement requested by this document is included in the approved operating budget for FYXX." (**NOTE:** Insert the last two digits of the appropriate fiscal year in place of the "XX".)

2.2.1. Applicable BPACs for AMC TWCF include:

2.2.1.1. 101 (or 10100) – All Operating (except for Military Augmentation, Commercial Augmentation, and Maintenance and Repair). AMCFSS/A88T assigns an additional 2-digit shred to identify each AMC centrally funded ADP system program under this BPAC, managed by HQ AMC/A65R.

2.2.1.2. 102 – Operating, Commercial Augmentation (HQ AMC only).

2.2.1.3. 103 – Operating, Military Augmentation (HQ AMC only).

2.2.1.4. 21XXX – Capital, Minor Construction. **NOTE:** HQ AMC/A78 establishes the 3<sup>rd</sup> through 5<sup>th</sup> positions of this BPAC, as follows:

2.2.1.4.1. The 3<sup>rd</sup> position will be a "C" for contract or "I" for in-house.

2.2.1.4.2. The 4<sup>th</sup> position represents the last digit of the applicable fiscal year of the project being funded. If the funds are for a current fiscal year project, then it will correspond to the last digit of the fiscal year in which the funds are issued. If the issue is for a project originally funded in a previous fiscal year, i.e., a change order, the BPAC will be the same as the BPAC for which the project was funded.

2.2.1.4.3. The 5th position represents the sequential assignment of an alphabetic character by HQ AMC/A78 unique to each project.

2.2.1.5. 220 – Capital, ADPE and Telecommunications Equipment (hardware). AMCFSS/A88T establishes an additional 2-digit shred to identify each AMC centrally funded ADP system program under this BPAC, managed by HQ AMC/A65R.

2.2.1.6. 230 – Capital, Equipment, Other than ADPE and Telecommunications. A 2-digit shred may be established by AMCFSS/A88T, as appropriate.

2.2.1.7. 240 – Capital, Software Development and Modernization. AMCFSS/A88T establishes an additional 2-digit shred to identify each AMC centrally funded ADP system program under this BPAC, managed by HQ AMC/A65R.

2.2.1.8. 3XXXX – Operating, Maintenance and Repair (MR). **NOTE:** HQ AMC/A78 establishes the 2nd through 5th positions of this BPAC, as follows:

2.2.1.8.1. The 2<sup>nd</sup> position represents the last digit of the applicable fiscal year of the project being funded. If the funds are for a current fiscal year project, then it will correspond to the last digit of the fiscal year in which the funds are issued. If the issue is for a project originally funded in a previous fiscal year, i.e., a change order, the BPAC will be the same as the BPAC for which the project was funded.

2.2.1.8.2. The 3rd through 5th positions represent a sequentially assigned number or number-alpha combination by HQ AMC/A78 unique to each project.

### 2.3. Expense Classification.

2.3.1. EEICs identify the various cost elements in the base level operating budgets that finance TWCF operations. See DFAS-DE 7010.1-R, *General Accounting and Finance Systems at Base Level*, chapter 2, paragraph 2-1.f., for the definition of an EEIC. AMCFSS/A88I establishes a command list of EEICs to include additional shreds of the basic EEIC structure for those command-unique transactions that require additional cost identification. This list can be found at the web site address provided in [Chapter 1](#), paragraph 1.6. of this instruction.

2.3.2. Program Element (PE) codes. PE codes identify where the costs are tracked with regard to the weapon system or aerial port they support. For AMC TWCF, we still utilize the former ASIF PE codes (41118 – C-141 (until the C-141 aircraft is completely retired from the AMC active fleet inventory - after that time, PE 41118 will no longer be used to record costs for AMC base-level TWCF operations); 41119 – C-5, 41130 – C-17; 41125 – aerial port (including specific TWCF-coded aerial port functions assigned to the Logistics Readiness Squadron); and 41122 – for those TWCF costs that cannot be identified to a specific weapon system or are split between several weapon systems) in lieu of the TWCF-assigned PE codes (48020, with alpha suffixes A through S in the 6<sup>th</sup> position) because the current Air Force accounting system does not recognize the 6<sup>th</sup> position of the code in order to distinguish costs for analysis purposes. Although PE codes are not included as a part of an accounting classification, they are by no means any less important than the various codes that comprise the complete accounting classification.

2.3.3. The use of correct TWCF PEs when establishing obligations or expenses in the accounting system is extremely critical when AMCFSS/A88T personnel analyze expense execution to determine the appropriate budgetary aircraft hourly tariffs to charge TWCF customers who utilize AMC strategic

aircraft to move their oversize cargo requirements or group travel passengers. If TWCF costs are incorrectly PE coded (e.g., using an incorrect O&M-assigned PE in lieu of the correct TWCF PE) or the PE field is blank in the accounting records, the AMCFSS/A88T tariff analysts must speculate as to where these costs belong by prorating them to the various weapon systems based on actual TWCF PE coded expenses or some other artificial means. The end result is that aircraft hourly tariffs may be erroneously overstated or understated in our TWCF budget submissions to USTRANSCOM, thereby incorrectly charging airlift customers for requested airlift services. Base FMAs should work with their respective Defense Finance and Accounting Service (DFAS) Field Site/RAFO and resource advisors to ensure validity of the PE code for all TWCF-related accounting transactions.

**2.4. TWCF Funded Costs (Direct or Reimbursable).** The following are specific procedures and policy clarification by expense category:

2.4.1. Civilian Payroll Costs (EEICs 3XX, 511, and 512). The automated civilian pay system (DFAS-DE 7072.1-M, *Defense Civilian Pay System (DCPS)*) interfaces with the general accounting system to give AEU and AEP data for TWCF assigned civilian personnel pay and benefits costs.

2.4.2. Civilian Personnel Annual Leave Liability (EEIC 39310). Keep the identity of the funded leave liability.

2.4.2.1. The funded leave liability (AEU, EEIC 39310) is the actual leave liability per leave records. It can change only for the following instances:

2.4.2.1.1. During initial or later capitalization (increase).

2.4.2.1.2. Upon correction of errors that occurred during capitalization (limited to the 3-month period after capitalization).

2.4.2.1.3. When the funded balance is in a negative position (decrease).

2.4.2.1.4. At times when there is a change in mission or organizational transfer (decrease). Mission change is defined as:

2.4.2.1.4.1. Organizational moves of people or activities directed by management. (**NOTE:** Includes sub-elements of an activity or groups of individuals (two or more)).

2.4.2.1.4.2. Reduction-in-force (RIF) actions associated with mission change or management action (formal personnel action).

2.4.2.2. Monthly, adjust the funded leave liability (EEIC 39310, AEU) for the estimated or actual amount of change in value that resulted from transfers in or out (individual employees) or from the difference between leave earned and taken.

2.4.2.3. When TWCF employee's transfer or separate under organizational changes or RIF actions, adjust the funded TWCF accrued civilian annual leave liability accounts. Record the appropriate severance payments in EEIC 383 and lump sum payments in EEIC 396.

2.4.2.3.1. Determine the percentages of the funded accrued annual leave liability account balance (EEIC 39310) of the TWCF liability as of the month-end preceding the month in which employees are transferred or separated.

2.4.2.3.2. For employee transfers, apply the percentage factor to the total value of the employee's accrued annual leave as of the date of transfer.

- 2.4.2.3.3. Reduce EEIC 39310 AEU for the amount computed by applying the funded annual leave percentage factor.
- 2.4.2.3.4. For employee separations, apply the percentage factor to the total value of accrued annual leave of the employees as of the date of separation.
- 2.4.2.3.5. Increase EEIC 39310 AEP for the amount computed by applying the funded annual leave percentage factor. Charge the payment to TWCF.
- 2.4.2.3.6. All Voluntary Separation Incentive Payments (VSIP) should reflect EEIC 384.
- 2.4.2.4. Each year change the civilian leave liability to agree with the leave records of the individual employee. In most instances, the adjustment applies to EEIC 39310.
- 2.4.3. Non-US Citizen Employees' Separation Pay (Other than Severance Pay and Retirement Benefits Liability (EEICs 386 and 512)). Amounts due non-US citizens TWCF employees for entitlements earned for separation and severance pay are TWCF accrued expenses.
- 2.4.3.1. When units activate into or deactivate from the TWCF, record entitlements due non-US government employees at the start of the FY, in which the transfer occurs, as adjustments to prior year AEU to EEIC 386 or 512. If the transfers occur at other than the beginning of the FY, record entitlements earned during the current FY as adjustments to current FY AEU for EEICs 386 or 512, and the additional entitlement owed as adjustments to prior year AEU.
- 2.4.3.2. Each month accrue one-twelfth of the total current year projected cost for basic benefit values, changes in pay and currency exchange rates, and differences in AEU resulting from individual transfers. Funds do not exchange between gaining and losing organizations when transfers do not occur.
- 2.4.3.3. Apply payments (AEP) for entitlements due using prior year designation in total or as a split payment. Identify current year fund designation for entitlements earned during the current year, and prior FY fund designation for the remainder of the entitlement owed.
- 2.4.3.4. At least annually, before year-end closing, reconcile AEU amounts (current and prior FY) to the individual employee's entitlement records. Process required adjustments as current year transactions.
- 2.4.4. Costs and Advances for Travel and Transportation of Persons (EEIC 409 through 43X).
- 2.4.4.1. Instructions in the DFAS-DE *Interim Guidance on Procedures for Travel Accounting Operations*, govern recording accrued expense for TDY and PCS costs. Travel advances for authorized TDY or PCS require additional accounting actions. See AMCI 24-101, *Military Airlift Transportation*, Volume 14, *Military Airlift Passenger Service*, section C, paragraph 25, for policy governing use of mission route support (MRS), mobility mission observer (MMO), mission essential ground personnel (MEGP), and additional crewmember (ACM) customer identification codes (CIC) that identify non-billable OCONUS travel for authorized personnel on AMC organic aircraft. Contact AMCFSS/A87D, Scott AFB IL, E-mail: <mailto:AMCTWCFISSUES@scott.af.mil> for guidance on constructing billable CIC codes or consult DoD 4500.9-R, *Defense Transportation Regulation, Part I, Passenger Movement*, chapter 103, section J, paragraph 3.d for the appropriate military department CIC web site address.
- 2.4.4.2. Use EEIC 409 only (no 2-digit shred or any other 40X EEIC) to record travel and per diem (to include individual rental vehicle and any other approved incidental charges) costs. The

only exception is EEIC 40934 for TWCF aircrews who utilize the AMC Form 41, **Flight Authorization**.

2.4.4.3. Per DFAS-DE 7010.3-R, paragraph 24-43, establish an AF Form 406, **Miscellaneous Obligation Reimbursement Document (MORD)** on a monthly basis for TWCF-funded AMC Form 41s and a funding letter for TWCF-funded Blanket Travel Orders for the anticipated monthly operating expense, in order to minimize the impact on your TWCF Operating expense authority. Only obligate the amount of funds necessary to operate for that month. Submit an increase letter if additional funds are required. At the beginning of the following month submit a new AF Form 406 or funding letter for that month's anticipated operating expense.

2.4.5. Contract and Base Lodging Costs (EEIC 59270). Use the following procedures for aircrews traveling on a TWCF-funded AMC Form 41, who occupy contract or base lodging at those locations listed in **Table 2.1**, and **Table 2.2**, below. For all other locations, TWCF aircrews will pay on-base or contract lodging charges and obtain reimbursement upon filing their travel settlement vouchers when returning to home station. **NOTE:** This procedure pertains only to TWCF-funded aircrews and AMC O&M-funded KC-10/KC-135 aircrews flying TWCF missions. All other TWCF-funded TDY personnel will pay for their lodging via check, cash, or personal credit card, regardless of the lodging location. See paragraphs **2.4.5.5**, and **2.4.5.6**, below for application of TWCF charge lodging procedures to AMC KC-10/KC-135 aircrews.

2.4.5.1. Air Force policy requires base lodging offices to request TDY travelers to provide proof of payment or to pay for their lodging in advance by check, cash, or credit card. This policy is driven due to the numbers of large delinquent accounts receivables (past due billings) in Air Force lodging fund accounts. To comply with Air Force policy and in an effort to reduce the same for commercial contract hotels located near AMC CONUS and en route locations, the US Bankcorp Government Purchase Card is the payment mechanism for on-base and contract lodging charges of TWCF aircrews in lieu of receiving and submitting invoices for payment at the locations listed in **Table 2.2**, and **Table 2.3**, below.

2.4.5.2. The appropriate TWCF funds manager (appointed designee (e.g., the resource advisor) in the wing/group directorate of operations, not the FMA office) responsible for validating the lodging invoices for payment should obtain a Government Purchase Card specifically designated for EEIC 59270 to pay these charges. These cards are not to be used for any other types of purchases. Any Blanket Purchase Agreement (BPA) contract established with local hotels for lodging purposes should be modified to include the Government Purchase Card account number and name of the cardholder point of contact (POC). If necessary, establish a memorandum of agreement between the base lodging office and the appropriate office/unit who maintains the responsibility to verify the on-base lodging charges that will also provide the Government Purchase Card account number and cardholder POC. All other validation arrangements currently performed (e.g., reviewing copies of the flight authorizations to ensure they are TWCF funded) prior to submitting the Government Purchase Card monthly statement to the supporting DFAS Field Site or RAFO for payment should remain the same. For disputed charges, follow established procedures in AFI 64-117, *Air Force Government-Wide Purchase Card Program*.

2.4.5.3. Use the appropriate RC/CC from **Table 2.1**, for TWCF lodging charges, based upon the primary aircraft assigned to the base incurring the lodging costs (CONUS locations with TWCF-assigned aircraft only).

**Table 2.1. Applicable RC/CCs for TWCF Lodging.**

PE	DESCRIPTION	RC/CC
41130	C-17 (Charleston & McChord AFB)	XX3006
41118	C-141 (McGuire AFB)/1	XX3016
41119	C-5 (Travis & Dover AFB)	XX3036
41122	AMC En Route Locations/2	XX3066

**NOTES:**

1. McGuire will transition from PE 41118 to PE 41130 for TWCF charge lodging purposes when the C-17 becomes the primary assigned aircraft (over 50 percent of total aircraft assigned are C-17).
2. All AMC en route locations (to include the CONUS bases of Pope and Robins) will utilize PE 41122 and RC/CC XX3066 to record all TWCF lodging costs of AMC aircrews who transit their locations, regardless of the type of aircraft assigned to the aircrew.

2.4.5.4. The regional DFAS/RAFO Field Site, as appropriate, forwards a check or electronic funds transfer (EFT) to US Bankcorp (Government Purchase Card provider) for the verified amount. The TWCF on-base/contract lodging used by authorized AMC aircrews are not chargeable to their organization of assignment, but are validated and paid from the local TWCF account. AMC TWCF and applicable KC-10/KC-135 O&M-funded aircrews must not claim these lodging charges on their individual travel settlement vouchers for reimbursement as they are provided to the traveler without charge.

2.4.5.5. **Table 2.2.** provides the Air Force locations that authorized AMC TWCF aircrews may charge their on-base or contract lodging costs if they are traveling on a valid flight authorization (AMC Form 41) citing appropriation symbol 97X4930.FD40 (Fund Code 68). Additionally, AMC KC-10 and KC-135 aircrew members flying TWCF missions with a valid AMC mission identifier on O&M-funded (57\*3400) flight authorizations may also charge their lodging costs to the local TWCF account if the flight authorizations include the following statements: "This is a KC-10 [KC-135] mission being used to satisfy movement of TWCF cargo requirements. For lodging purposes, charge the costs of on-base and contract lodging to the local TWCF funds (AMC Aircrew Charge System)." **Table 2.3.** shows the applicable non-Air Force locations.

**Table 2.2. Authorized Air Force Locations for TWCF Lodging Charge System.**

<b>CONUS LOCATIONS</b>	<b>PACIFIC LOCATIONS</b>
Charleston AFB	Andersen AFB
Dover AFB	Hickam AFB
McChord AFB	Kadena AB
McGuire AFB	Osan AB
Pope AFB	Yokota AB
Robins AFB /1	
Travis AFB	
<b>EUROPE LOCATIONS</b>	<b>ALASKA LOCATIONS</b>
Aviano AB	Elmendorf AFB
Incirlik AB	
Lajes AB	
RAF Mildenhall AB	
Ramstein AB	
Rhein-Main AB /2	
Spangdahlem AB /3	

**NOTES:**

1. 19 ARG TWCF funding only.
2. Effective until 1 Jan 06.
3. Effective when Spangdahlem officially stands up for AMC operations.

**Table 2.3. Authorized Non-Air Force Locations for TWCF Lodging Charge System.**

<b>EUROPE LOCATIONS</b>	<b>PACIFIC LOCATIONS</b>
Rota NAS	Richmond AU
Sigonella NAS	Diego Garcia (through MIPR to Navy)

2.4.5.6. Whenever AMC KC-10 or KC-135 aircrews, whose TWCF mission terminates at any TWCF funded location listed above, remain at the location to perform local training missions, participate in tanker task force missions, or perform any other nonairlift mission, the lodging costs for the duration of their stay will be the individual aircrew's responsibility and not chargeable to local TWCF funds. For these instances, the local TWCF account will only be charged for the first night's lodging.

2.4.5.7. Only the actual lodging fees are chargeable to the local TWCF account. Aircrews are responsible to pay all other personal costs, such as telephone calls, in-room snacks and beverages consumed, movie rentals, etc., prior to or during normal checkout procedures.

2.4.5.8. Even though on-base and contract lodging costs are chargeable, TWCF-funded and appropriate AMC KC-10/KC-135 aircrews who occupy the rooms should adhere to local checkout procedures. However, if adequate aircrew rest dictates that individual aircrew members remain beyond the normal checkout time, the TWCF may incur the cost of the additional day due to the nature of the airlift mission. Additionally, if any rooms reserved in advance are unused due to circumstances beyond the aircrew's control (e.g., the aircraft incurs maintenance problems en route, preventing the aircrew from making their reservation deadline on the reservation date and they are unable to notify the hotel in time to cancel the reservation) and the hotel bills for the unused room, the TWCF may also pay this charge. These costs incurred at the locations listed in [Table 2.2.](#) and [Table 2.3.](#) above may be charged against the local TWCF Government Purchase Card account until implementation of the Air Force directed Central Billed Account (CBA) for aircrews to make advance room reservations is established. The RC/CCs in [Table 2.1.](#) apply.

2.4.5.9. Central Billed Account (CBA). TWCF flying units may utilize a CBA government travel card program for the purposes of establishing aircrew lodging reservations while flying airlift missions. Each CBA will be established under a unit name with an individual assigned to the account. The CBA will have no credit limit but will be restricted to lodging cancellation charges only. The cost of the rooms when occupied by the aircrew members will not be charged to this account. CBA accounts will be established with Bank of America and will be maintained by HQ AMC/A87F.

**NOTE:** Use EEIC 59271 to record these costs in the accounting system.

2.4.6. Other Operating Costs (EEICs 46X through 598). Obtain these services from Air Force, other DoD components, or commercial vendors. The TWCF funds are direct cited or reimbursable to the base depending on the existing operating procedure for the service received. Exceptions from the normal procedures used by the general accounting system for operations are:

2.4.6.1. Purchased Utilities (EEIC 480). The Base Civil Engineer (BCE) determines the applicable TWCF charges per AFI 32-1061, *Providing Utilities to US Air Force Installations*. The BCE identifies reimbursable costs either by letter or by the Schedule of Reimbursements and Refunds.

2.4.6.1.1. The TWCF will reimburse Appropriated Fund (APF) activities for gas, electric power, water, and heat consumed, contract solid waste collection, and for sewage facilities utilized by TWCF designated facilities. For this purpose, TWCF facilities are airlift aerial ports, airlift operations centers, Air Mobility Operations Group (AMOG) facilities, airlift flying squadron facilities, and aircraft maintenance facilities at AMC bases and overseas en route locations that receive TWCF funding to support the global transportation airlift mission. See [Table 6.1.](#) of this instruction for facility category codes that qualify for TWCF funding.

2.4.6.1.2. If a facility does not have a valid TWCF-assigned category code, do not charge the utilities costs to TWCF funds.

2.4.6.2. In-House Maintenance and Repair (MR) (EEIC 527) and Minor Construction (MC) (EEIC 528). Charge the TWCF for in-house costs relative to minor construction and maintenance or repair of real property facilities used solely or partially by TWCF. See paragraph [2.4.6.1.1.](#) above for the definition of TWCF facilities. Refer to [Table 6.1.](#) of this instruction for a list of TWCF eligible facilities. The TWCF will also reimburse the O&M appropriation in total for all

funded costs of MR/MC projects for TWCF facilities when done with in-house capability. Charge in-house MC costs (less than \$100 thousand of funded cost) against MR funding issued in EEIC 527. Charge in-house MC costs (\$100 thousand - \$750 thousand of funded costs) against the Capital MC account funding issued for the work in EEIC 528. Direct cite TWCF funds when work is performed by contract.

2.4.6.2.1. Project costs are subject to limitations shown in AFI 32-1032, *Planning and Programming Real Property Maintenance Projects Using Appropriated Funds (APF)*, Chapters 1 and 4. Reimbursement for host Civil Engineering (CE) in-house costs incurred in support of TWCF units is accomplished by Standard Form 1080, **Voucher for Transfers Between Appropriations and/or Funds**. A copy of CE's Schedule of Reimbursements and Refunds should support the reimbursement. Accrue all project costs promptly.

2.4.6.2.2. Some TWCF facility requirements are accomplished by contract. Contractors will submit invoices to CE construction managers and base contract administrators monitoring each contractor's work. Base contracting will submit validated invoices to the local Financial Services Office (FSO) for forwarding to the supporting DFAS Field Site for payment. (The contract generally provides for invoice submission on a predetermined schedule.) You should base the accruals on documented estimates of work completed as determined by CE and the contract administrator.

2.4.6.2.3. The contract administrator must notify the appropriate accounting function upon completion of the project. **Chapter 6** and **Chapter 8** of this instruction contain additional MR/MC guidance.

2.4.7. Supplies, Materials, and Equipment Costs (EEICs 602 through 699). The Air Force standard base supply system (SBSS) procedures apply (DFAS-DE 7077.10-M, *Automated Material Accounting System Integrated within Standard Base Supply System: D002A or GV Users Manual*). The SBSS interface updates the accrued expenditures unpaid accounting stage.

2.4.8. Prior Year Funding. The TWCF does not utilize prior year funds as is done for O&M 3400 funds. TWCF funding for any prior year obligations or expenses incurred come from current year funding authority, regardless of when the actual transaction took place unless an accrual or estimate was established in the accounting records prior to the end of the fiscal year in question. While it may appear from an accounting perspective that prior year TWCF uncommitted funds are available in the accounting system to pay prior year bills not previously established as accruals or payables (AEU) for the Operating Budget, or set up as obligations (UOO) for the Capital Budget, the fact is you cannot use these "available" balances to pay prior year bills. There is no prior year funding management in the TWCF in either the Operating or Capital Budgets. Before you approve/submit a prior year bill for payment from prior year TWCF funds, first establish that a corresponding payable (AEU-Operating) or obligation (UOO-Capital) still exists in the prior year accounting records. Any payments for prior year bills previously not accrued (Operating) or obligated (Capital) is payable against current year expense (Operating) or obligation (Capital) authority only. The Funds Control section at AMCFSS/A88I will pull all available TWCF FC 68 available uncommitted balances after accomplishing the end-of-fiscal-year processing. **NOTE:** In the event DFAS-OM erroneously deobligates AEU (Operating) or UOO (Capital) transactions in the accounting system at the end of the fiscal year, HQ AMC/A88 will work with DFAS-OM to reestablish them in the appropriate prior year, on a case-by-case basis.

2.4.9. UOO and Contingent Liability Rollovers. At the end of the fiscal year, TWCF BPAC 101 and 3XX records in UOO or commitment (contingent liabilities only) in the accounting system roll into the new fiscal year during the DFAS End of Fiscal Year Conversion process. These records do not retain fiscal year integrity in the accounting system – only those TWCF BPAC 101 or 3XX records in AEU will maintain fiscal year integrity until liquidated. Since UOO records are reestablished in the current fiscal year after the End of Fiscal Year Conversion process, there should not be any TWCF UOO records in the accounting system. Any subsequent line item amounts in prior year UOO should be reviewed and moved into prior year AEU if goods or services have been received, moved to current year UOO if goods or services have not been received, or deobligated if no longer valid. HQ AMC/A78/A88 will determine the appropriate amount of Architect-Engineering (A-E) and MR UOO roll-over funding by project and AMCFSS/A88I (Funds Control) will issue additional TWCF authority, usually in the October-November timeframe. Other TWCF BPAC 101 rollover commodity funding will be determined by AMCFSS/A88T, as appropriate.

2.4.10. **Bona Fide Need Rule Application.** The bona fide need rule is not applicable to TWCF because it is a no-year fund in accordance with *GAO: Principles of Federal Appropriations Law, Volume 1*, chapter 5, page 5-13. Because TWCF Operating and Capital programs are no-year appropriations, all change orders and upward adjustments arising in future years applicable to TWCF projects that commenced in prior years are funded with current year TWCF Operating or Capital funds, as appropriate. You may also use current year Operating and Capital authority to buy down future year requirements if current year funds are available. For example, a TWCF organization budgeted/programmed to replace stand-alone office computers in FY04 and they have the opportunity to purchase them using existing FY03 Operating funds. This is permissible provided the computers are received and expensed in the accounting system prior to 30 September 03. The same holds true on one-time contracts for unseverable services. However, keep in mind that any portion of the requirements that is not expensed by the end of the fiscal year will roll over into the new fiscal year and charged against the new year's authority (see paragraph 2.4.9. above). **NOTE:** You may not move the unexpensed part of the contracted requirements from UOO into the AEU stage of accounting at the end of the fiscal year in order to avoid roll over into the next fiscal year unless the services or materials are actually received (reference DoDFMR 7000.14, Volume 4, chapter 9, paragraph 090102.B. and Volume 11B, chapter 12, paragraph 120102.). Additionally, do not use current year TWCF funds to buy down/expense future year civilian pay, TDY requirements, or services that are provided on a monthly recurring basis (e.g., utilities, communications, rental of equipment, etc.).

## Chapter 3

### BASE-LEVEL ACCOUNTING FOR REVENUE

**3.1. Sale of Airlift Services (Traffic Revenue).** AMCI 24-101, Volume 6, *Transportation Documentation, Data, Records, and Reports*, describes the integrated management and accounting system for airlift of passengers, cargo, and mail on TWCF controlled aircraft. No revenue billing/accounting for sales of airlift services (i.e., charging for passenger, cargo, and other airlift movements) are done at base level except for occasional space required passenger reimbursement. HQ AMC/A88 and Defense Finance and Accounting Service-Omaha (DFAS-OM) accounts for all other sales of airlift revenue.

**3.2. Sale of Services Other than Airlift.** TWCF organizations may provide services other than transportation airlift to customers as required. Common examples of chargeable non-airlift services include but are not necessarily limited to servicing foreign commercial/military aircraft (unless exempted by existing treaties or cooperative agreements) and loading/unloading passengers and cargo on/off foreign aircraft. HQ AMC/A88 does not issue TWCF Reimbursement Authority to AMC funding points to allow TWCF organizations to retain revenue received for miscellaneous services provided to customers for further expenditure.

3.2.1. For foreign aircraft servicing and other miscellaneous services, the TWCF unit providing the service will submit a memorandum through their local Financial Services Office to the Defense Finance and Accounting Service-Omaha at the following address: DFAS-OM/AOR, P.O. Box 7030, Bellevue NE 68005-1930. The memorandum should state the appropriate country to bill, the services provided, and the dollar amount to bill, in accordance with DoDFMR 7000.14, Volume 11A, Chapter 1, Addendum 2 (applicable cost categories, to include the cost of supplies consumed) and DFAS-DE 7010.2-R, chapter 29, paragraph 29-2f. For revenue collection, use the following fund cite: 97X4930.FD40, 68\* (\* represents appropriate current fiscal year) 6594 208591 59290 C90 (sales code) 525700 ESP code DH. For accounting records purposes, PE 41122 and FC (functional category) 03 apply. DFAS-OM will establish an accounts receivable based on the data provided by the TWCF servicing unit and submit documentation to DFAS-Denver for a consolidated billing to the applicable foreign country. When DFAS-Denver receives reimbursement they will, in turn, send the collection to DFAS-OM.

3.2.2. For processing passengers and cargo on/off foreign aircraft by TWCF aerial ports, use the established passenger and cargo handling rates provided in the JCS & SAAM Rates section of the current AMC rate guide, *US Government Airlift Rates and Non-US Government Airlift Rates*, Table 3, Part A, available on the following web site address: <https://www.amcfm.scott.af.mil/FMB.htm>. AMC aerial ports should follow accounting and revenue collection procedures outlined in paragraph 3.2.1. above, through their local Financial Services Office (FSO). For further instruction, refer to DFAS-DE 7010.1-R, chapter 30, AFI 16-101, *International Affairs and Security Assistance Management*, chapter 6, paragraph 6-16, and AMCI 24-101, Volume 9, *Military Airlift Air Terminal Operations Center*, paragraph 36.

3.2.3. For all other miscellaneous non-transportation airlift services other than described above, TWCF units should follow accounting and revenue collection procedures outlined in paragraph 3.2.1. above, if feasible. **NOTE:** If you receive revenue from the sale of non-transportation airlift services and it is collected into an OAC/OBAN and ADSN at your base or supporting DFAS Field Site other than 525700 above, process a Standard Form (SF) 1081, **Voucher and Schedule of Withdrawals and**

**Credits**, to transfer the amount to OAC/OBAN 6594, ADSN 525700 in order to establish as a for-others collection. Ensure that you use the correct sales code and ESP code (DH) to properly record the revenue transaction into the accounting system. Do not use sales code 90 to record revenue collections unrelated to servicing or processing passengers and cargo relating to foreign commercial/military aircraft. HQ AMC/A88 will issue additional expense authority, upon request, to AMC TWCF funding points based on revenue recorded against ESP code DH in the accounting system.

3.2.4. AMC bases/en route locations with TWCF operations will not collect landing fees assessed against civil aircraft into the TWCF account as a miscellaneous sale of services under this chapter. Collections for these fees are a proper reimbursement to the O&M 3400 account at Air Force bases in the United States or in its territories or possessions. See AMCS1 to AFI 65-601, Volume 1, paragraph 7.12.4., for guidance on the proper collection of these assessed fees.

### **3.3. Cash Collections of Traffic Revenue by Non-AMC Locations.**

3.3.1. Travelers at non-aerial ports who want AMC services should report to the flight authorization issuing agent who will prepare the DD Form 1131, **Cash Collection Voucher**, who will normally accept the proper fare, surcharges, and taxes, and issue the flight authorization. At bases where the Transportation Management Office (TMO) does not collect funds for other services or payments (excess weight of household goods (HHG), refunds from airlines, etc.), the issuing agent prepares the DD Form 1131 and sends the traveler to the FSO with the completed form. The FSO collects the proper tariffs, surcharges, and taxes as shown on the collection voucher, and gives the traveler a signed copy of the form. The traveler exchanges the signed copy for a flight authorization at the TMO. The flight authorization is evidence of payment when processing the traveler at the Aerial Port of Embarkation (APOE). Prepare the DD Form 1131 and dispose of the funds per AMCI 24-101, Volume 14, attachment 14.

3.3.2. Commercial Gateways. Use travel orders to accept and manifest passenger travelers arriving at a commercial gateway without a flight authorization.

3.3.3. Tariffs. The appropriate channel tariffs for movement of passengers and cargo for governmental and non-governmental travel are found in the AMC rate guide, *US Government Airlift Rates and Non-US Government Airlift Rates*.

3.3.4. Acceptance of Negotiable Instruments. The AMC terminal or flight authorization issuing agents may accept negotiable instruments for payments of tariffs per AMCI 24-101, Volume 14, Section F, paragraph 44, and DoDFMR 7000.14, Volume 5, *Disbursing Policy and Procedures*, Chapter 10. The servicing Financial Services Office (FSO) or DFAS Field Site directs how to prepare and endorse negotiable instruments. At aerial ports where there is a large volume of cash sales, the FSO or DFAS Field Site may authorize the air terminal manager to make direct deposits to the on-base bank per DoDFMR 7000.14, Volume 5. The FSO or DFAS Field Site furnishes specific instructions.

**3.4. Dishonored Checks.** The FSO processes a negative DD Form 1131, using the same accounting data that is on the original collection voucher except the dollars are in brackets. A copy of the negative collection voucher with the check attached is sent immediately to the office or activity which first accepted the check.

3.4.1. Dishonored Check Causes. The FSO returns dishonored checks to the office first receiving the check for one or more of the following reasons:

3.4.1.1. Insufficient funds.

3.4.1.2. Numerical and written amounts do not agree.

3.4.1.3. Unsigned check.

3.4.1.4. Account closed.

3.4.2. Recovery of Dishonored Checks. The office or activity receiving the dishonored check and minus collection voucher from the FSO immediately takes aggressive action to have the check redeemed or deficiency corrected. When practical, use the telephone to contact the maker or sponsor. Otherwise, write a letter to the maker or sponsor. If the original check is correctable (i.e., signed) or sufficient funds are available and the local bank approves, redeposit the original check with the FSO using a new DD Form 1131. If a new check must be written or a different method of payment used (cash, traveler's checks, etc.), process a new DD Form 1131 like the one used to make the first deposit.

## Chapter 4

### AMC-LEVEL ACCOUNTING FOR COSTS

**4.1. General Information.** The DFAS regional Field Site at Omaha NE (DFAS-OM) keeps accounting records, makes payments, validates accounting balances and transactions, and prepares reports for centrally funded TWCF Operating and Capital costs/programs executed exclusively by HQ AMC, Scott AFB IL. The same accounting principles and standards for AMC base-level activities are also applicable to HQ AMC centrally managed accounts. **NOTE:** All references to expense accruals in this chapter mean the AEU stage of accounting.

**4.2. Accrual Accounting.** Follow policies and guidelines in DoDFMR 7000.14, Volume 4, chapter 9, and Volume 11B, chapter 12. Record expenditures based on the most appropriate documentation available. If actual amounts are not available, use the best estimate based on reasonable and uniformly applied techniques. Establish expense accruals for HQ AMC centrally funded TWCF programs and HQ AMC budget personnel based on receipt of the most accurate source documentation from accomplishing activities. Adjustments made after the close of the FY are processed as prior year adjustments.

**4.3. Accounting for AMC Costs.** Centrally funded TWCF programs are either direct charges or reimbursable to another appropriation. Depending on documentation available, accounting transactions are either recorded as a commitment (COMM), UOO, AEU, or AEP. Cross-service agreements between TWCF and the military departments list types of services to be received, rates to be charged, and method and frequency of payment. In accordance with [Chapter 6](#) of this instruction, DFAS-OM accounts for the following categories of costs, applying the debit and credit General Ledger Accounting Code (GLAC) entries.

4.3.1. General and Administrative (G&A). This includes the cost of support for TWCF by non-TWCF-funded AMC organizations, the allocation of HQ USTRANSCOM overhead costs to the Transportation Activity Groups, and Defense Finance and Accounting Services (DFAS) for accounting support. These types of expenses are budgeted for and executed at the HQ AMC level in EEICs 99901, 99902, and 99904 respectively. See [Chapter 10](#) of this instruction for additional information regarding G&A costs.

4.3.1.1. Accruals. For AMC G&A, set up expense accruals based on population ratios, square footage, and other estimating techniques. USTRANSCOM/TCJ8 and DFAS-DE will provide the annual amounts for their portion of TWCF G&A costs.

4.3.1.2. Payments. Process central reimbursements to AMC O&M, USTRANSCOM, and DFAS-DE, adjust expense accruals, and liquidate the accounts payable accordingly.

4.3.2. Communications. This includes the cost of communications services (leased long line circuits, etc., EEIC 441) furnished TWCF under contract administered by the Defense Information Technology Contracting Organization (DITCO) and the Air Force Communications Agency (AFCA).

4.3.2.1. Accruals. Set up expense accruals based on contract information received from DITCO and AFCA. Prepare monthly costs on an estimated use basis.

4.3.2.2. Payments. Actual charges are either cross-disbursed or processed as for-self transactions. Verify receipt of service, adjust expense accruals, and liquidate the accounts payable accordingly.

4.3.3. Terminal Services Reimbursement. This includes the cost of aerial port services furnished by non-TWCF activities (EEIC 58108).

4.3.3.1. Accruals. Set up expense accruals based on negotiated costs.

4.3.3.2. Payments. Process central reimbursement to AMC O&M, adjust expense accruals, and liquidate the accounts payable accordingly.

4.3.4. Airlift Augmentation. Cost for airlift support is as follows:

4.3.4.1. Commercial Augmentation. This includes costs for categories A, and B, EEIC 58910.

4.3.4.1.1. Accruals.

4.3.4.1.1.1. Undelivered Orders Outstanding (UOO). During first month of each quarter, establish a UOO for the total of all contracts for that quarter, plus applicable cancellation penalties for the fixed buy contracts for all remaining quarters. Each month, increase UOO for service orders and change orders. Use data from the commercial augmentation financial management subsystem and from AMCFSS/A88T support entries.

4.3.4.1.1.2. Accrued Expenditures Unpaid (AEU). Establish expense accruals monthly for all services performed but unpaid. Decrease UOO accordingly. Use data from the commercial augmentation financial management subsystem to support entries.

4.3.4.1.2. Payments. Verify billings from commercial carriers to certificates of services done, adjust expense accruals, and liquidate liabilities accordingly.

4.3.4.2. Military Augmentation. This includes flying hour reimbursements for: PACAF and USAFE C-130 and KC-135 aircraft; AETC KC-135, C-5, C-130, and C-17 aircraft; AFRC KC-10, KC-135, C-5, C-130, and C-141 aircraft; ANG KC-135, C-5, C-17, C-130, and C-141 aircraft; and AMC KC-10, KC-135, and C-130 aircraft operating in the airlift transportation system. TWCF costs for these reimbursements are recorded against AMC EEICs 58920 through 58939 in the accounting system. Refer to the respective comptroller addendums or the basic Command to Command Memorandum of Agreements (MOA) for specific terms provided. Flying hour reimbursement rates specific to all MAJCOM-assigned aircraft are contained in AFI 65-503, *US Air Force Cost and Planning Factors*, Section C, Table A15-1. For all MAJCOM's reimbursement aircraft hourly rates, AMCFSS/A88T includes an additional 3 percent overhead factor to cover other miscellaneous non-AFCAIG mission-related aircraft costs (e.g., landing fees, border clearances, ground services, aircrew TDY, etc.).

4.3.4.2.1. Accruals. Each month, AMCFSS/A88T provides DFAS-OM an expense accrual based on Reliability and Maintainability Information System (REMIS) Flying Hour Report for military airlift augmentation.

4.3.4.2.2. Payments. HQ AMC/A37T verifies flying hour billings from AETC, PACAF, USAFE, and AMC (KC-10, KC-135, and C-130 aircraft); AMCFSS/A88T approves payments; DFAS-OM remits payment, adjusts expense accruals, and liquidates liabilities accordingly.

4.3.5. Billings for Non-TWCF Assigned Airlift. Installations performing non-TWCF airlift services submit all supporting documentation to DFAS-OM for central TWCF billing and collecting action. Billing and collecting are recorded based on for-others and by-others procedures.

4.3.6. Other Operating Costs. This includes HQ printing costs, depreciation, centrally managed automated data processing (ADP) programs, contractor technician services, bad debt expense (projected uncollectable non-US Government revenue only) and other miscellaneous expenses.

4.3.6.1. Accruals. Set up expense accruals based on purchase orders, contracts, invoices, management reports, or statistical information.

4.3.6.2. Payments. Verify charges, adjust expense accruals, and liquidate the accounts payable accordingly. Bad debt and depreciation accruals are not liquidated via a payment transaction, as they are methods of capturing necessary TWCF expenses in which a commercial vendor or government agency does not provide an actual billing.

**4.4. Statistical Transactions.** WCF activities will maintain the necessary accounts to record statistical assets and costs. The value of TWCF-assigned aircraft is based on the current inventory information at the standard price. DFAS-OM accomplishes the recording of depreciation costs for TWCF-assigned aircraft as well as other statistical costs.

**4.5. Military Pay and Allowances.** Costs for military personnel assigned to TWCF organizations are calculated at civilian equivalency rates. DFAS-OM records these costs as an operating expense that is a non-recoverable Net Operating Results (NOR) item. See DoDFMR 7000.14, Volume 11B, chapter 12.

**4.6. Depreciation of Capital Assets.**

4.6.1. Develop depreciation schedules for all TWCF assets with a value equal to or greater than \$100 thousand with a useful life of 2 years or more. Use residual values and life expectancies shown in **Chapter 8**, paragraph **8.6.9**, of this instruction.

4.6.2. Since there are no accounting systems currently in place to track assets for depreciation purposes, estimated depreciation amounts are used. EEICs 705 through 709 apply, depending on the type of capital asset depreciated. DFAS-OM records monthly depreciation estimates as an expense to TWCF based on one-twelfth of the budgeted amounts, as provided by AMCFSS/A88T. See DoDFMR 7000.14, Volume 11B, chapters 12 and 58, and **Chapter 8** of this instruction for additional guidance concerning depreciation criteria and schedules.

## Chapter 5

### AMC-LEVEL ACCOUNTING FOR REVENUE

**5.1. General Information.** The TWCF receives reimbursement for the costs of airlift services either by airlift customers or the AMC O&M appropriation in those instances where airlift is an Air Force mission responsibility. DoD 4515.13-R, *Air Transportation Eligibility*, and AMCI 24-101, Volume 14, provide additional guidance on airlift customer reimbursements to TWCF. All billings and accounting for TWCF traffic revenue are accomplished by DFAS-OM.

5.1.1. The TWCF generates revenue by providing airlift services through the following:

5.1.1.1. Transport aircraft (military aircraft assigned to TWCF), commercial aircraft with contracts to TWCF, and other Air Force command's aircraft tasked to fly TWCF missions.

5.1.1.2. Opportune Airlift. Opportune airlift occurs when a non-TWCF airlift mission (e.g., missions generated from ANG & AFRC O&M training opportunities, Army & Navy aircraft, etc.) moves TWCF cargo or passengers manifested at AMC aerial ports across an AMC channel. The TWCF incurs no cost for this airlift and the movement is transparent to the airlift customer, who pays the current channel tariff rate for the cargo or passengers moved, even though AMC did not generate the airlift mission. For TWCF purposes, passenger and cargo workload moved in the airlift system that is not manifested by AMC aerial ports are not considered opportune airlift.

5.1.2. Sources of TWCF Revenue.

5.1.2.1. Passenger. Revenue earned from the air movement of people on a space-required basis through the channel traffic system (see paragraphs 2.4.4.1., 5.4.2.1., and 5.4.2.3. for exceptions).

5.1.2.2. Cargo. Revenue earned from the air movement of cargo on a space-required basis through the channel traffic system, to include landbridge movement for Strategic Distribution (SD).

5.1.2.3. Military Mail - Military Aircraft. Revenue earned from the air movement of military mail through the channel traffic system on TWCF aircraft or by opportune airlift.

5.1.2.4. Special Assignment Airlift Mission (SAAM). Revenue from unique airlift customer designated missions to move special requirements or fly to locations that are not normal channel stops.

5.1.2.5. Chairman Joint Chiefs of Staff (CJCS) Exercises. Revenue from airlift missions flown by TWCF owned or contracted assets to maintain the operational readiness of AMC forces with DoD agencies and other authorized users.

5.1.2.6. Joint Airborne and Air Transportability Training (JA/ATT). Revenue earned from airlift missions flown by AMC TWCF aircraft to satisfy aerial delivery training requirements between AMC and military airborne units.

5.1.2.7. DELETED.

5.1.2.8. Associate Reserve Program. Revenue earned from flying hours flown for the training of AMC Associate Reserve aircrews on AMC TWCF aircraft.

5.1.2.9. Crew Proficiency Training, Test, & Ferry. Revenue earned from the Air Force for local active proficiency training, test, and ferry hours flown on AMC TWCF aircraft.

5.1.2.10. **Readiness Costs.** Readiness costs are a direct Air Force O&M payment to the TWCF that finances the cost of airlift readiness (surge and mobilization capacity). It is defined as the difference between total command-wide TWCF operating costs less the revenues earned from customers through tariffs (some of which are capped based on what the commercial sector charges) and other revenue sources, in order to achieve a break-even NOR. Additionally, Readiness costs recover Accumulated Operating Result (AOR) losses. Revenue relating to readiness is collected at the HQ AMC level.

5.1.2.11. **Other Revenue.** TWCF revenue earned from miscellaneous services provided based on direct costs incurred.

**5.2. Revenue Accounting Procedures.** Record sales of TWCF services in accordance with the reimbursement policies and accrued revenue procedures established in the guidance provided in **Chapter 1**, paragraph **1.1.5.** of this publication. Categories of revenue are:

5.2.1. **Channel Traffic (Passenger, Cargo, Mail).** Airlift services provided to the users are in accordance with those rates specified in the AMCFSS/A88T annual rate guide, *US Government Airlift Rates and Non-US Government Airlift Rates*. The AMC channel revenue data subsystem accumulates accounting and billing information for all traffic moved on TWCF channels. AMCI 24-101, Volume 6, provides data collection and processing requirements.

5.2.1.1. **Category A Air Line of Communications (ALOC) and Medical Express (MEDEX).** Category A channel cargo missions accomplishes the movement of airlift requirements of less than planeload lots. DFAS-OM will submit monthly billings to the Defense Logistics Agency for ALOC and MEDEX shipments. Revenue is based on the commercial contract carrier's cost plus an added surcharge.

5.2.2. **SAAM Revenue Accounting.**

5.2.2.1. The Department of Defense (DoD), non-DoD governmental organizations, and national/international air organizations send the SAAM requirements to USTRANSCOM/TCJ3-ODJ.

5.2.2.1.1. SAAM charges for airlift missions are provided by HQ AMC/A87DB, DSN 779-2291. HQ AMC/A87DB gathers mission information upon completion of the SAAM mission and the billing is submitted to DFAS-OM for disbursing to the appropriate paying agency.

5.2.2.1.2. If there is a variance in any mission flow from the planned mission, HQ AMC/A87DB works with USTRANSCOM/TCJ3-ODJ and TACC/XOO to resolve the variances. Organic missions are calculated by multiplying the aircraft tariff rate by the flying hours, plus any minimum activity rate (MAR), less any discount incentives.

5.2.2.2. The SF 1080, **Voucher for Transfers Between Appropriations and/or Funds**, and a Statement of Special Assignment Airlift Mission Charges are sent to DFAS-OM. The SF 1080 provides whom to bill and the customer line of accounting data. The statement has the SAAM number, aircraft, aircraft tariff rate, total flying hours, incentive discount, stand down cost, total mission cost, and applicable remarks.

5.2.2.3. The SAAM mission information provided to DFAS-OM in paragraph **5.2.2.1.1.** above includes the SAAM directive, AMC mission number, and customer fund cites.

5.2.2.4. Since all SAAM missions may not be billed during a particular calendar month, account for the unbilled SAAM revenue of the reporting month as follows:

5.2.2.4.1. DFAS-OM management support accountants download GDSS and match what has been billed to all missions. HQ AMC/A87D establishes a revenue accrual from the billed SAAM missions versus all SAAM missions.

5.2.2.4.2. DELETED.

5.2.2.4.2.1. DELETED.

5.2.2.4.2.2. DELETED.

5.2.3. CJCS Exercises Revenue Accounting. The Joint Chiefs of Staff designates CJCS Exercises and provides airlift flying hour funding through the issuance of a DD Form 448, **Military Interdepartmental Purchase Request (MIPR)**.

5.2.3.1. AMC publishes an operations plan for each identified CJCS Exercise, for distribution to all offices of responsibility, to include HQ AMC/A88.

5.2.3.2. CJCS airlift billings are computed on the exercise flying hours reported in REMIS multiplied by the approved flying hour rate. The cost of commercial augmentation in support of CJCS Exercises is computed using the rate tables in the annual airlift tariff rate guide. AMCFSS/A88T furnishes DFAS-OM preliminary billing information based on the REMIS monthly flying hour report. Any adjustment to the current month flying hours will be included in the subsequent month's billing. Process monthly billings against the Joint Chiefs of Staff MIPR.

5.2.4. Strategic Aeromedical Evacuation. The Air Force Medical Service is responsible for providing Defense Health Program (DHP) funds for Aeromedical Evacuation (AE) provided by AMC's transport aircraft to the user MAJCOM/SGs (AMC, PACAF, and USAFE). The user MAJCOM/SGs use these DHP funds to reimburse the TWCF for specific AE missions identified by the TACC. Non-TACC validated moves are billed to the appropriate Theater Command or MAJCOM.

5.2.4.1. Charges for the gross cost of dedicated AMC AE TWCF missions are based on the approved rate per hour of the aircraft. Use the approved DoD SAAM flying hour tariff rate, multiplied by the AE hours flown, to determine the amount of reimbursement.

5.2.4.2. Compute charges for DoD AE patients moved on scheduled channel missions by multiplying the number of seats occupied by the AMC annual rate guide, channel passenger rate, for the specific channel on which the patient moves. For litter patients, compute the charge based on three seats, with additional seat charges for each attendant accompanying the patient.

5.2.4.3. For other US Government-sponsored AE passengers moved as patients and non-US Armed Forces AE patients, aerial ports will provide documentation for billing per DoD 4515.13-R, chapter 11.

5.2.5. Training Revenue Accounting.

5.2.5.1. JA/ATT Revenue. The JA/ATT missions are flown to support aerial delivery and static loader training requirements between AMC and military airborne units. Airlift provided for JA/ATT is an Air Force mission responsibility and charged to AMC O&M funds. AMCFSS/A88T provides DFAS-OM the JA/ATT hours flown and charges calculated at the approved flying hour rates. DFAS-OM monthly bills the AMC O&M account managed by HQ AMC/A88O, based on the hours provided.

5.2.5.2. Active Force Crew Proficiency Training, Test, and Ferry (TTF). AMCFSS/A88T develops for DFAS-OM the amounts of reimbursement TWCF earns from AMC O&M for costs associated with TTF flying hours required for active force aircrew proficiency training. DFAS-OM receives monthly from AMCFSS/A88T the amount of TTF hours flown and bills these costs monthly to HQ AMC/A8BO at the approved flying hour rates.

5.2.5.3. HQ AMC/A44QA provides the REMIS Flying Hour Report to HQ AMC/A37T/A88T identifying each month's flying hours flown by category.

5.2.6. Courier Services. Authorized airlift customers reimburse TWCF for the exact amount of expense incurred or disbursements made to commercial carriers for flights operated only for movement of courier material.

5.2.7. Domestic Charters. Domestic charter missions are full planeload charters flown within the CONUS. DFAS-OM will bill the user monthly. Revenue is based on the carrier's invoice.

5.2.8. Non-Airlift Sources of Revenue.

5.2.8.1. Associate Reserve Program. AMCFSS/A88T develops for DFAS-OM the amount to be billed to the Air Force Reserve (HQ AFRC/FM) for the cost of aviation fuel and depot maintenance relating to applicable flying hours for AMC TWCF aircraft training. Billing is based on a percentage (determined by HQ USAF) of the Approved Reserve Associate Flying Hour Program, multiplied by the hourly rate in the USD(C) approved budget for the current year. DFAS-OM bills each month and collects revenue using cross-disbursement procedures.

5.2.8.2. Readiness Costs. AMCFSS/A88T develops for DFAS-OM the amounts of reimbursement TWCF earns from AMC O&M, managed by HQ AMC/A8BO, for readiness costs not covered by customer revenues. See paragraph 5.1.2.10. above.

5.2.8.3. Reciprocal Airlift Agreements. Reciprocal airlift agreements between the airlift agency (AMC) and other US and foreign military transportation agencies require special accounting procedures per the terms of the specific agreements.

5.2.8.4. Unused and Unoffered Capability. AMCFSS/A88T develops for DFAS-OM the amounts of reimbursement for costs associated with unused and unoffered airlift capability, if applicable.

5.2.8.5. Other Revenue. AMCFSS/A88T develops for DFAS-OM the amounts of other non-tariff revenue for direct reimbursement, as required.

5.2.9. Army and Air Force Exchange Service Material and Motion Picture Service Material. Army has the fiscal responsibility for charges associated with overseas transportation of the Army and Air Force Exchange Service and Motion Picture Service Cargo (TACs A209 and A210). DFAS-OM submits airlift bills to DFAS-IN (Indianapolis IN) for payment.

5.2.10. Stars and Stripes. A memorandum of understanding (MOU) between the Departments of Army and Air Force determines how Stars and Stripes charges are allocated. DFAS-OM submits airlift bills to DFAS-IN for airlift transportation support for European and Pacific theater Stars and Stripes activities.

### 5.3. Billing and Collecting Revenue.

5.3.1. Apply the appropriate rate structure in accordance with DoD 4515.13-R.

5.3.2. Charges are based on the AMC annual rate guide in effect at the inception of the airlift transportation services.

5.3.3. DFAS-OM cross-disburses for airlift services provided to DoD components.

5.3.4. DFAS-OM submits billings for airlift services in accordance with documentation requirements of DoDFMR 7000.14, Volume 5 and billing procedures of DFAS-DE 7010.2-R, chapter 29.

5.3.5. Charge US transportation tax per the AMC annual rate guide and AMCI 24-101, Volume 14. Do not collect these amounts into TWCF (Fund Code 68); collect them into deposit fund account 57F0152.002.

5.3.6. International debtors' charges are transferred to DFAS-DE, 6760 E. Irvington Place, Denver CO 80279.

5.3.7. DFAS-OM collects and records the differences between TWCF DoD-established rates and the TWCF rates charged to non-DoD US Government or non-US Government and Foreign Military Sales (FMS) customers in accordance with DoDFMR 7000.14, Volume 5. These collections are not retained in the TWCF. The AMC annual rate guide, specifically the SAAM rate section, shows amounts to be returned to Air Force appropriations and US Treasury receipt accounts 573041.\*\*\*\* (asterisks indicate the applicable appropriation limit). AMCFSS/A88T develops appropriate ratios and coordinates them with DFAS/DE, Denver CO, for distributing the difference in revenue collected between the TWCF DoD and non-DoD rates to the applicable appropriations. AMCFSS/A88T annually reviews the ratios to ensure validity.

5.3.8. Mission Cancellation Fees. If a transportation customer cancels an organic airlift mission (e.g., SAAM) within 24 hours of operation, HQ AMC/A87D checks with the SAAM directors or barrel masters in the TACC to determine if an aircrew was placed in crew rest. If so, the customer is charged the applicable MAR (4 hours for C-17 aircraft; 2 hours for all other AMC TWCF aircraft). If the mission is launched from home station prior to cancellation, the customer is charged all the hours logged in the AHS SAAM Departure Report, subject to the applicable MAR. No MAR is assessed for organic airlift mission cancellations greater than 24 hours notice. For commercial mission cancellations, the airlift customer is charged if the commercial airline assesses HQ AMC a cancellation fee.

**5.4. AFRC/ANG Non-Permanent Change of Station (PCS) Passengers Transported on AFRC/ANG Aircraft.** The following policy guidance is provided:

5.4.1. AMC will bill for all AFRC/ANG personnel moved on an AFRC/ANG aircraft flying a reimbursable TWCF mission and processed through AMC terminals on billable customer identification codes (CICs). AFRC/ANG units will reimburse AMC TWCF for the movement of these passengers in accordance with the current established passenger rates located at the web site referenced in paragraph **6.2.3.** of this publication.

5.4.2. When AFRC/ANG personnel are moved over TWCF established routes, but the AFRC/ANG aircraft is not flying a TWCF reimbursable mission, AMC TWCF will not charge for the personnel moved. This pertains only to those personnel assets owned by the AFRC/ANG and for the specific purpose of the mission. All non-AFRC/ANG personnel on the mission are considered billable for TWCF purposes and will be charged accordingly, based on the assigned CIC code on their travel orders.

5.4.2.1. AFRC/ANG personnel that qualify under this policy, a non-billable CIC code, 4RES for reservists, 4GUR for guardsmen, and GCGU for Coast Guard Auxiliary personnel, will be reflected on their travel orders or other approved travel authorization, to ensure AMC terminals manifest them without charge. The member's unit of assignment is responsible for the proper application of the non-billable CIC.

5.4.2.2. AFRC/ANG aircrew members who fly the aircraft should never be billed for movement on AFRC/ANG missions, whether the missions are TWCF reimbursable or not.

5.4.2.3. Public Law 106-65 provides for Guard and Reserve personnel performing inactive duty training (IDT) to travel on DoD aircraft on a space-required basis, worldwide, free of charge. AMC TWCF will not charge for IDT travel regardless of mission parameters. AMCI 24-101, Volume 14, paragraph 25.7.5., provides the non-billable CIC codes used for these travelers.

5.4.3. This policy is not applicable to AFRC/ANG cargo manifested in the Defense Transportation System by AMC terminals and transported on ANG non-TWCF reimbursable missions.

**5.5. Delinquent Accounts Receivable.** See DFAS-DE 7010.2-R, chapter 29, Section E, on handling delinquent accounts receivables.

## Chapter 6

### BUDGETING AND FUNDING POLICES AND PROCEDURES – OPERATING COSTS

**6.1. General Information.** The TWCF finances the operating costs of the Air Force portion of the Transportation Activity Group of the AFWCF. Airlift customers reimburse the TWCF for these costs. In the budget process, the TWCF funding commences with the development of the recommended minimum flying hour program required for system readiness for each aircraft type.

#### 6.2. Concept of Operations.

6.2.1. The TWCF initially finances all costs associated with its flying hour programs. These flying hour programs allow the aircrew and system readiness to respond to wartime missions. The airlift capability resulting from these training programs helps to satisfy the transportation needs of the DoD users. The TWCF receives reimbursement from funds appropriated either to the Air Force for mission-directed activities or to the DoD and non-DoD users for the airlift services provided. Management under TWCF is a buyer-seller relationship between the airlift user and the airlift producer (AMC).

6.2.2. The TWCF, as a management tool, applies only to the customer-funded portion of the programmed flying hour program (Channel, SAAM, and CJCS Exercise) that makes airlift capability a by-product of AMC wartime readiness. This organic capability, supplemented by commercial aircraft and other commands' transport aircraft (military augmentation), is available to satisfy logistics movement requirements of DoD.

6.2.3. AMC/CC approves the TWCF expense and revenue budget submission based on the recommendations of the HQ AMC Budget Advisory Board (BAB), to include the recommended airlift tariff rates. The TWCF budget is then submitted to USTRANSCOM/TCJ8-T, who reviews and makes necessary changes (budget marks), and then forwards it to USD(C) for final approval and inclusion in the AFWCF justification material sent to Congress. HQ AMC/A88 publishes the OSD-approved airlift tariff rates in the annual rate guide, *Non-US Government Airlift Rates and US Government Airlift Rates*, available at <https://www.amcfm.scott.af.mil/FMB.htm>.

6.2.4. All TWCF funded units must comply with the Air Force financial management policy in AFI 65-601, Volume 1 (particularly chapters 4, 7, 10, and 18), and AMC financial management policy outlined in AMCI 65-601, *AMC Headquarters Financial Management Procedures*, as well as this instruction.

**6.3. Costs Chargeable to TWCF.** The TWCF incurs two major categories of costs in its daily operations: Those initially financed by the TWCF and those initially financed from other military department funds and reimbursed by the TWCF under an interservice or host-tenant support agreement. **Attachment 5** contains a funding matrix for TWCF units by cost category and unit location (e.g., TWCF units on AMC bases, other Air Force command bases, etc.). This matrix is to be used only as a general guide to determine the application of TWCF funding. Consult this chapter for details on when to use or not to use TWCF funds.

6.3.1. Costs Financed by the TWCF. The TWCF incurs costs directly financed by TWCF operating units/functions. HQ AMC and its Numbered Air Forces (NAF), while not direct TWCF generating functions, administers contracts and incurs costs paid by TWCF. Types of costs are:

6.3.1.1. Pay of Civilians. This includes salaries and benefits of Air Force civilians and foreign nationals coded to TWCF PEs in the unit manning document (UMD). It also includes employer's share of the Federal Group Life Insurance (FGLI) fund, Civil Service Retirement (CSR), Federal Employee Retirement System (FERS), Federal Income Contribution Act (FICA), Federal Employees Health Benefit (FEHB), cash awards to federal employees, and other personnel benefits.

6.3.1.1.1. DoD policy requires that the Services budget for expenses of separation allowances for direct hire foreign national employees in the full amount of the liability that accrues during the year, whether or not the amount is currently payable. See **Chapter 2** for costing procedures.

6.3.1.1.2. **Attachment 6**, TWCF Manpower Criteria, is provided to assist you in determining TWCF coded civilian positions.

6.3.1.2. AMC Base-Level Maintenance by Contract. This includes contract support of base maintenance organizations for the performance of below depot-level maintenance of TWCF aircraft at home station and en route locations. Also included is emergency maintenance obtained through AF Form 15, **United States Air Force Invoice** procedures. **NOTE:** This does not include the transient maintenance functions – in-house or contract – at AMC TWCF bases. Transient maintenance is an O&M funding responsibility, PE 41896.

6.3.1.3. Aviation Petroleum Oil and Lubricants (AVPOL) Issues to TWCF-Assigned Aircraft.

6.3.1.3.1. This represents AVPOL consumed on TWCF aircraft (includes AF Forms 15 and 315, **United States Air Force Avfuels Invoice--POL Charges**, and AVCARD transactions). The Defense Energy Support Center (DESC) initially pays for all such fuel purchases and TWCF reimburses for AVPOL issues at the wing level. DESC, Ft Belvoir VA, bills directly to the user (effective 1 Mar 01).

6.3.1.3.2. The AMC bases maintain the funding responsibility for non-fly AVPOL used by TWCF organizations to test TWCF aircraft engines (AFMAN 23-110, Volume 1, part 3, *Air Force Stock Fund and DPSC Assigned Item Procedures*, chapter 1) and for use in support equipment.

6.3.1.4. Supplies and Materiel. Supplies and materiel are charged on issue to a TWCF funded organization from the appropriate stock fund division of the Air Force Working Capital Fund (AFWCF - EEIC 60X). Issues must adhere to the program and procedures set up for the AFWCF. The TWCF also funds for initial procurement of non-stock fund supplies and materials (EEIC 61X). The following paragraphs depict examples (not necessarily limited to) of stock fund and non-stock fund supply and material purchases authorized with TWCF funds:

6.3.1.4.1. Industrial service-funded contractor accounts for procurement direct from the Defense Logistics Agency (DLA), General Services Administration (GSA), and other supply working capital funds.

6.3.1.4.2. Contractor-operated and government-operated on-base parts store operations (i.e., Contractor-Operated Civil Engineering Supply Store (COCESS, Contractor-Operated Vehicle Parts Store (COPARS), and Government-Operated Civil Engineering Supply Store (GOCESS). Record these charges to EEICs 61910, 61920, and 61930 respectively.

6.3.1.4.3. US Bankcorp Government Purchase Card requisitions made by authorized individuals assigned to TWCF organizations. Record costs of routine supply purchases from the Government Purchase Card to EEIC 61950. For purchases that pertain to the purchase of flying hour related supplies, use EEIC 61952. See AMCPAM 65-603, chapter 20, for additional Government Purchase Card financial guidance.

6.3.1.4.4. Aircraft modifications limited to materials associated with temporary (T-1/T-2) modifications when performed on TWCF assigned aircraft. However, the TWCF does not pay for Time Compliance Technical Order (TCTO) kits.

6.3.1.4.5. Depot Level Repairables (DLR) for TWCF aircraft and equipment. Credits all turn-ins earned for the repair of TWCF DLRs to TWCF supply accounts. See AMCPAM 65-603, chapter 19, paragraph 19.23 for examples of DLR pricing guidance.

6.3.1.4.6. Complimentary snacks and beverages purchased by TWCF organizations (aerial port units) for passenger consumption while flying aboard AMC TWCF organic airlift aircraft per AMCI 24-101, Volume 14, paragraph 54. Record these costs to EEIC 619. (See also AFI 11-2C-5, Volume 3, paragraph 13.4.2.3. and AFI 11-2C-17, Volume 3, paragraph 13.5.2.3.)

6.3.1.4.7. Supplies and linens for dormitories that support TWCF personnel. For AMC bases, O&M 3400 (PE 41879) will direct fund these costs and TWCF reimburses through the G&A process at HQ AMC. For AMC TWCF tenants on other commands' bases/installations, these costs are reimbursed by TWCF to the host in accordance with local support agreement procedures.

6.3.1.4.8. Medical supplies required by AMC TWCF units, to include atropine injectors and other medical requirements for deployment purposes. Additionally, TWCF may fund for soft contact lenses and associated supplies required by aircrews assigned to TWCF-funded units in the performance of their flying duties (e.g., using night vision goggles required for combat mission performance), as directed by AFI 48-123, *Medical Examinations and Standards*, attachment 17, paragraph A17.1.2.6. (**NOTE:** This does not extend to obtaining soft contact lenses for other than official mission requirements.)

6.3.1.4.9. Replacement issues for A, B, and E mobility bags and mobility equipment listed on the TWCF organization's Unit Tasking Code (UTC).

6.3.1.4.10. Uniform clothing issued as individual equipment to TWCF personnel (e.g., desert camouflage uniforms, desert flight suits, regular flight suits, and other Allowance Standard 016 clothing not included as regularly issued uniforms paid by the military members), to include all associated rank insignia, name tapes, and accouterments, and the sewing on of these items (commander's discretion), as authorized in AFI 65-601, Volume 1, chapter 10, paragraph 10.55.7.

6.3.1.4.11. Systems furniture requirements for newly constructed MILCON-financed facilities that will be TWCF-assigned and occupied by TWCF personnel when completed.

#### 6.3.1.5. Commercial Augmentation Cost.

6.3.1.5.1. Commercial augmentation is airlift (channel, SAAM, JSC Exercise) purchased to enhance the overall military airlift capability where required (U.S. flag carriers and approved foreign flag carriers). Included in the contracted cost are transportation taxes, customs and

immigration fees, if applicable. Augmentation includes planeload purchases of passenger movement and planeload or less-than-planeload purchases of cargo and main space.

6.3.1.5.2. The airline contractor has no responsibility for the care of passengers awaiting transportation at origination, en route, turn-around, or return en route stations during uncontrollable delays. However, passengers on board the aircraft (after the aircraft has blocked out, including duration of any operational stops) are the airline contractor's responsibility.

6.3.1.5.3. The contract carrier shall not be in default due to any failure to perform the contract under its terms if the failure arises from causes beyond the control and without the fault or negligence of the carrier. Examples of these causes are (1) acts of God or of the public enemy, (2) acts of the government in either its sovereign or contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) severe weather.

6.3.1.5.4. Passengers aboard AMC contracted commercial missions who experience an uncontrollable delay beyond the control of the carrier will receive lodging and transportation to and from the hotel at TWCF expense. If the commercial aircraft delay is at a location where TWCF funds are available, payment for lodging and transportation (if applicable) of affected passengers (excluding space available) will be made by the local accounting liaison office or servicing DFAS Field Site, citing local TWCF funds. At those overseas locations where lodging or transportation arrangements are not feasible and local TWCF funds are not available, the carrier should provide the required passenger care on a reimbursable basis.

6.3.1.5.5. If the contracted commercial mission delay is due to the fault of the carrier, all necessary transportation and lodging support of all manifested passengers is the carrier's responsibility.

6.3.1.5.6. When passengers are off-loaded short of destination at the direction of the government, the carrier is not responsible for the care or further transportation of such passengers.

6.3.1.5.7. De-icing fluid and liquid oxygen provided at AMC en route locations to commercial CRAF carriers will be on a reimbursable basis. See paragraph [6.3.1.7.3.](#) of this chapter for additional guidance.

6.3.1.6. Facility Maintenance and Repair. All MR projects and those MC projects with funded costs less than \$100 thousand accomplished on TWCF facilities are chargeable to the operations portion of TWCF against the MR account whether done by contract or by the BCE. Reimbursement for work accomplished by the BCE includes the cost of direct materials used plus the predetermined shop rate less the military factor. Facilities occupied by TWCF-funded organizations include airlift aerial port facilities, mobility aerial port facilities, airlift operations centers, squadron operations facilities, and aircraft maintenance facilities at AMC bases and overseas en route locations that receive TWCF funding to support the global transportation airlift mission (reference paragraph [2.3.2.](#) of this publication for the PE codes applicable to TWCF-funded organizations). See [Table 6.1.](#) for the real property category codes that qualify for TWCF funding on those installations that have TWCF-assigned organizations.

6.3.1.6.1. Process all reimbursements for BCE in-house work based on the Schedule of Reimbursements and Refunds, PCN: SF022-451, produced from the Interim Work Information Management System (IWIMS). Obtain supplies and materials for self help projects from the Civil Engineering squadron. These costs will be reflected in the Schedule of Reimbursements

and Refunds and reimbursed accordingly. In those instances where a TWCF activity shares a facility with an O&M 3400 or other fund source user, the following guidance is provided for funding determination of payment of the in-house or direct cite contract work:

6.3.1.6.1.1. If the work solely benefits the designated TWCF area, use TWCF funds.

6.3.1.6.1.2. If the TWCF activity occupies a significant majority (90 percent or more) of a facility and the work is not specifically for the O&M 3400 or other fund source activity/user, use TWCF funds.

6.3.1.6.1.3. If a TWCF activity occupies less than 10 percent of a joint use (TWCF and O&M units) facility, O&M 3400 funds (or other applicable fund source) will pay for the work unless it is specifically in support of the TWCF area.

6.3.1.6.1.4. If a TWCF activity occupies 10 percent to 90 percent of a joint use (TWCF and O&M units) facility, the cost of a mutually beneficial project (in-house or contract) is prorated between TWCF and O&M funds based on a factor such as the ratio of floor space or number of personnel assigned, whichever is most appropriate in relation to the service provided.

6.3.1.6.2. Do not fund the cost of repair due to extensive damage (\$750 thousand and over) resulting from those catastrophes or Acts of God, listed in paragraph 6.6.3. of this chapter.

6.3.1.6.3. TWCF MC over \$100 thousand per project, use Capital Budget (BPAC 21X) funds.

6.3.1.6.4. All TWCF MR projects, regardless of the dollar amount, and TWCF MC projects under \$100 thousand funded costs must use Operating Budget funds under BPAC 3XXXX. See [Chapter 9](#) of this instruction for additional guidance concerning MR funding.

6.3.1.6.5. Real property facility MR projects, for buildings, funded under BPAC 3XXXX pertain only to the structural requirements of a TWCF-assigned building to include replacement of real property installed equipment (RPIE) and components, and new RPIE requirements. All TWCF facility non-structural requirements/systems (e.g., emergency services to repair non-RPIE components (e.g., motors, cables, rollers, material handling systems, etc.), emergency servicing of hanger door components, or annual service contracts for these types of requirements) are properly funded from BPAC 101.

6.3.1.6.6. MC and alterations are chargeable to TWCF, BPAC 21X, provided:

6.3.1.6.6.1. Such projects do not equal or exceed a total funded cost of \$750 thousand. **NOTE:** MC projects intended solely to correct a deficiency that is life, health, or safety threatening may exceed the \$750 thousand threshold up to and including \$1.5 million (as per the FY02 Defense Authorization Act, P.L. 107-107, Title 28, Section 2801(b)(1)), in accordance with AFI 32-1032, paragraphs 5.1.2.1. and 6.6. See chapter 8, paragraph 8.4.4. of this instruction.

6.3.1.6.6.2. A project is not subdivided to circumvent complying with the \$750 thousand MC limitation.

6.3.1.6.6.3. Each project is necessary to maintain or improve TWCF operating efficiency.

6.3.1.6.6.4. [Table 6.1.](#) below provides category codes for TWCF facilities, for the purpose of utilities, facility maintenance, repair, or minor construction (MC), and other CE ser-

VICES, specifically for those AMC Wings and AMC en route locations that have TWCF-assigned units. Do not use TWCF funds for facilities with category codes other than those listed below for utilities, facility maintenance, repair, or MC, and other CE services. NOTE: **Table 6.1.** does not apply to unit-equipped ANG/AFRC bases.

**Table 6.1. TWCF Eligible Facilities by Category and Description.**

CAT CODE	FACILITY DESCRIPTION
113-321	Apron Parking (only that portion of the overall apron dedicated for TWCF-assigned aircraft parking)
116-672	Pad Aircraft Wash Rack
116-945	Blast Deflectors (deflectors dedicated to TWCF-assigned aircraft parking spots only)
121-122	Fuel Hydrants (hydrant refueling only at TWCF-assigned aircraft parking positions)
141-232	Aerial Delivery Facility
141-459	Aircrew Alert Facilities (Charleston AFB only)
141-461*	Air Force Command Post
*141-182 (new)	Protective Aircraft Shelter (applicable to Ramstein AB GE only – <b>NOTE:</b> used exclusively by the 723 AMS Aerial Port to store in-transit munitions)
141-753	Squadron Operations
141-782	Air Freight Terminal
141-783	Air Freight or Passenger Terminal
141-784	Air Passenger Terminal
141-785	Fleet Service (excludes In-Flight Kitchen)
211-111	Maintenance Hangar
211-124**	Reclamation Shop
211-152	General Purpose Aircraft Maintenance Shop
211-153	Shop, Non-Destructive Inspection
211-154	Organizational Aircraft Maintenance Shop
211-157	Engine Inspection & Repair Shop
211-158	Schedule Inspection Shop
211-159	Corrosion Control Facility
211-161	Corrosion Control Utility Storage
211-173	Large Aircraft Maintenance Dock

CAT CODE	FACILITY DESCRIPTION
211-174	Consolidated Aircraft Maintenance Facility
211-175	Medium Aircraft Maintenance Dock
211-179	Fuel System Maintenance Dock
211-183	Test Cell Facility
211-193	Test Stand Facility
*214-425 (new)	Vehicle Maintenance Shop (applicable only to Hickam AFB, Osan AB, and Kadena AB for AMC-assigned facilities where minor vehicle maintenance of AMC TWCF assets is performed by AMC Aerial Port personnel)
214-426	Vehicle Operations Heated Parking (includes only those facilities which exclusively house TWCF-assigned vehicles)
214-428	Vehicle Operations Parking Shed (includes only those facilities which exclusively house TWCF-assigned vehicles)
217-712	Shop Avionics
218-712	Aerospace Ground Equipment or Storage Facility (only the part that directly supports TWCF-assigned aircraft)
218-852	Shop, Parachute & Dinghy Repair (only the part that directly supports TWCF aircraft)
422-258	In-Transit Munitions Facility (applicable only to RAF Mildenhall)
422-264	Storage Igloos (Aerial Port buildings 809 and 810 – applicable only to McChord AFB)
442-258	Cryogenics Facility (liquid oxygen storage – applicable only to McChord, Dover, Charleston, Travis, and McGuire AFBs)
442-758	Forward Supply Systems or Location (TWCF-assigned aircraft supplies located on flight lines)
452-258	Open Storage, Air Freight or Traffic Management Surface Freight (includes only those portions of the facility that are dedicated exclusively to TWCF cargo operations)
610-129	Aircraft Maintenance Control Office (including DCM Administrative Functions)

CAT CODE	FACILITY DESCRIPTION
610-243***	Operations Support Squadron
812-926	Apron Floodlighting or Apron Staging Floodlights or Exterior Lighting (supporting TWCF facilities for parking areas, staging areas, or TWCF-qualified facilities)
833-354	Aircraft Sewage or Waste Disposal (McGuire AFB and Charleston AFB only)
833-356	Solid Waste Repository (Yokota AB only)
*843-316 (new)	Water Fire Pump Station (applicable to Charleston, Dover, McChord, McGuire, and Travis AFBs only for those aircraft maintenance hangers that directly support TWCF-assigned aircraft)
*843-319 (new)	Fire Protection Water Storage (applicable to McChord, McGuire, and Travis AFBs only for those aircraft maintenance hangers that directly support TWCF-assigned aircraft)
852-273	Aircraft Support Equipment Storage Yard (only the part that directly supports TWCF-assigned aircraft)
890-152	Staging or Storage Yards (only freight terminal storage or other areas where security is necessary to protect TWCF cargo)
890-197	Truck Scale (Hickam AFB only)
*TWCF Command Posts only.	
**Include only reclamation shops that are located within the TWCF maintenance function.	
***Excludes Airfield Operations, Airfield Mgmt, Control Tower, Flight Simulator Mgmt, Weather, and RAPCON.	

6.3.1.7. Other Operating Costs. Costs most frequently incurred by designated TWCF organizations and initially financed by the TWCF include:

6.3.1.7.1. Contract support of base aircraft maintenance organizations for performance of below depot maintenance of equipment assigned to TWCF organizations.

6.3.1.7.2. Border clearance charges, i.e., overtime, Sunday, and holiday pay for US Bureau of Customs inspectors and personnel of the US Department of Agriculture, US Public Health Service, and US Immigration and Naturalization Service, for services performed in direct support of TWCF operations (TWCF organic airlift aircraft inspections) at Air Force and non-Air Force installations. See AFI 65-601, Volume 1 chapter 7, paragraph 7.23.4. Reimbursement of these overtime charges performed at AMC TWCF-funded bases is chargeable to local TWCF

funds, using EEIC 59230 and RC/CC XX4231. However, the cost of these AMC TWCF aircraft inspections at non-TWCF bases and commercial airports are the responsibility of the aircraft's home station through AF Form 15 or AVCARD procedures. Record these costs to EEIC 59230 and the appropriate aircraft squadron's RC/CC. **NOTE:** TWCF does not reimburse for any border clearance inspection services accomplished during normal duty hours.

6.3.1.7.3. Contracts for fleet and traffic service in support of the airlift transportation mission. Submit requirements for approval as directed in AFI 38-203, *Commercial Activities Program*. Included also are services procured under Air Force Form 15 or AVCARD procedures.

6.3.1.7.4. Automatic data processing equipment (ADPE) lease, maintenance, and contract support used in providing air terminal services and aircraft maintenance data collection. Budget and funding responsibilities of the centrally managed ADPE programs stay at the command level, managed by HQ AMC/A6.

6.3.1.7.5. Communications services specific to TWCF organizations, including telephone service (i.e., toll calls), radios, leased long haul communications (to include International Maritime Satellite (INMARSAT), Iridium airtime services, video teleconferencing, mission-essential cable television accounts, and CJCS Exercise or contingency requirements). Services that do not warrant TWCF funding are common user voice and data services such as DSN (except for dedicated circuits). Normal host base communications support provided under AFI 25-201, *Support Agreements Procedures*, and host-tenant agreements are not proper charges to TWCF unless otherwise shown in this instruction. Short-term needs not covered by AFI 25-201 and host-tenant agreements for a TWCF organization's participation in exercises or contingencies are chargeable to TWCF. **NOTE:** Excluded from TWCF communications funding is the outside connectivity between a TWCF-assigned facility and the base communication distribution system unless the connectivity requirement is unique to the operations of the assigned TWCF unit occupying the facility (i.e., the requirement to keep the connectivity to the facility will no longer exist if/when the TWCF organization ceases to occupy the facility, and the connectivity is transferred along with the TWCF organization to a new location). The installation of communications connectivity for DMS and SIPRNET purposes does not constitute a unique TWCF requirement.

6.3.1.7.6. Laundry and dry cleaning used in direct support of AMC TWCF operations are properly chargeable to TWCF, except for items associated with troop housing, which is a common service provided by the base lodging office.

6.3.1.7.7. Landing and parking fees at commercial airports assessed by certain foreign countries on TWCF military aircraft. Included is the cost of such fees under Air Force Form 15 or AVCARD procedures, if applicable. Per SECSTATE guidance, these fees are not applicable to any US Government aircraft that land at foreign military airfields. See AFI 65-601, Volume 1, chapter 4, paragraph 4.50.

6.3.1.7.8. Commercial Transportation.

6.3.1.7.8.1. Included are shipments of TWCF equipment and material delivered outside of the normal supply and transportation channels, but limited to operational emergencies. Also included are the costs to forward lost or misrouted passenger baggage and diverting or forwarding passengers and cargo to or from alternate on-load and off-load points, as a result of unforeseen mission changes. Additionally, the cost to provide surface transporta-

tion across the CONUS for intertheater cargo shipments (e.g., a shipment that originates in the airlift transportation system at a PACAF location, destined for a location in USAFE, which is off-loaded at the Travis APOE awaiting further transportation to an East Coast APOE to complete the airlift shipment) is also the responsibility of the TWCF. See paragraph 6.6.5.14. of this instruction for transportation costs excluded from TWCF funding.

6.3.1.7.8.2. The TWCF also pays for any dedicated airlift costs associated with the deployment and redeployment of AMC TWCF personnel and equipment in support of service sponsored exercises or contingencies (e.g., dedicated SAAM airlift of AMC Tactical Airlift Control Element (TALCE) personnel and their equipment to or from the Joint Readiness Training Center at Ft Polk LA, in support of exercises conducted by the US Army). Excluded are the payments for any transportation costs described above which are in direct support of non-TWCF units nor is it responsible for any transportation costs that come under the classification of Second Destination Transportation (SDT), which is funded by HQ AFMC.

6.3.1.7.8.3. For PCS moves of civilian personnel, the overwater (air or surface) transportation of household goods is chargeable to the TWCF (gaining organization pays) if a TWCF organization gains the individual and is filling a TWCF PE authorization, or if a TWCF PE coded employee is returning to the US (losing organization pays) for retirement or separation. The TWCF also pays the transportation cost from an AMC APOE to a commercial gateway in instances where an individual traveler receives a port call to the APOE and an overbooking occurs on the AMC scheduled flight. Costs of transportation to the port call APOE and from the Aerial Port of Debarkation (APOD) are the responsibility of the traveler.

6.3.1.7.8.4. Transportation of Aircraft Parts from ANG/AFRC Bases to MRTs Supporting NMC Aircraft Flying AMC TWCF Missions. There may be circumstances where the closest aircraft parts required to repair a NMC aircraft flying a TWCF mission reside at an AFRC/ANG base, as determined by HQ AMC/A45C. In this event, the resource advisor of the tasked TWCF AMC MRT unit will contact the appropriate ANG/AFRC base transportation office and obtain an estimated cost of transportation and will, in turn, provide them with a certified fund cite or AF Form 616 to pay for any shipping costs to move aircraft parts from the AFRC/ANG base to the MRT location. Use command ESP code CS (Charlie Sierra) with the appropriate transportation EEIC to track these costs in the accounting system.

6.3.1.7.8.5. See paragraph 6.3.1.7.9.9. of this instruction for additional funding guidance concerning TWCF MRT funding for transportation of aircraft parts.

#### 6.3.1.7.9. Transportation, Per Diem (TDY), and Other Incidental Costs of Travel.

6.3.1.7.9.1. The TWCF funds for TDY costs (per diem, lodging, transportation, incidentals, vehicle rental) of personnel assigned to TWCF organizations, except when TWCF personnel augment non-TWCF organizations. An example would be if an individual assigned to a C-17 airlift squadron were tasked to augment a KC-10 aircrew in performance of its flying mission. In this case, you should charge the TDY costs against the funds of the augmented organization (the KC-10 aircraft squadron). Excluded are travel and per diem costs directly funded by AETC for formal training requirements.

6.3.1.7.9.2. The TWCF funds for TDY costs of personnel assigned to AMC non-TWCF units or to other commands when traveling in direct support of TWCF requirements (excluding formal training or administrative purposes) or augmenting a TWCF squadron or unit in the performance of their airlift mission, or directly performing a TWCF function. An example of augmentation is if an individual assigned to the supply squadron (O&M funded unit) provides TDY augmentation support to a C-141 aircraft maintenance squadron as an aircraft mechanic. **NOTE:** TDY requirements of non-TWCF AMC personnel who, in the performance of their assigned duties, provide indirect support for TWCF (e.g., an individual assigned to a CE unit who is required to inspect TWCF-assigned facilities within AMC), the individual's unit of assignment funds the TDY costs. TWCF does not fund for these types of indirect support.

6.3.1.7.9.3. Civilian PCS. The PCS movements of civilian personnel when gained by an AMC TWCF organization and fills a TWCF PE authorization, or when an overseas AMC TWCF PE-assigned employee returns to the US for retirement or separation. See paragraph 6.3.1.7.8.3. above.

6.3.1.7.9.4. Excess Baggage. The unit commander or the tasking authority must authorize any excess baggage and it should reflect in the individual's travel orders. When excess baggage is authorized, use EEIC 409 to record these charges. If the tasking authority who is funding the TDY does not authorize excess baggage with their fund cite, the unit commander of the individuals tasked may pay the charges by adding their unit fund cite to the orders.

6.3.1.7.9.5. Security Forces Phoenix Raven Teams. Security forces personnel accompany AMC TWCF aircraft (C-5, C-141, C-17) under the Phoenix Raven program, for the purpose of providing force protection to the aircraft at locations where security is inadequate or unknown. The airlift squadrons should include these individuals on the aircrew flight orders (AMC Form 41), as Mission Essential Ground Personnel (MEGP). As a general rule, the originating TWCF flying squadron will fund the Phoenix Raven personnel TDY costs while providing force protection to the aircraft or any other aircraft flying an AMC mission before returning to home station. For occasions where PACAF/USAFE-owned Phoenix Raven teams are tasked to shortfall an AMC requirement within their respective theaters (e.g., E-SID/P-SID missions), a TWCF fund cite will be provided by the 715 AMOG/Financial Management Analysis (FMA) or 721 AMOG/FMA, as appropriate, for the theater-asset Phoenix Raven support. (**NOTE:** This guidance, with respect to PACAF/USAFE Phoenix Ravens, is also reflected in the Financial Management and Comptroller section (H) of the AMC/PACAF Command-to-Command Agreement (CCA), June 2002, paragraph 1.a.(1)(f) and the current draft AMC/USAFE CCA, same paragraph.)

6.3.1.7.9.5.1. For occasions where PACAF/USAFE-owned Phoenix Raven teams are tasked to support a force protection requirement for PACAF/USAFE assigned aircraft (C-130/KC-135) flying TWCF missions, a TWCF fund cite will also be provided by the 715 AMOG/FMA or 721 AMOG/FMA, as appropriate, to the tasked PACAF/USAFE Security Forces organization.

6.3.1.7.9.6. Stewards. When AMC stewards (assigned to Andrews AFB MD) support a TWCF AMC aircraft (C-5, C-141, C-17) flying a DV SAAM mission, include them on the AMC Form 41. The TWCF flying squadron tasked to perform the mission will fund the

TDY costs of the required stewards, but only for the duration of the mission. Any TDY costs involved to transport the stewards to the aircraft location for mission departure and home again from the point of the aircraft mission termination is their unit funding responsibility.

6.3.1.7.9.7. AFRC or ANG Augmentation. AFRC and ANG personnel or units are frequently called upon by the TACC to augment active AMC units or to backfill a mission that an active AMC unit cannot accomplish, at the local or command level. HQ AMC/AIR issues Military Personnel Appropriation (MPA) Man-days to the tasked AFRC or ANG unit to support the AMC requirement. Whenever AFRC or ANG assets tasked to augment an active AMC unit, MPA Man-days are requested through the appropriate AMC functional manager for approval.

6.3.1.7.9.7.1. Charge TDY costs of AFRC/ANG personnel who directly augment TWCF units to the TWCF organization that requests the support.

6.3.1.7.9.7.2. AFRC Augmentation Funding. HQ AMC/A88 issues TWCF funding to HQ AFRC/FMA through OAC/OBAN 6510. HQ AFRC/FMA sub-allocates these funds to their unit-equipped locations through established AMC sub-OBANs whenever MPA Man-day taskings are received. Associate Reserve units (e.g., strategic aircraft operations and maintenance) will obtain the appropriate TWCF fund cite from their parent wing organization. The AFRC units direct cite TWCF funds on the individual travel orders in accordance with the assigned sub-OBAN. AFRC O&M funds (57\*3740, Fund Code 54) are not used to support MPA Man-day taskings. HQ AFRC/FMA establishes and distributes official funding procedures (called Procedural Information Messages, or PIMs) to their units regarding the use of AMC TWCF funds for TDY costs relating to MPA Man-day requirements. See AMCS1 to AFI 65-601, Volume 1, paragraphs 10.2.1.1. and 10.2.1.2. (et seq.) for additional detailed guidance concerning TDY funding for AFRC augmentation relating to Individual Mobilization Augmentee (IMA) personnel, MPA Mandays (voluntary call-up to active duty), and non-voluntary partial/full mobilization.

6.3.1.7.9.7.3. ANG Augmentation Funding. HQ AMC/A88 issues TWCF funding to HQ ANG/FMA through OAC/OBAN 6515. ANG units direct cite their O&M funds on the travel orders and reports the costs to HQ ANG/FMA through FM channels. HQ ANG/FMA reimburses their units by charging the AMC OBAN and collecting the reimbursement as a negative direct into their headquarters account. HQ ANG/FMA will then issue their O&M funds (57\*3840, Fund Code 58) to ANG units based on the validated costs incurred. See AMCS1 to AFI 65-601, Volume 1, *Budget Guidance and Procedures*, paragraphs 10.2.1.1. and 10.2.1.2. (et seq.) for additional detailed guidance concerning TDY funding for ANG augmentation relating to MPA Mandays.

6.3.1.7.9.7.4. The above MPA Man-day TDY funding process is reflected in the AMC/AFRC Memorandum of Agreement (MOA) for AFRC Unit Equipped Air Mobility Units (currently in draft form) and the annual AMC/ANG financial addendum to the AMC/ANG MOA.

6.3.1.7.9.8. Comptroller Paying Agents. Comptroller personnel frequently accompany AMC TWCF aircraft (C-5, C-141, C-17) for the duration of the mission to provide finan-

cial services in the form of cash payments for aircraft ground services, landing fees, AVPOL purchases, and other miscellaneous charges levied by overseas locations that do not accept any other method of payment. TDY costs for these paying agents will be funded by the TWCF airlift squadron tasked to fly the mission. Paying agents should be listed on the AMC Form 41, **Flight Authorization**, as MEGP personnel. **NOTE:** This guidance is not applicable to Comptroller personnel tasked to perform temporary duty at contingency locations in order to provide financial services to deployed personnel. Additionally, TWCF funds will not be used to purchase flight suits or any other special equipment requirements for paying agents who accompany TWCF aircraft for the purpose of providing financial services to the airlift mission.

6.3.1.7.9.9. Maintenance Recovery Team (MRT) Support for Not Mission Capable (NMC) Aircraft (AMC, Other Air Force/DoD, or Austere Locations). These MRT taskings to AMC TWCF units are command directed through HQ AMC/A45C and will be funded by the tasked unit (TDY costs for the MRT and surface/air transportation costs to ship required aircraft parts and support equipment, if necessary), even when the NMC aircraft being supported is not assigned to the base of the tasked unit. Use AMC ESP code CS (Charlie Sierra) to track these costs in the accounting system. **EXCEPTION:** If the TWCF-assigned MRT is tasked to provide support to another command's NMC aircraft flying their mission requirements on their flying time, the unit who owns the NMC aircraft will provide a TDY fund cite to the tasked TWCF MRT, through HQ/AMC/A45C.

6.3.1.7.9.9.1. When AMC TWCF NMC aircraft are supported by another command's MRT, the base to which the aircraft is assigned will provide HQ AMC/A45C, upon request, a TDY fund cite and if required, a surface/air transportation fund cite, with applicable ESP code to forward on to the tasked MRT unit. Where the base elects to source TWCF funding within the wing/group is their discretion.

6.3.1.7.9.9.2. PACAF/USAFE MRTs tasked to recover their NMC C-130/KC-135 aircraft flying TWCF missions at locations within their respective theater, the 715/721 AMOG/FMA, as appropriate, will provide a TWCF TDY fund cite and, if required, a TWCF surface/air transportation fund cite, utilizing ESP code CS, to the theater Air Mobility Operations Control Center (AMOCC). Maintenance recovery efforts of PACAF/USAFE aircraft flying their O&M missions is the theater's funding responsibility. **(NOTE:** This guidance is also reflected in the Financial Management and Comptroller section (H) of the current draft AMC/USAFE/PACAF Command-to-Command Agreements, paragraph 1.a.(1)(d).)

6.3.1.7.9.9.3. AMC will reimburse PACAF/USAFE for any additional flying hour support required to transport an MRT along with any required parts/support equipment to repair a PACAF/USAFE NMC aircraft flying a TWCF mission. These missions will be TWCF-coded and billed to AMCFSS/A88T as per paragraph 6.3.2.4. below. **(NOTE:** This guidance is also reflected in the Financial Management and Comptroller section (H) of the AMC/PACAF CCA, June 2002, paragraph 1.a.(1)(d)3, and the AMC/USAFE CCA, September 2003, same paragraph.)

6.3.1.7.9.9.4. When aircraft assigned to other commands land at an AMC base for maintenance purposes, normal DLR transient maintenance rules apply, regardless of the type of mission (TWCF or O&M) being flown. Air Force DLR transient policy dic-

tates the host base will pay for DLR support unless the following two conditions are met: (1) The DLR has an exchange cost greater than \$20,000 and (2) the part is not in stock at the host base. If these two conditions are met, the home station of the command's aircraft will pay for the DLR support. **NOTE:** Under no condition should TWCF provide DLR or other aircraft parts without reimbursement should other command's aircraft happen to land at a TWCF location and require such support. The Air Force Cost Analysis Improvement Group (AFCAIG) flying hour rate TWCF reimburses the other commands for aircraft military augmentation (see **Chapter 4**, paragraph **4.3.4.2.** and paragraph **6.3.2.4.** of this chapter below) already includes factors for Material Support Division (MSD) (DLRs) and General Support Division (GSD) (other aircraft flying hour supplies) support costs.

6.3.1.7.10. Rental of Vehicles. The TWCF funds for the contracting of rental vehicles to support airlift operations at locations where government-owned passenger vehicles are unavailable or nonexistent (e.g., bare base or minimal military presence locations supporting contingency or CJCS Exercise operations). This does not include rental vehicles authorized and funded on travel orders of TWCF-assigned personnel. Record these charges to EEIC 43X in the accounting system. The local deployed commander should use prudent judgment to ensure the number of passenger vehicles rented is kept to a minimum necessary to meet only the airlift mission requirements. Additionally, TWCF funds for rental of unique vehicle requirements of TWCF organizations in the performance of their day-to-day global transportation airlift mission (e.g., forklifts, aircrew buses). Record these charges to EEIC 47390. See paragraph **6.6.5.13.** on exclusion of TWCF funding for GSA leasing of general purpose vehicles (passenger vehicles, "follow-me" trucks, etc.).

6.3.1.7.11. Commercial Lodging. Costs of commercial lodging at AMC TWCF CONUS and en route locations listed in **Chapter 2** of this instruction (**Table 2.2.** and **Table 2.3.**), for TWCF-funded aircrews and applicable AMC KC-10/KC-135 O&M-funded aircrew personnel are chargeable to TWCF under the following conditions:

6.3.1.7.11.1. The TWCF reimburses commercial hotel vendors via the Government Purchase Card process for the cost of lodging used by aircrew personnel traveling on TWCF-funded flight authorizations (AMC Form 41). Charges are acceptable for C-141/C-5/C-17 Associate Reserve aircrew members' use of contract lodging when the member is a part of a basic aircrew or augmenting a TWCF aircrew beyond prescribed AFRC training requirements. Associate Reserve units will fund contract lodging for its members required in excess of a basic aircrew (mission specified aircrew augmentees) if within AFRC training requirements. The TWCF will pay for all contract lodging charges for aircrews performing duty under TWCF appropriation symbol 97X4930.FD40 (Fund Code 68). **NOTE:** See **Chapter 2**, paragraph **2.4.5.** (and subparagraphs) of this instruction for additional guidance.

6.3.1.7.11.2. Additionally, the TWCF will also pay for all commercial lodging charges for AMC KC-10 and KC-135 aircrew members flying TWCF missions who are funded by appropriation symbol 57\*3400 (Fund Code 30) on their flight authorization (AMC Form 41) with the following statements in the remarks section: "This is a KC-10 [KC-135] mission being used to satisfy movement of TWCF cargo requirements. For lodging purposes, charge the costs for on-base and contract lodging to the local TWCF funds (AMC Aircrew

Charge System).” **NOTE:** See [Chapter 2](#), paragraph [2.4.5](#). (and subparagraphs) of this instruction for additional guidance.

6.3.1.7.11.3. Central Billed Account (CBA) Travel Card Program. AMC TWCF aircrew flying units may establish CBA accounts to establish lodging reservations whenever they perform airlift missions. If mission changes dictate that lodging reservations cannot be cancelled within the contract hotel or base lodging office’s prescribed time limits, a cancellation fee may be charged against the CBA, payable by the unit’s TWCF funds. Use EEIC 59271 when establishing obligating documents in the accounting system for CBA accounts.

6.3.1.7.12. Contract CE Refuse Collection and Disposal, Grounds Services, and Custodial Services. In accordance with USD(C) guidance, TWCF reimburses O&M (locations with in-house capabilities) or direct cites for grounds services, refuse collection and disposal, and custodial service costs incurred in support of TWCF facilities. Use EEIC 53310 when recording contract grounds services costs, EEIC 53330 for contract refuse collection and disposal costs, and EEIC 53110 for custodial services when they are included as part of the base custodial contract. See [Table 6.1](#). for applicable TWCF facility category codes. If the required custodial service, i.e., carpet cleaning, is not included as part of the base custodial contract, use EEIC 53350 to record the costs.

6.3.1.7.13. Funding for Carpet Installation, Replacement, or Repair in TWCF Facilities. The following guidance conveys the various methods in which the base civil engineer (BCE) funds for the installation, replacement, and repair of wall-to-wall carpet or carpet tile in TWCF designated facilities:

6.3.1.7.13.1. When furnishing government material, but a service contractor provides the installation, fund the materials with TWCF MR in-house funds, BPAC 3XX, EEIC 527, and fund the installation from TWCF operating funds, BPAC 101, EEIC 533, to include the appropriate 2-digit shred.

6.3.1.7.13.2. When using in-house or self-help labor to accomplish the repair or replacement, including materials, source all funded costs from TWCF MR in-house funds, BPAC 3XX, EEIC 527.

6.3.1.7.13.3. When repairing or replacing carpet as part of a MR project accomplished by contract, fund all costs with TWCF MR funds, BPAC 3XX, EEIC 522.

6.3.1.7.13.4. When installing carpet as part of a MC project, accomplished with in-house or self-help labor, with funded costs of \$100 thousand or more, use TWCF MC in-house funds, BPAC 21X, EEIC 528. When funded costs are less than \$100 thousand, fund the project with TWCF MR in-house funds, BPAC 3XX, EEIC 527.

6.3.1.7.13.5. When installing carpet as part of a MC project by contract, with funded costs of \$100 thousand or more, use TWCF MC funds, BPAC 21X, EEIC 529. When funded costs are less than \$100 thousand, use TWCF MR funds, BPAC 3XX, EEIC 529MR.

6.3.1.7.13.6. Fund installed carpet for a TWCF organization housed in a facility that does not qualify for TWCF-funded MR project in accordance with paragraph [6.3.1.6.1](#). (and subparagraphs) of this chapter. The BCE approves all installed carpet, regardless of funding source.

6.3.1.7.13.7. The cost of wall-to-wall carpet or carpet tiles are funded from TWCF BPAC 3XX (replacement) or BPAC 2XX (new installation), as appropriate, regardless if the installation is concurrent with the purchase or if it will be installed at a later date.

6.3.1.7.14. Leases and Rentals. The TWCF funds for leases and rentals (excluding land) under the following conditions:

6.3.1.7.14.1. Rental/lease of special or unique equipment requirements for TWCF-assigned organizations (EEIC 473).

6.3.1.7.14.2. Lease of counter space at designated commercial international airports or gateways to process passengers on AMC commercial contracted charter flights (EEIC 471).

6.3.1.7.14.3. Contract lease of apartments or other housing for assigned TWCF personnel performing duty at the designated commercial international airports or gateways geographically separated from a military installation, where it is not feasible to commute to/from the assigned duty location, due to the traveling distance and traffic congestion encountered (EEIC 471).

6.3.1.7.14.4. Lease of information processing equipment requirements of TWCF organizations (EEIC 472).

6.3.1.7.15. Indirect hire foreign national personnel labor contracts with foreign governments provided that the host government assumes the responsibility for meeting the needs of the US Air Force from the local national population.

6.3.1.7.15.1. Rates of pay normally conform to rates established and paid by the host government for comparable work in the geographic area. Charge the pay raises to the current fiscal year.

6.3.1.7.15.2. DoD policy requires the Services to charge current year appropriations the full amount of the separation allowance liability that accrues during the year, whether or not the amount is currently payable. In other words, you should record the full effect of pay raises on separation allowance accruals as a current year expense, even if retroactive to the prior fiscal year.

6.3.1.7.16. Architect-Engineering (A-E) Services. The TWCF funds A-E services (contract – EEIC 532, or in-house - EEIC 527ZE or 528ZE) for TWCF-funded MR/MC projects. You must fund MC A-E design costs from the Capital Budget, BPAC 21CXX and consider it a Capital Budget cost if the total funded cost of the MC project (excluding the A-E costs) is \$100 thousand or greater. Exclude A-E costs for MC capital projects from the total project cost determination to comply with the \$750 thousand statutory ceiling. However, you should include A-E costs in the depreciation of the MC capital project in accordance with USD(C) policy. Fund A-E costs associated with MC projects under \$100 thousand funded costs and MR projects, regardless of the dollar amount, from the Operating Budget, BPAC 101.

6.3.1.7.17. Operating Equipment. This primarily consists of tools and other accountable or expense equipment, as determined by base supply, having a unit cost of less than \$100 thousand and locally purchased (EEIC 63X) or issued from the AFWCF (EEIC 62X) to a TWCF organization. Also included are replacement issues for mobility bags and mobility equipment listed on the organization's Unit Tasking Code (UTC) and closed circuit television (CCTV)

systems specifically unique to TWCF security requirements only. Exclusions to this policy are:

- 6.3.1.7.17.1. Initial collateral equipment associated with a construction project or a mission change.
- 6.3.1.7.17.2. Allowance Source Code 410 Items - special services and physical training equipment.
- 6.3.1.7.17.3. Allowance Source Code 414 Items - quarters' furniture and equipment.
- 6.3.1.7.17.4. Initial issue and replacement of items for obsolescence of War Reserve Material (WRM) kits, and Chemical Warfare Defense Equipment (CWDE).
- 6.3.1.7.17.5. Any centrally procured (funded from 3010, 3011, 3020, and 3080 appropriations) item, even though their unit cost is less than the expense/investment threshold (e.g., firearms, ammunition, aircrew night vision goggles, general purpose vehicles, material handling equipment). See AFMAN 65-604, *Appropriation Symbols and Budget Codes*, for procurement-funded items and associated Budget BPACs or direct inquiries to your local base supply office to determine if unit funds qualify to purchase a particular stock-listed equipment item.
- 6.3.1.7.18. Engineering technical services, as explained in AFI 21-110, *Engineering and Technical Services*. These costs are properly chargeable in connection with equipment assigned to a TWCF organization. HQ AMC will program and fund for these services at the command level.
- 6.3.1.7.19. Costs pertaining to basic research, study, exploratory development establishing feasibility and practicality of proposed solutions, rough order of magnitude estimates, etc., that relate to the pre-development, fielding, and implementation of TWCF-funded Capital projects are treated as operational expenses in accordance with DoDFMR 7000.14, Volume 2B, *Budget Formulation and Presentation*, chapter 9, section 090103, paragraph C.5.c.
- 6.3.1.7.20. Hazardous Materials (HAZMAT) Spill/Environmental Contamination. TWCF organizations that are directly responsible for a HAZMAT spill or environmental contamination will fund all associated clean-up costs from its Operating (BPAC 101) funds, to include any subsequent environmental fines and penalties assessed due to non-compliance with Environmental Protection Agency (EPA) standards. **NOTE:** See paragraph 6.6.26. that describes when TWCF funds are not authorized for this purpose.
- 6.3.1.7.21. Operating costs for new command-level (HQ AMC) initiatives that are directly attributable to the TWCF peacetime mission. For those initiatives that involve both TWCF and O&M, the costs must be properly segregated in the POM/budget process. If the initiative creates a new staff function within HQ AMC and the function will involve both TWCF and O&M-funded operations, allocate the funding as follows:
  - 6.3.1.7.21.1. Day-to-Day Operations. Funding for day-to-day operations will be based on a split of the assigned manpower authorizations on the UMD. This includes, but is not limited to, operating supplies/equipment, systems furniture, TDY, special contracts (excluding contract employees or centrally managed IPE requirements, e.g., C2IPS, GDSS, etc.). Manpower authorizations will be assessed at the 2-digit level to determine the overall TWCF/O&M funding split for these requirements.

6.3.1.7.21.2. New Civilian Manpower Authorizations. Authorizations will be assigned based on the requirements of the positions (i.e., is each new manpower authorization primarily performing TWCF or O&M work—do not split-fund the individual positions).

6.3.1.7.21.3. Contractor Support. Contractor support will be split-funded based on the overall requirements of the contract. The statement of work should specifically identify the percentage of TWCF and O&M requirements.

6.3.1.7.21.4. Common User Requirements. Common user requirement (telephone services, custodial services, utilities, facility MR/MC, etc.) will be 100 percent O&M-funded unless it is determined that any of the requirements are exclusively in direct support of the TWCF peacetime mission. These circumstances will be evaluated on a case-by-case basis prior to inclusion in the TWCF budget or release of TWCF funds. **NOTE:** No portion of HQ AMC-assigned facilities will be redesignated to a TWCF-assigned facility as a result of any new staff (HQ AMC) functions that acquire TWCF funding responsibility.

6.3.1.7.22. Awards, specifically mission accomplishment, military/civilian performance, and Innovative Development Through Employee Awareness (IDEA) awards as outlined in AFI 65-601, Volume 1, chapter 4, paragraph 4.29, for personnel assigned to TWCF-funded organizations. For mission accomplishment awards, this includes trophies, plaques, emblems, certificates, organizational coins, and similar items designed for display purposes as well as merchandise items (e.g., belt buckles, jackets, with a nominal cost) which meet the qualifications in AFI 65-601, Volume 1, chapter 4, paragraph 4.29.2. For recipients of substantial competitive Air Force (national) awards (e.g., 12 Outstanding Airmen) or command-wide regional awards (e.g., Command Officer, NCO, Airman, or Civilian of the Year), you may use TWCF funds to purchase refreshments at the award ceremony in accordance with AFI 65-601, Volume 1, chapter 4, paragraph 4.31. This would also apply to significant unit milestone awards (e.g., a flying unit that achieves 100,000 hours flown without a mishap). Local individual awards do not qualify for TWCF-funded refreshments.

6.3.1.7.23. Training courses and course development (including web-based requirements) for users of unique TWCF systems (e.g. Global Air Transportation Execution System (GATES), Air Transportation Computer Based Training (ATCBT), etc.), where TWCF receives direct benefit from the training.

6.3.1.7.24. The TWCF will fund for training costs of all military and civilian personnel assigned to TWCF organizations unless specifically provided from other appropriations, to include required professional credentials for TWCF-assigned civilian employees, as directed by HQ USAF/DP memorandum, Subject: *Policy Memorandum – Payment of Expenses to Obtain Professional Credentials (DASD (Civilian Personnel Policy) Memo, 17 Aug 02, Payment of Expenses to Obtain Professional Credentials)*. Do not use TWCF funds to pay for training of personnel assigned to non-TWCF organizations.

6.3.2. Costs Initially Financed by Other Military Department Appropriations. The TWCF obtains certain services from other Working Capital Fund (WCF) agencies, through interservice agreements with the Army and Navy and through host-tenant reimbursement procedures from the Air Force. These services are initially financed from appropriated funds available to the Air Force, Army, and Navy and from other WCF expense authority. Description of these services and the principles governing the reimbursable costs are as follows:

6.3.2.1. Services from Depot Management Activity Group (DMAG). For cost of maintenance performed by the DMAG on TWCF aircraft and aircraft systems, TWCF is charged on the basis of DMAG published rates for the type of work performed (Programmed Depot Maintenance (PDM), drop-in, field team, etc.). Program management costs and transportation expenses are not reimbursable (e.g., warehousing, supply administration, procurement of spaces, and incentives). DMAG labor costs associated with the installation of modifications or TCTOs on TWCF aircraft are allowable charges to TWCF. HQ AMC programs for these requirements at the command level and distributes funding to the various Air Logistics Centers (ALCs).

6.3.2.2. Other Services Obtained from the Air Force through Reimbursement.

6.3.2.2.1. Depot-Level Maintenance Performed on Engines and Gas Turbine Units by Contract or Depot Personnel. Reimbursement depends upon the actual number of units removed during the FY from TWCF aircraft and processed to depot facility for overhaul. Rate of reimbursement is on the basis of DMAG published rates for the type of work accomplished. HQ AMC programs for these requirements at the command level and distributes funding to the various ALCs.

6.3.2.2.2. Field-Level Maintenance Performed on TWCF Aircraft and Related Equipment by Depot (Organic) or Contract Personnel. This support, when requested by AMC, is reimbursable to the DMAG on the basis of organic depot cost incurred as established by the DMAG rates or the actual contract cost incurred by the DMAG. HQ AMC programs for these requirements and distributes funding to the various ALCs.

6.3.2.2.3. General and Administrative (G&A) Cost. The TWCF reimburses AMC O&M for their fair share of common base support costs. This reimbursement occurs at the command level and does not include incremental support costs. Common base support costs include costs incurred in the daily operations of groups and above, as well as O&M funded squadrons. The base-level TWCF accounts do not fund these common support costs. HQ AMC/A88 programs and reimburses AMC O&M, managed by HQ AMC/A88O, for G&A expenses at the command level. Daily operation costs for TWCF squadrons and below (aerial port, aircraft maintenance, flying squadrons, and mobility squadrons) are directly funded by TWCF at base level. See **Chapter 10** of this instruction for additional information relating to G&A.

6.3.2.2.4. Dedicated Leased Line Communications Services. The cost of these services, specifically in support of the TWCF mission, is reimbursable to DITCO. Other specific communications services (to include air time charges for International Maritime Satellite (INMARSAT) equipment owned and controlled by TWCF units) in support of the TWCF mission are available through AFCA or other agencies with reimbursement provided through cross-service or other agreements. Budget and funding for these centrally managed leased long lines reside at the command level.

6.3.2.2.5. Utilities. The TWCF reimburses AMC O&M for utilities (electricity, gas, water, sewage disposal, steam heat) consumed by TWCF facilities (AFI 32-1061). It does not include cable TV (a communications expense). The TWCF facilities are primarily limited to those occupied by TWCF functions and assigned a qualifying category code reflected in **Table 6.1**. **NOTE:** TWCF utility funding is centrally funded. These funds cannot be moved out of the TWCF utility account (EEIC 480XX) without HQ AMC/A78/A88 approval.

6.3.2.2.5.1. If non-TWCF activities share the same area or buildings, TWCF is chargeable only for the appropriate pro-rata share.

6.3.2.2.5.2. See **Chapter 2**, paragraph **2.4.6.1**, for determination of charges and billings. See **Table 6.1** for TWCF facility category codes.

6.3.2.2.6. Maintenance of Vehicles and Equipment. Maintenance provided by O&M funded organizations on all vehicles and equipment assigned or dispatched to a TWCF organization (excluding GSA base-wide leased general purpose vehicles at AMC bases) on a permanent or continuing basis is reimbursable under the On-Line Vehicle Interactive Management System (OLVIMS). Costs charged under OLVIMS are direct civilian labor, supplies, and materials. **NOTE:** Vehicles eligible for TWCF reimbursement of required maintenance must be utilized solely by a TWCF organization and operated by TWCF-assigned personnel in the performance of their day-to-day operations. Fuel trucks, snowplows, crash fire and rescue vehicles, and other support vehicles not assigned to and operated by TWCF organizations do not qualify for TWCF funding of their maintenance costs.

6.3.2.2.7. Military Pay and Allowances. See **Chapter 4**, paragraph **4.5**, of this instruction.

6.3.2.2.8. Postage. Postage for TWCF units located on non-AMC bases is a proper charge to the TWCF, in accordance with SAF/AAIA memorandum dated 11 Jul 94. At AMC bases that maintain a predominant TWCF mission, do not charge postage costs to TWCF units as these costs are captured at HQ AMC through PE 41896 and reimbursed to the bases through the G&A distribution. **NOTE:** See **Chapter 10**, paragraph **10.2.2**, of this instruction for AMC G&A costs.

6.3.2.2.9. Printing and Reproduction. The TWCF funds for aircraft decals, drop zone photos, forms used in direct support of airlift operations, etc., through the Defense Automated Printing Service (DAPS), EEIC 502, through the use of a DD Form 448, **Military Interdepartmental Purchase Request (MIPR)**. The host funds all other DAPS printing and reproduction costs not specifically required by TWCF units. Decals are only funded and purchased at the HQ AMC level. The use of Government Purchase Card is also authorized for local DAPS requirements. See AMCPAM 65-603, chapter 20, for additional information on Government Purchase Card procedures.

6.3.2.2.10. Ground Fuels. The TWCF reimburses the stock fund for ground fuels (EEICs 641 and 642) purchases of its assigned vehicles and support equipment.

6.3.2.2.11. Civilian employee severance pay, under the Federal Employees Salary Act of 1965, is chargeable to the TWCF.

6.3.2.2.12. Refilling/recharging of Halon fire extinguishers that reside in TWCF-assigned areas or on board TWCF-assigned aircraft, **and** portable fire extinguishers placed within TWCF-assigned facilities, as directed by AFOSH 91-501, *Air Force Consolidated Occupational Safety Standard*, paragraph 6.2.4.4.

6.3.2.2.13. Refilling/recharging of Halon fire extinguishers that reside in TWCF-assigned areas and on board TWCF-assigned aircraft. This excludes normal fire extinguishers placed within TWCF-assigned facilities and maintained by the base fire department.

6.3.2.2.14. Reconstitution of theater-assigned war readiness material (WRM) assets, when AMC TWCF flying units deploy overseas to support contingencies, JCS Exercises, or Air

Expeditionary Force (AEF) requirements, as directed by AFI 25-101, *War Readiness Material (WRM) Program Guidance and Procedures*, chapter 6, paragraphs 6.3.5.9 and 6.8.1. The tasked AMC wing will provide a MIPR or AF Form 616 citing EEIC 549 with the appropriate ESP code to the providing theater unit responsible for the management of WRM assets prior to equipment release. A list of required WRM assets and estimated reconstitution costs will be provided by the appropriate AMC planning/tasking offices or functional managers to the tasked AMC wing prior to AMC TWCF unit deployments. Use historical reconstitution costs or the appropriate guidance in AFI 25-101, as supplemented by AMC, when determining total estimated charges. Unused funds in excess of actual reconstitution costs will be returned to the respective AMC wing. **NOTE:** For AMC TWCF units deploying to Moron AB Spain, the 721 AMOG/FMA will provide TWCF funding, as appropriate, to the 4 EAMS for any anticipated TWCF WRM reconstitution requirements at Moron.

6.3.2.2.15. Other direct incremental costs above common base-line service levels established by the commander or wing commanders, in support of TWCF operations.

#### 6.3.2.3. Cross-Service Agreements with the Army, Navy, or other Federal Agencies.

6.3.2.3.1. Interservice support and cross-service agreements are developed between the Agency (AMC) and the Departments of the Army and Navy for reimbursement of direct incremental support costs for the TWCF, in accordance with DoDI 4000.19.

6.3.2.3.2. AMC is authorized to negotiate and sign agreements with the Departments of the Army and Navy. HQ AMC/A45 retains copies of these agreements.

6.3.2.3.3. Cross-service agreements may also provide for payment from O&M funds for other items mutually agreed upon between AMC and Departments of the Army and Navy.

6.3.2.3.4. DFAS-DE should coordinate on all cross-service agreements applicable to accounting procedures before finalizing the agreement.

6.3.2.4. Military Augmentation. AMCFSS/A88T, through DFAS-OM, records flying hour costs of Channel, SAAM, and CJCS Exercise Missions flown by other commands (AFRC, ANG, USAFE, PACAF, AETC), as well as AMC O&M aircraft, as a military augmentation expense. TWCF reimbursement to these commands is based upon the annual AFCAIG flying hour rates published in AFI 65-503 (see Chapter 4, paragraph 4.3.4.2. of this instruction). Use EEIC 589XX with the appropriate shred that identifies the applicable command. Specific negotiated command-to-command agreements provide the flying hour reimbursement requirements for each command that augments AMC's organic capacity. AMC will coordinate all TWCF flying hours and reimbursement costs with the other commands. These expenses are programmed and executed only at the command level.

6.3.3. Cargo surface movements utilizing the Global Air Transportation Execution System (GATES) Landbridge functions in support of Strategic Distribution (SD) are authorized reimbursement through TWCF provided the following conditions are met:

6.3.3.1. All expansions to new surface channels are approved through the SD Air Committee.

6.3.3.2. Expansions will only proceed after HQ AMC/A43/A87 have coordinated them through GATES and the Airlift Service Industrial Fund Integrated Computer System.

6.3.3.3. Surface conveyance manifests are not authorized TWCF reimbursement for SD purposes.

6.3.3.4. Other surface conveyance requests for TWCF reimbursement will be worked on a case-by-case basis through HQ AMC/A43/A87.

**6.4. Non-Operating Costs.** Some TWCF costs are non-operating costs. Examples of these costs include depreciation of TWCF Capital equipment, facilities, ADP hardware or software capital development projects, and management improvement initiatives. Bad debt (non-US Government uncollectable revenue only) is another non-operating TWCF expense. HQ AMC/A88 maintains the funding and execution of these costs at the command level.

**6.5. Statistical Costs.** Although not chargeable to TWCF as an operating cost, DFAS-OM records depreciation of TWCF aircraft assigned to TWCF airlift organizations as a statistical cost.

**6.6. Costs Not Chargeable to the TWCF.** The following types of costs are not chargeable to the TWCF as a cost of operations nor are they recorded as statistical costs:

6.6.1. Daily operating costs of AMC organizations not designated as a TWCF organization as provided in the Air Force or other agency cross-service agreement.

6.6.2. The procurement of aircraft and centrally procured items (financed from 3010, 3011, 3020, and 3080 appropriations) managed by HQ Air Force Materiel Command (AFMC). This includes major repair or replacement of aircraft, equipment, and capital material that is the result of actions other than normal fair wear and tear.

6.6.3. Catastrophes or Acts of God. The TWCF finances, up to \$750 thousand, the costs resulting from a single catastrophe that affect TWCF real or personal property. If the total cost from a single catastrophe is \$750 thousand or greater, the TWCF does not pay the first \$750 thousand, per AFI 65-601, Volume 1, chapter 18, paragraph 18.6.7. Damage to or loss to TWCF-assigned real or personal property, including AMC TWCF-assigned aircraft, may result from:

6.6.3.1. Hurricane/typhoon.

6.6.3.2. Tsunami/tidal wave.

6.6.3.3. Volcano eruption.

6.6.3.4. Forest fire.

6.6.3.5. Riots/insurrection.

6.6.3.6. Warfare/terrorist attack.

6.6.3.7. Tornado.

6.6.3.8. Cloudburst.

6.6.3.9. Munitions explosion.

6.6.3.10. Acts of anarchy.

6.6.3.11. Major equipment destruction.

6.6.3.12. Aircraft or missile accidents.

6.6.3.13. Major power failure with resultant damage.

6.6.3.14. Lightning.

- 6.6.3.15. Fire.
- 6.6.3.16. Flood.
- 6.6.3.17. Snow and ice.
- 6.6.3.18. Wind.
- 6.6.3.19. Earthquake/landslide.
- 6.6.3.20. Ground powered-vehicle accidents.
- 6.6.3.21. Other declared catastrophes not listed above.

#### 6.6.4. Aircraft Configuration Changes.

6.6.4.1. It is the responsibility of the Air Force to provide the TWCF with fully operable aircraft, modified to incorporate approved configuration and safety-of flight changes (permanent modifications). Costs of kits and other identifiable hardware costs are normally paid from Air Force procurement appropriations. Associated DMAG labor costs are allowable charges to the TWCF.

6.6.4.2. TCTO kits or entire modification assemblies are investment costs in all cases. TCTO kits do not include expendable materials associated with temporary (T-1/T-2) modifications.

6.6.4.3. The costs of labor and expense items of other than TCTO kits or maintenance performed below depot level are chargeable to TWCF in all cases.

6.6.5. Common Service/Base Support. In accordance with DoDFMR 7000.14, Volume 2B, chapter 9, paragraph 090103.L., TWCF can only fund incremental direct costs attributable to the TWCF activity. Indirect costs are not to be charged to the TWCF activity. Services must fund support common to all activities on a base under their equip and support mission. Apply the provisions of AFI 25-201, DoDI 4000.19 (paragraph 4.6. - electronic version), and this instruction to determine whether a particular requirement is common service/base support. Certain common services within the Air Force are properly reimbursable to the Navy and Army under interdepartmental directives. When the TWCF receives such services at Navy and Army installations, they are chargeable to APF (AMC O&M), not TWCF. The following is a list of common base services not chargeable to TWCF at the local level:

- 6.6.5.1. All common use infrastructure support unless it is specifically unique to TWCF or is provided solely for the benefit of the TWCF.
- 6.6.5.2. Aircraft structural and crash fire protection, to include the purchase and maintenance of vehicles specific for such support.
- 6.6.5.3. Weather forecasting and any other weather-related activity.
- 6.6.5.4. Ordinary base-line common user communication services provided to all users at no charge, such as telephone and existing administrative and operational radio and message traffic. See paragraph [6.3.2.2.4](#) for TWCF funding of dedicated leased line communications services.
- 6.6.5.5. Food preparation and serving, to include the food itself and any associated food serving supplies (e.g., coffee cups, paper plates, napkins, eating utensils). This prohibition also extends to table linens, china (real or imitation), silverware/flatware, glassware, and other food serving containers or utensils. **EXCEPTION:** Refreshments for substantial award ceremonies are authorized for TWCF funding, as addressed in paragraph [6.3.1.7.22](#) of this chapter.

6.6.5.6. Troop housing, family housing, transient housing, and recreational facilities such as equipment, furnishings, sheets, blankets, pillows, housekeeping supplies, and other housing supplies, except as described in paragraph 6.3.1.4.7. The use of TWCF funds for any facility MR/ MC work is not authorized for dormitories even if they are 100 percent occupied by TWCF personnel. Additionally, dormitories are not listed as TWCF eligible facilities in Table 6.1. (excluding category code 141-459, aircrew alert facilities at Charleston and McGuire AFBs). These costs are O&M-funded.

6.6.5.7. Security (including Phoenix Raven flight suits and specific support equipment), base-wide antiterrorism, and ground base defense requirements. **EXCEPTION:** Antiterrorism/ Force Protection requirements directly relating to airlift transportation (e.g., passenger and cargo X-ray screening equipment at TWCF-assigned passenger/cargo terminals, closed circuit TV exclusive to TWCF facilities and aircraft loading/unloading areas, CE MR/MC projects for TWCF-assigned facilities). See also paragraph 6.3.1.7.9.5. for TWCF funding of Phoenix Raven TDY costs.

6.6.5.8. Medical support, except for medical supplies issued and charged to TWCF units through the AFWCF (see paragraph 6.3.1.4.8.).

6.6.5.9. Civil engineering services, except as provided in paragraphs 6.3.1.7.12., 6.3.1.7.13., 6.3.1.7.14., and 6.3.1.7.16.

6.6.5.10. Athletic/sports, fitness and exercise equipment or the maintenance thereof, for intramural or base (varsity) team sporting events or competitions (to include uniforms and shoes) or approved unit level fitness centers and exercise rooms. Included in this exclusion is the purchase of athletic clothing for mandatory 3 days per week physical training programs or simulated combat competitions. AFI 36-3014, *Clothing Allowance for Air Force Personnel*, authorizes a one-time issue of athletic clothing, normally accomplished during basic military training. The replacement of exercise clothing is an individual's responsibility through the annual clothing allowance. **NOTE:** This prohibition also extends to purchasing commercial fitness services or organizational memberships at private fitness facilities by TWCF units at isolated locations where military facilities are not available.

6.6.5.11. Outdoor recreational equipment or the maintenance thereof.

6.6.5.12. Bird Aircraft Strike Hazard (BASH) program or similar aircraft ground safety requirements.

6.6.5.13. Rental of GSA base-wide general-purpose vehicles at AMC bases or the maintenance thereof, unless they exceed the authorized level determined by the transportation squadron and are specifically requested to fulfill an exclusive TWCF requirement. **NOTE:** Prior written approval from HQ AMC/A88 and the base transportation squadron is required before entering into a TWCF-funded general-purpose vehicle lease agreement. Requests for such leases should contain explicit justification as to the purpose of the lease and why the authorized level of leased general purpose vehicles at the AMC base does not cover the requirement.

6.6.5.14. Transportation costs for cargo shipments at AMC bases processed through the TMO, except as authorized in paragraph 6.3.1.7.8. of this instruction. Included in this prohibition are the transportation costs related to the delivery of strategic aircraft parts or other equipment/equipment parts/supplies to overseas theater deployed locations or a Forward Supply Location (FSL) in sup-

port of peacetime, contingency, or wartime restocking requirements (e.g., Readiness Spare Packages (RSP), Spare Engine MICAPS, etc.).

6.6.5.15. Transient Alert (TA) operations, to include aircraft oil, lubricants, aircraft parts, and other items furnished to transient O&M aircraft at Air Force installations. This is a host base responsibility and TWCF-funded aircraft maintenance organizations at AMC bases are not responsible to provide these supplies and materials to TA operations for the purpose of providing maintenance services to transient aircraft.

6.6.6. Purchase or lease of land to establish new taxiways, runways, hangars, etc., required to support, maintain, and operate TWCF functions, to include environmental surveys conducted prior to negotiating the purchase or lease. This does not apply to TWCF funding for MC, MR, and A-E projects for those TWCF-assigned facilities identified in [Table 6.1.](#) of this chapter.

6.6.7. Disposal/demolition of excess and surplus real property, to include demolition of facilities in excess of TWCF requirements. **NOTE:** TWCF Capital MC funds are used to demolish/dispose of a facility when it impedes the construction of a replacement facility project funded from TWCF Capital MC funds. Such demolition costs are included in the total cost for the project and apply to the MC threshold (\$750K). This is the only condition when TWCF funds are authorized for the demolition/disposal of facilities. Do not use TWCF funds to pay for environmental surveys conducted prior to the disposal of any interests in land.

6.6.8. Maintenance of idle plants, facilities, and equipment, to include those placed in a “caretaker” status (i.e., not being utilized by a TWCF organization for their daily operations).

6.6.9. Personal-related items for the office workplace (e.g., disposable cups/plates/eating utensils, napkins, and any food-serving items), for use in conjunction with birthday and promotion celebrations, PCS/departures, retirement ceremonies, other non-mission essential office functions/celebrations, personal hygiene/health and wellness items (e.g., facial tissues, over-the counter drugs), and other personal reasons.

6.6.10. Claims for personal injury or death or for the replacement cost of cargo or personal baggage lost, damaged, or destroyed while transported on aircraft in the possession of TWCF. Payment of all such claims, as authorized by law, is payable from Air Force O&M funds.

6.6.11. Claims for personal injury or death, or damage to or loss of real or personal property caused by TWCF aircraft or personnel.

6.6.12. Construction projects with funded costs more than \$750 thousand. These costs are financed by the military construction (MILCON) appropriation. See paragraph [6.3.1.6.6.1.](#) of this chapter for exception resulting from corrections due to life, health, or safety deficiencies.

6.6.13. Mortuary services. This excludes autopsies performed at the direction of Air Force authority on personnel assigned to TWCF organizations by private civilian pathologists when Air Force MTF pathology services are not available (see AFI 65-601, Volume 1, chapter 10, paragraph 10.25.10.12).

6.6.14. Local purchasing and contracting services.

6.6.15. Entertainment and gifts, as defined in AFI 65-601, Volume 1, Chapter 4, paragraphs 4.28 and 4.29. This includes the purchase of alcoholic beverages for any reason.

6.6.16. Commercial printing (including DAPS) of personalized stationery and calling or greeting cards, as defined in AFI 65-601, Volume 1, chapter 4, paragraph 4.35.

6.6.17. Commercial printing (including DAPS) of invitations and programs for the dedication of new facilities, groundbreaking ceremonies, change of command ceremonies, or any other traditional ceremony authorized in AFI 65-601, Volume 1, chapter 4, section K. These requirements are funded from O&M-type funds. Additionally, the use of TWCF funds to procure commercially printed invitations or programs for individual retirement, award, or related ceremonies is prohibited in accordance with AFI 65-601, Volume 1, chapter 4, paragraph 4.27 and *GAO: Principles of Federal Appropriations Law, Volume 1, Chapter 4, page 4-214*.

6.6.18. Interest and penalties (Prompt Payment Act), as defined in AFI 65-601, Volume 1, chapter 4, paragraph 4.21, unless it is clearly shown that a TWCF unit was directly responsible for incurring the interest penalty.

6.6.19. Payment of per diem, contract lodging, transportation, and other costs associated with service members and their equipment supporting CJCS Exercises or contingencies, as described below.

6.6.19.1. When dedicated return airlift back to home station is unavailable due to a low CJCS movement priority coupled with AMC aircraft nonavailability (organic, military augmentation, or commercial charter) supporting higher airlift priorities.

6.6.19.2. If the service members must remain at their deployed site or other designated location beyond their scheduled return date, until such time that AMC airlift, commercial tickets (e.g., through the CJCS Commercial Ticket Program), or other travel arrangements are made available to them for their return home, the TWCF *is not* responsible for their travel or additional per diem costs.

6.6.20. Air navigation and overflight fees for TWCF military aircraft that fly in foreign countries designated air space. In accordance with AFI 65-601, Volume 1, chapter 4, paragraph 4.49 and SECSTATE guidance, all United States Government aircraft are exempt from these charges as they are state aircraft under the terms of the 1944 Convention of International Civil Aviation (Chicago). Specific exceptions include:

6.6.20.1. Air navigation and overflight fees charged by the 14 African countries, which comprised the Agency for Air Navigation Safety in Africa and Madagascar (ASECNA), through 31 Oct 97. Per SECSTATE direction, the US Government terminated its agreement with ASECNA effective 1 Nov 97 for the payment of these fees and any assessment of these charges on or beyond 1 Nov 97 is unauthorized. All ASECNA charges for FY97 and prior year air navigation and overflight fees are payable, even though the bills were not received and validated prior to 30 Sep 97. For FY98, only those ASECNA charges incurred for air navigation and overflight fees during the month of Oct 97 are payable, regardless of when the bills were received and validated. All TWCF validated prior year air navigation and overflight bills are payable from current year TWCF funds unless the expense (AEU) was recorded in the applicable prior year of incurrence in the accounting system and still remains on the books as an open accounts payable.

6.6.20.2. A primary example of authorized payments for air navigation and overflight fees is certain arms control treaties that apply to the movement of On-Site Inspection Agency (OSIA) by TWCF organic airlift aircraft into the former Soviet Union states. As a general rule, OSIA assumes payment for these charges directly when TWCF aircraft fly airlift missions in support of these requirements.

6.6.20.3. Therefore, with the exception of any provision contained in weapons compliance treaties, air navigation and overflight fees should not be paid under normal circumstances. However,

if AMC TWCF aircraft commanders are confronted with circumstances in a foreign country whereby payment of these fees is contingent prior to aircraft departure, payment is allowed and a protest should be filed with the residing US Embassy. Aircraft commanders should follow the procedures contained in the *DoD Foreign Clearance Guide*, located in the forward part of each regional booklet, Section 1, for payment of air navigation and overflight fees.

- 6.6.21. Museums, heritage centers, air parks, static displays, or any other historical holding.
- 6.6.22. Contest entry fees or prizes/awards for contest winners, unless clearly justified that spending TWCF funds in this manner will further enhance the objective and purpose of the TWCF.
- 6.6.23. DELETED.
- 6.6.24. Contracts for flight simulator training and any other contracted wartime training requirement for TWCF-assigned personnel.
- 6.6.25. Promotional incentive items, as identified in AFI 65-601, Volume 1, chapter 4, paragraph 4.29.3.1, unless clearly justified that the requirement directly promotes TWCF incentives. **NOTE:** Safety promotional items do not fall under TWCF for funding purposes.
- 6.6.26. Environmental clean up of contamination at or within the immediate area of any TWCF-assigned facility that is not directly attributable to the TWCF organization that occupies the facility. This includes any fines/penalties assessed due to non-compliance with EPA standards.
- 6.6.27. Memberships in professional or civic organizations unless such membership clearly enhances the sole objectives and purpose of the TWCF.
- 6.6.28. Light refreshments at conferences, symposiums, or seminars, as defined in AFI 65-601, Volume 1, chapter 4, paragraph 4.42.1.1. unless these events are convened by TWCF organizations solely for the purpose of TWCF-related business discussions.
- 6.6.29. Transient alert /transient maintenance requirements.
- 6.6.30. Seasonal decorations for base facilities or any other purpose, as defined in AFI 65-601, Volume 1, chapter 4, paragraph 4.26.2.
- 6.6.31. Other costs not chargeable to the TWCF, as defined below:
  - 6.6.31.1. Payroll costs for nonproductive working capital fund employees.
  - 6.6.31.2. Retraining programs.
  - 6.6.31.3. Travel and transportation expenses that pertain to relocation of all employees affected by base closure or reduction actions.
  - 6.6.31.4. Plant closing, layaway, and custody costs.
  - 6.6.31.5. Daily operation costs (e.g., TDY, civilian pay, supplies, and equipment) for group commanders (to include their immediate staff, e.g., secretary, executive officer, and other administrative support within the commander's office) or their equivalents that preside over TWCF organizations. These costs are considered overhead and are not in direct support of the TWCF mission. **NOTE:** This is not applicable to TWCF squadron commanders.
  - 6.6.31.6. Any support costs covered separately under Air Force or AMC regulations or restrictions.

6.6.31.7. Requirements in direct support of a wartime mission for which there is no direct peacetime utility thereof, even if the requirements are utilized by a TWCF organization during wartime.

6.6.31.8. Costs that are the direct result from base closure actions imposed by higher authority, e.g., the Base Closure and Realignment Commission (BRAC), as described in DoDFMR 7000.14, Volume 11B, chapter 2, paragraph 0205.

6.6.32. Other costs that by law are mandated under a specific appropriation or allotment.

**6.7. Residual Assets of a WCF Activity.** When a WCF component activity closes, the WCF retains any remaining net assets from that component activity to satisfy any other authorized requirements within the overall WCF. (See DoDFMR 7000.14, chapter 51, paragraph D.11.b.)

**6.8. Support of Service Members on Delayed TWCF Aircraft.** The TWCF pays all Air Force Form 15 and AVCARD charges for messing and lodging and ground transportation of service members in a group travel status, transported by aircraft operating those TWCF missions defined in paragraph 6.8.2. below, when these services are necessary as a result from unscheduled en route delays due to weather or maintenance problems. The following guidance applies:

6.8.1. If the aircraft delay is at a location where TWCF funds are not available (regardless if DoD facilities are available or not), the aircraft commander will utilize Air Force Form 15 (or AVCARD, if acceptable) authority to acquire the necessary meals, quarters, and transportation for the passengers. Upon return to home station, the aircraft commander will turn in the Air Force Form 15 (if used) to the local accounting liaison office. Supporting documentation should include a copy of the service members' group travel orders along with applicable invoices/receipts for lodging, meals, and other required support. Upon validation of the Air Force Form 15, the accounting liaison or FMA office, as appropriate, forwards the bills for these charges to DFAS-Omaha for payment, citing the funds of the unit whose aircraft incurred the delay (TWCF for AMC C-141, C-5, and C-17 aircraft; O&M for KC-10, KC-135, and C-130 aircraft). Use AMC ESP code CH (Charlie Hotel) to capture and monitor these costs in the accounting system.

6.8.2. If the aircraft delay is at a location where DoD facilities and TWCF funds are available (see **Chapter 2** of this instruction, **Table 2.2.** and **Table 2.3.**), payment for lodging (contract or on-base) and other required support is charged to local TWCF funds via the US Bankcorp Government Purchase Card account in accordance with **Chapter 2**, paragraph **2.4.5.1.** of this instruction. Paragraph **6.8.1.** above highlights the required supporting documentation. TWCF payment is applicable for lodging support of service members in a group travel status aboard any aircraft delayed at these locations, regardless of the type of aircraft or owning command, provided the aircraft is flying a TWCF mission (SAAM, CJCS Exercise, JA/ATT, or Contingency) with an AMC mission identifier. Use AMC ESP code CH (Charlie Hotel) to capture and monitor these costs.

6.8.3. This guidance is not applicable to any passengers on delayed TWCF controlled aircraft who are in a space available status or who are authorized per diem on their individual (not group) travel orders.

6.8.4. Per Diem Entitlement While in Group Travel Status. Refer to the JFTR, Volume 1, chapter 4, part A, appendix A, for the definition of the term "group travel" and the applicability of per diem while in a group travel status. If the travel orders indicate the service members who are delayed on AMC TWCF organic aircraft, due to weather or aircraft maintenance problems, are in a group travel status and the orders indicate a dollar estimate for any authorized per diem allowance at their TDY

location, payment for the lodging and the required transportation and meals are properly chargeable for the period of delay to TWCF funds at AMC locations where TWCF funds are available. Service members in a group travel status are not entitled to per diem while being transported to/from their TDY location, to include en route travel, awaiting further transportation, and any unnecessary

6.8.5. See also DoD 4500.9-R, *Defense Transportation Regulation, Part I, Passenger Movement*, chapter 103, paragraph K.3.

## 6.9. CJCS Exercise Support.

6.9.1. AMC TWCF units tasked to support CJCS exercises will fund all support costs (e.g., TDY, vehicle rental, miscellaneous contracts, and any unique requirements above and beyond what the host agrees to provide) in which they are active support participants in the CJCS Exercise. Record these expenses to the appropriate EEIC under the CJCS RC/CC, XX8200 or XX820P (for planning conferences), PE 41122, and appropriate CJCS ESP code.

6.9.2. It is HQ AMC/A88 policy to reimburse the AMC funding points for validated CJCS ESP coded expenses reflected in the applicable CJCS RC/CCs on a quarterly basis. See AMCPAM 65-603, chapter 21, for additional guidance on CJCS Exercise support funding.

6.9.3. AFRC and ANG Participation. The TWCF does not fund AFRC and ANG units participating in CJCS Exercises unless they are directly supporting a TWCF function or augmenting a TWCF unit on MPA Man-days (TDY costs). Exception: An AFRC or ANG TALCE may be tasked to deploy in support of a CJCS Exercise in the event an AMC TALCE in the Air Mobility Operations Group (AMOG) is unable to deploy, due to scheduling conflicts, etc. The appropriate AMOG unit (615 AMOG/FMA, Travis AFB CA or 621 AMOG/FMA, McGuire AFB NJ) will provide the deploying AFRC or ANG TALCE unit the necessary Air Force Form 616, **Fund Cite Authorization** or DD Form 448, **Military Interdepartmental Purchase Request (MIPR)**, as appropriate, to pay the required support costs of TWCF units or personnel at the CJCS Exercise location.

6.9.4. PACAF and USAFE TALCE Participation. Whenever AMC requests a TALCE shortfall from PACAF or USAFE, to deploy in support of a CJCS Exercise airlift mission, the TWCF will fund the required TDY costs. The applicable AMC en route Air Mobility Operations Group function (715 AMOG/FMA, Hickam AFB HI or 721 AMOG/FMA, Ramstein AB GE) will provide the appropriate TDY fund cites to the tasked PACAF or USAFE TALCE. Ensure costs are appropriately coded to the proper CJCS ESP code. The TWCF will not fund for any other PACAF or USAFE TALCE TDY costs for other than shortfall requirements. (**NOTE:** This guidance is also reflected in the Financial Management and Comptroller section (H) of the AMC/PACAF CCA, June 2002, paragraph 1.a.(1)(e) and the current draft AMC/USAFE CCA, same paragraph.)

## 6.10. Contingency Operations Support.

6.10.1. AMC TWCF units, specifically TALCEs, tasked to deploy to bare base locations for the purpose of establishing airlift mission support for a contingency operation, may need to bring financial and contracting support along for the purpose of establishing contracts and paying local vendors for base operating support type services (e.g., contract hotels and meals (if required), vehicle rental, laundry services, general support supplies and equipment, and other miscellaneous services). Financial personnel will utilize TWCF funds and record purchases via Air Force Form 616 or DD Form 448, as appropriate.

6.10.2. Normally, the appropriate CONUS AMOG (615 AMOG/FMA, Travis AFB CA or 621 AMOG/FMA, McGuire AFB NJ) will provide the Air Force Form 616 or DD Form 448, as appropriate, since it is one of their primary missions to deploy in support of contingencies. Reconcile the Air Force Form 616/DD Form 448 at least on a weekly basis and ensure proper close-out prior to returning to home station. Return all funding documents to the issuing AMOG upon redeployment. The 615/621 AMOG will then submit them along with the supporting documentation to DFAS-Omaha (DFAS-OM) to update the obligations or expenses in the accounting records. Use the applicable Air Force/command ESP code to properly track expenses in the accounting system to support any unfunded requirements submitted to HQ AMC/A88.

6.10.3. AFRC and ANG augmentation in Support of TWCF for Peacetime/Wartime Contingencies. Refer to paragraphs [6.3.1.7.9.7.2.](#) and [6.3.1.7.9.7.3.](#) of this chapter.

## Chapter 7

### DOD BUDGET GUIDANCE MANUAL REPORTS

**7.1. HQ AMC Preparation of Budget Estimates.** HQ AMC/A88 prepares the TWCF President's Budget (PB) estimates and submits it to USTRANSCOM/TCJ8 for review.

7.1.1. **Prior Year Column.** Enter the amounts reported on the financial statements for the current period ending 30 September, except when submitting budget estimates before final data is available. In the latter case, amounts should be shown by footnote as the best estimates of amounts as reported in the 30 September financial statements.

7.1.2. **Current Year Column.** Show the latest approved operating PB, unless the approved program has changed. If a change is necessary, give a comparison between the approved and the changed programs, including appropriate narrative explanation. Also, show the approved budget amounts and the changed requirement amounts in this column. Tariff rates established for the current year remain unchanged regardless if operating expenses or forecasted customer workload changes from the previous submission. In accordance with the stabilized rate policy, do not change current year tariffs unless directed by USD(C).

7.1.3. **Budget Year and Budget Year+1 Column.** Enter the estimated requirements necessary to achieve the established and approved program objectives. The estimates must show a break-even (no profit and no loss) operation at the end of the budget year. For Amended Budget Estimate Submissions (ABES) that occurs once every two years, only the budget year column is provided.

7.1.3.1. USD(C) and USTRANSCOM/TCJ8 provide applicable guidance for the development of airlift tariff rates proposed for the budget years.

7.1.3.2. Airlift rates are developed depending upon the airlift service required and aircraft type.

7.1.4. **Scope.** The TWCF Operating budget estimate shows anticipated costs (**Chapter 6**, paragraphs **6.3** and **6.4**.) required to providing airlift service to authorized users.

7.1.5. **Program Data.** Determine TWCF estimates based on Air Force program data and similar instructions applicable for the budget years. USD(C) and USTRANSCOM are increasing emphasis to ensure that airlift customer budgets and all WCF budgets contain the required funding to support the identified workload in terms of airlift requirements (e.g., for a given fiscal year, does the cost of airlift requirements identified in the Army's budget correlate with the amount of estimated revenue identified in the TWCF budget to move the same level of Army workload?). Historical experience factors contribute significantly in determining budgetary estimates and are a useful tool for performing "sanity checks" to validate and support customer workload requirements and TWCF spending trends.

7.1.6. **Statements and Schedules.** The TWCF budget estimate must include:

7.1.6.1. **General Statement.** A general statement starts each estimate, outlining the basis for the estimate, significant features or issues that impact the programs for the budget estimate, and similar information that briefly describes the formulation of the budget estimate for each year.

7.1.6.2. **Narrative Justification.** The narrative should state and support the estimate in enough detail to be readily understood by all the reviewing authorities. Explain significant variances (increases or decreases) for the budget year compared with the current year. Any variations by major commodity of 5 percent or \$100,000, whichever is greater, require a narrative explanation.

7.1.7. Assembly and Submission. Provide a complete set of the required budget estimate exhibits along with a mechanized version on a disk to USTRANSCOM/TCJ8 in accordance with the TWCF budget call.

**7.2. Base Submission to HQ AMC.** The following instructions apply to the base level preparation of TWCF budget estimates and their submission to HQ AMC:

7.2.1. General Information. Each TWCF funding point sends an estimate of anticipated new requirements for the budget years along with one-time unique requirements spent on the prior and current years for all of the TWCF organizations under its control. Submit the general statements, schedules, and exhibits in accordance with the command budget call instructions issued by HQ AMC/A88. Instead of a comprehensive submission with numerous exhibits, base level TWCF estimates are limited to the following, by EEIC, PE, and fiscal year:

7.2.1.1. One-time purchases and program termination or transfers.

7.2.1.2. New requirements.

7.2.1.3. Specifically requested commodity unique data.

7.2.2. Responsibility for Budgeting. Formulate the TWCF budget estimates at the lowest possible level to ensure financial management participation and responsibility. TWCF units located on installations of other commands or DoD agencies that do not have a budget function should request help from the host. The appropriate AMC unit commander signs the general statements of the TWCF estimates. **NOTE:** Ensure you request and receive input and justification from the BCE for utilities (EEIC 480XX), grounds services (EEIC 53310), refuse collection/disposal (EEIC 53330), custodial services (EEIC 53110), other CE services contracts (EEIC 533XX), and other miscellaneous service contracts (EEIC 592XX) generated by the BCE in support of a TWCF-assigned unit.

7.2.3. Scope. Each base level TWCF budget estimate should reflect the most accurate portrayal of estimated costs required to provide airlift services at that location.

## Chapter 8

### BUDGETING AND FUNDING POLICIES AND PROCEDURES - CAPITAL ASSETS

#### 8.1. Capital Investment Program (CIP).

8.1.1. General Information. DoDFMR 7000.14, Volume 2B, chapter 9, DoDFMR 7000.14, Volume 4, *Accounting Policy and Procedures*, chapter 6, and DoDFMR 7000.14, Volume 11B, chapter 58, and AFI 65-601, Volume 1, chapter 18, provide general guidance on budgeting and funding for WCF Capital assets. This instruction provides guidance on the CIP for WCF and prescribes the appropriate accounting principles and policy to follow for accounting, budgeting, and funding of the CIP.

8.1.2. Purpose. This chapter highlights USD(C) policies referenced in the DoDFMR guidance in paragraph [8.1.1.](#) above.

8.1.3. Overview. The primary goal of the CIP within the WCF is to establish a capability for reinvestment in the infrastructure of business areas in order to facilitate mid-term and long-term cost reductions. The objective is to improve product and service quality and timeliness, reduce costs and foster comparable and competitive business operations. The CIP provides the framework for planning, coordinating, and controlling WCF resources and expenditures to obtain capital assets.

8.1.4. DELETED.

#### 8.2. CIP Policy.

8.2.1. The policies addressed in this chapter apply to all activities, or groups of activities, within the overall TWCF organization.

8.2.2. The TWCF managers shall identify, prioritize, justify, and budget for capital asset purchases.

8.2.3. The TWCF CIP will account, budget and execute within the guidelines established under Title 31 USC, Section 1517, *Prohibited Expenditures and Obligations* (as amended by Public Law 102-272), DoD policies, and other regulatory constraints.

8.2.4. The CIP will finance only those capital investment projects included in the TWCF budget submission to USTRANSCOM and approved by USD(C). Under certain circumstances, during the year of execution, substitutions are allowable for out-of cycle projects when operational necessity warrants, subject to approval by USTRANSCOM and USD(C), if warranted.

8.2.5. All capital assets developed, manufactured, or otherwise procured by TWCF activities for their use must be funded through the TWCF Capital budget.

8.2.6. Projects that cost \$100 thousand or greater with a useful life of 2 years or more, must be:

8.2.6.1. Capitalized and depreciated.

8.2.6.2. Funded as part of the TWCF Capital budget.

8.2.6.3. Executed within approved TWCF capital budget authority limits reflected on the TWCF funding document.

8.2.7. Fund all other projects that fail to meet the DoD investment capitalization threshold or other criteria within the TWCF Operating budget.

8.2.8. Capital projects must obligate within the fiscal year funded. Every effort must be made to ensure timely installation and to realize productivity improvements estimated in the capital budget submission.

8.2.9. New Starts. Per DoDFMR 7000.14, Volume 3, *Budget Execution—Availability and Use of Budgetary Resources*, chapter 6, paragraph 060401.E, CIP program managers must strictly observe new start thresholds for TWCF Capital requirements. Programs (including subprograms, modifications, projects, or subprojects) not previously justified by USD(C) and funded by Congress through the normal budget process are new starts. Congressional approval is required for new start programs with costs of (1) over \$2 million in the first year, or (2) more than \$10 million within the first three years.

8.2.10. Cost Sharing. TWCF can only fund programs, or portions of programs, that directly support common user transportation-peace-time movement of cargo and personnel. Programs that support missions under the title 10 role of the Services (organize, train, and equip) cannot use TWCF. Nor is TWCF available for programs that support mobilization and other readiness costs. These programs are funded from direct appropriations. Since USTRANSCOM centrally manages different missions, some CIP programs use both appropriated and TWCF funds. In these instances, program managers must identify which aspects of their program benefit USTRANSCOM's peacetime transportation mission. For these programs, program managers will submit, and TCJ8 will review and approve in the POM/budget process, a definable unit of measure to determine the proper division between TWCF and appropriated funds. Examples of acceptable measures include, but are not limited to:

8.2.10.1. TWCF/O&M Flying hours.

8.2.10.2. TWCF/O&M aircraft sorties.

8.2.10.3. TWCF/O&M primary assigned aircraft (PAA).

8.2.10.4. Communications use determined by a Systems Telecommunications Engineering Manager (STEM).

8.2.10.5. Manpower authorizations, based on the UMD.

8.2.10.6. Square footage of utilized facility space.

(**NOTE:** Unit of measure must have a direct relationship to program purpose; i.e., flying hours or aircraft sorties for a program that schedules aircraft missions. Intangible units of measure, such as historical funding or perceived urgency of the program, are not acceptable.)

8.2.11. Appropriated Funding Shortfalls. Statutes prohibit supplementing (augmenting) appropriated funds with TWCF Capital/Operating funds (or vice versa) and it is not an alternative when appropriated or TWCF funding is insufficient for program requirements. Reference Title 31, USC, Section 1301(a) and *GAO: Principles of Federal Appropriations Law, Volume 2*, chapter 6, Section E.1.

### 8.3. CIP Requirements.

8.3.1. Document and review each proposed acquisition of a capital investment to ensure that the asset satisfies all of the following criteria:

8.3.1.1. It is more economically feasible to purchase the CIP requirement than to lease it.

8.3.1.2. The CIP requirement meets the Department's, USTRANSCOM's, and AMC's long-range planning and programming objectives as identified in long-range strategic plans.

8.3.1.3. The CIP requirement satisfies a documented need that cannot be met as effectively and efficiently by existing equipment and facilities.

8.3.1.4. The CIP requirement complies with applicable policies and regulations governing the lease and acquisition of equipment and facilities.

8.3.1.5. The CIP requirement includes workload projections that take into account the results of interservice decisions, workload posture planning decisions, readily available commercial alternatives, and other reasonable options for accomplishing workload.

8.3.1.6. The CIP requirement accomplishes the objective for capital asset justification. The criteria must include, but is not limited to the following:

8.3.1.6.1. Improved efficiency (savings) or effectiveness.

8.3.1.6.2. Required new capability and capacity that cannot be met with current equipment or facilities.

8.3.1.6.3. Replacement of unsafe, beyond economical repair, or inoperative and unusable capital assets.

8.3.1.6.4. Mandated environmental, hazard waste reduction, or regulatory agency (state, local or federal) requirements.

8.3.1.7. It meets or exceeds the DoD capitalization criteria of \$100 thousand and a useful life of 2 years or more.

8.3.1.8. Includes, as appropriate, a pre-investment cost or economic analysis (EA) that identifies the reasons and associated expected benefits of the purchase in accordance with the requirements of paragraph 8.6. below for an analysis for WCF capital investments. Complete the EA prior to requesting a capital asset and include it in (1) the OSD budget submission to Congress, (2) the USTRANSCOM President's Budget submission to USD(C), (3) the AMC budget submission to USTRANSCOM, or (4) any request for substitution or reprogramming involving a capital project.

8.3.2. Prepare a post-investment analysis annually, as required by paragraph 8.6.11. below.

8.3.3. Prepare all EA supporting documentation for TWCF CIP requests in accordance with the requirements in paragraph 8.6. of this instruction. Retain the EA and post-investment analysis documentation for review, audit, or evaluation for 5 years after each placing the CIP asset in use.

8.3.4. CIP Limitations.

8.3.4.1. When USTRANSCOM/TCJ8 grants a request for CIP funds, the Capital budget section of the TWCF funding document designates the maximum amount of funds for commitment and obligation of CIP requirements.

8.3.4.2. Except for those assets identified in paragraph 8.4.5. of this instruction, CIP will be limited to the Capital budget approved in the USTRANSCOM funding document.

8.3.4.3. The USTRANSCOM funding document will list separately each capital project by category—minor construction (MC), equipment, ADPE, software development, and management improvement initiatives. The Capital funding document will not issue or list in-house MC requirements by project. The Capital funding document will also provide funding limits for commitments and subsequent obligations to fund the current year approved Capital requirements along with any adjustments to prior year requirements.

8.3.4.4. The funding document limitation by program year is subject to 31 USC, Section 1341, *Limitations on Expending and Obligation Amounts*, and 31 USC, Section 1517. Exceeding the limitation contained in the capital budget section of the funding document can result in an Antideficiency Act violation.

### 8.3.5. CIP Reprogramming.

8.3.5.1. Budget formulation and congressional reviews require a firm, annual program consisting of specific, justified projects to support the CIP. The TWCF President's Budget (PB) will include only those CIP requirements approved by AMC, USTRANSCOM, and USD(C). However, in the year of execution, actual investment requirements can change relative to previously approved projects and funding levels. Accordingly, appropriate reprioritizing and substitutions are allowable in accordance with provisions of this chapter.

8.3.5.2. The approved CIP requirements and associated dollar amounts are reflected in the funding document. Substitutions and additions of capital projects must comply with the requirements in paragraph 8.3.1. of this instruction. All cancelled, postponed CIP requirements, as well as those out-of-cycle CIP requirements, adjustments to estimates of approved projects, and projects selected as substitutions or replacements for canceled or postponed projects must be identified in CIP budget requests to HQ AMC/A88.

8.3.5.3. Accomplish an EA for all out-of-cycle, substitutes, or replacement projects before requesting any reprogramming approval. Prepare the EA in accordance with the requirements in paragraph 8.6. of this instruction.

8.3.5.4. Do not fund a CIP project that is no longer valid solely because of approval in the previous BES or because funds are available.

8.3.5.5. The following approval levels and dollar thresholds apply to changes to projects approved in the capital budget section of the funding document, including reprogramming actions, substitutions, cancellations, and additions:

8.3.5.5.1. HQ AMC/A78/A88 must approve the MC changes.

8.3.5.5.2. HQ AMC/A88 must approve all other capital requirement changes.

8.3.5.5.3. See DoDFMR 7000.14, Volume 11B, chapter 58, paragraph C.5., for USD(C) requirements.

8.3.5.5.4. Any reprogramming efforts within the TWCF Capital program that exceed \$1 million require USD(C) approval. TWCF Capital cumulative reprogramming actions (to include all of AMC, MSDDC, MSC, and USTRANSCOM) \$1 million or less per fiscal year (and not per instance), requires only USTRANSCOM/TCJ8 approval.

### 8.3.6. CIP Financing.

8.3.6.1. Resources of the WCF finance the CIP. Funding for CIP requirements accumulate in the corpus (the cash at the time of WCF implementation) through the inclusion in the customer tariff rates of the expected depreciation on purchased capital assets and, if applicable, any additional capital surcharge needed to meet the capital needs of the WCF.

8.3.6.2. To avoid an Antideficiency Act violation, cash disbursements should not exceed the total cash available to TWCF or the total cash available to the overall WCF.

#### 8.4. Categories of Capital Assets and Investments.

8.4.1. Capital Equipment, Other Than ADPE and Telecommunications. This includes the development, manufacture, transfer, and acquisition of all capital equipment assets, along with any standard warranties offered by the contractor, that cost \$100 thousand or more with a useful life of 2 or more years. **NOTE:** Extended warranties are not an integral part of the equipment purchase and are considered as options to the standard warranty and purchased with TWCF Operating funds.

8.4.2. ADPE and Telecommunications Equipment (Hardware). As defined in the Office of Management and Budget (OMB) Circular A-11, *Preparation and Submission of Budget Estimates*, ADPE and telecommunications equipment is equipment or an interconnected system or subsystem of equipment used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information collectively costing \$100 thousand or more with a useful life of 2 or more years. Also included in this category is computer software integrated into hardware, that is necessary to operate the hardware rather than to perform an application, capitalized and funded as hardware, along with any standard warranties offered by the contractor (see paragraph 8.4.1. above for funding of extended warranties). This applies to software exclusively owned by the Air Force as well as software with limited data rights to its use, application, distribution, or disposition.

8.4.3. Software Development and Modernization. As defined in OMB Circular A-11, *Preparation and Submission of Budget Exhibits and Strategic Plans or Planning, Budgeting, and Acquisition of Fixed Assets*, software includes application programs, commercial-off-the-shelf (COTS) software, independent subroutines, databases, and software documentation. This category includes software development on acquisition for the general benefit of the TWCF, regardless of limited or unlimited data rights. See paragraph 8.4.2. above.

8.4.3.1. In accordance with DoDFMR 7000.14, Volume 2B, chapter 9, paragraph 090103.C.5.c., TWCF Capital software development projects will include total labor and non-labor costs such as: (1) all direct costs for civilian and military personnel; (2) contractor labor; (3) supplies; (4) travel; (5) processing support for testing; (6) indirect costs; and (7) general and administrative costs (e.g., base operations support, higher headquarters, and depreciation for central design activity-owned assets). (**NOTE:** Travel costs include TDY costs of Air Force military or civilian personnel involved in bringing the software development project to IOC.) Exclude from Capital software development projects (and all other TWCF Capital projects) costs incurred prior to Milestone 0, Concept Exploration and Definition. Costs such as basic research, study, exploratory development establishing feasibility and practicality of proposed solutions, rough order of magnitude estimates, etc., are treated in TWCF as operational expenses (see Chapter 6, paragraph 6.3.1.7.19. of this instruction). See also the subparagraphs under paragraph 090103.C.5.a. for additional funding guidance concerning expensing preliminary design phase and post implementation/operational phase costs of software development projects.

8.4.4. Minor Construction (MC). The MC projects include all work and funded costs necessary to construct or improve (including contract or in-house A-E design) a complete and usable building, structure, or other real property. **NOTE:** A-E design costs are not considered as a part of the \$750 thousand dollar ceiling for MC projects. This includes in-house and contracted projects with funded costs \$100 thousand or more up through \$750 thousand. **NOTE:** MC projects intended solely to correct a deficiency that is life, health, or safety threatening may exceed the \$750 thousand threshold up

to and including \$1.5 million, in accordance with AFI 32-1032, paragraphs 5.1.2.1. and 6.6. Such projects must have prior SAF/MII approval along with prior congressional notification; failure to comply is an Anti-Deficiency Act violation. See paragraph 6.3.1.7.16. of this instruction for A-E design application to MC projects. See Table 6.1. for a complete list of TWCF-eligible facilities at AMC CONUS and en route locations that have TWCF-assigned organizations.

8.4.5. Exclusions from the WCF CIP. The following are mandatory exclusions from the WCF CIP, financed directly from APF:

8.4.5.1. Major range and test facility items (equipment and MC) that meet the DoD investment capitalization criteria for use by Major Range and Test Facility bases operating within the WCF.

8.4.5.2. Military and tenant support functions.

8.4.5.3. Aircraft, ships, barges, and general-purpose passenger-type vehicles.

8.4.5.4. Equipment and MC projects purchased to meet mobilization requirements, but not used during peacetime operations.

8.4.5.5. Equipment initially procured and usually furnished as part of a weapon system or support system to include initial common support equipment for depot maintenance in support of new weapon systems.

8.4.5.6. Equipment normally funded by APF and provided to contractors as government-furnished equipment to incorporate in, used in conjunction with, or consumed in the production of, an end product. These particular equipment requirements are an APF responsibility and the applicable WCF activity receives them at no additional cost.

8.4.5.7. Construction and facility investment projects costing more than \$750 thousand (see exception in paragraph 8.4.4. above). These projects are a MILCON funding responsibility.

8.4.5.8. Environmental projects financed or submitted for funding by the Environmental Restoration Account (ERA).

8.4.5.9. Any MC projects for a non-TWCF activity or a military support function.

8.4.5.10. Capital investments for morale, welfare, and recreation.

8.4.5.11. Other exclusions as approved by USD(C).

8.4.5.12. Any other centrally procured capital investment item not available through normal Base Procured Investment Equipment (BPIE) requisition channels. Examples of these items are small arms and ammunition, forklifts, special purpose vehicles, and any other equipment item for which there is an existing federal stock number in the supply system that is coded as centrally procured.

8.4.6. CIP Capitalization Criteria.

8.4.6.1. DoD components shall capitalize and report in financial records all assets developed, manufactured, transferred, or acquired by the WCF, including computer software purchased or developed, when the following criteria are met:

8.4.6.1.1. Acquisition cost, book value, or, when applicable, the estimated fair market value equals or exceeds the \$100 thousand investment threshold. Transfers of capital assets shall comply with DoDFMR 7000.14, Volume 11B, paragraph E.6.c., and an estimated benefit period or useful life to the DoD of 2 years or more.

8.4.6.1.2. Book Value. The original acquisition cost of the capital asset less the total recorded accumulated depreciation.

8.4.6.2. Acquisition Cost. This is the original purchase or development cost including transportation, design, installation, and other related costs necessary to put the asset in place and useful form.

8.4.6.2.1. The appropriate WCF activity will capitalize software acquisition or development cost incurred by the activity (or, in absence of known amounts, a reasonable estimate thereof) for projects ordered or requested in prior years and delivered, installed, and operational after October 1991 if they otherwise meet the requirement of paragraph 8.4.6.1. of this instruction.

8.4.6.2.2. Apply the acquisition cost criteria, in the case of computer and other systems on the basis of the cost of a complete system rather than on a unit cost of individual items of equipment that, when aggregated, become a system. Capitalize incremental deliveries of these projects if the aggregate cost meets the criteria above.

8.4.6.3. When the expense or investment funding threshold changes, assets capitalized within the WCF at the previous threshold will continue their capitalization and depreciation at the original threshold.

#### 8.4.7. CIP Depreciation Criteria.

8.4.7.1. Calculate and accumulate depreciation using the straight-line method based on the acquisition cost or reasonable estimate thereof, less residual value when anticipated residual value is 10 percent or more of the acquisition cost. Thus, the capitalized amount less estimated residual value is divided equally among accounting periods during the asset's useful life.

8.4.7.1.1. Residual Value. Residual value is the estimated salvage value of an asset at the end of its useful life. Do not depreciate a WCF capital asset in use below this value. The residual value of DoD capital assets is 10 percent of the initial capitalized amount of the fixed asset unless the entity controlling the asset can determine that a different (greater or less) residual value is more appropriate. Use the residual value, regardless of the amount, in the depreciation calculation. Once established, the estimated residual value should not increase over the life of the asset, even if the fair market value of the asset becomes greater than its original acquisition cost.

8.4.7.1.2. Depreciation Cost Classification. Depreciation expense is classified as either indirect or G&A depending upon the organizational location of the asset and its use. However, you may charge it as a direct expense only if depreciation costs of all like assets used for similar purposes are chargeable in the same manner. HQ AMC/A88 and DFAS-OM will jointly make these determinations.

8.4.7.1.2.1. For example, if multiple TWCF cost centers use the same computer system, building, or equipment, the depreciation is prorated based upon levels of usage or benefit received for each cost center. If, under unusual conditions, a computer system, building, facility, or equipment does not have a use identifiable to a direct or indirect cost center, the depreciation cost is chargeable to a G&A expense account.

8.4.7.1.2.2. Direct Costs. These are costs that clearly identify a product or output incurred 100 percent by the function that produces the output such as hands-on labor or material

used in a product. First-line activities incur direct operating costs solely to benefit a specific output.

8.4.7.1.2.3. Indirect Costs. These are costs that are not identifiable to a single product. These costs are sometimes allocated over a select number of outputs, or allocated over all of the outputs of an organization, depending on the nature of the task involved.

8.4.7.1.2.4. General & Administrative (G&A) Expenses. These are overhead costs not reasonably associated with any group of products or commodities, allocated over all of the products. G&A is a form of indirect cost.

8.4.7.2. CIP depreciation commences in the month following (a) the date of receipt shown on the asset receiving document or (b) the date of installation and the asset is ready for use (regardless of whether it is actually used). Record CIP depreciation costs in equal amounts each month thereafter until fully depreciated, disposed of, or otherwise transferred.

8.4.7.2.1. If a capital asset remains in use longer than its estimated useful life, retain it on the accounting records at its residual value (which may be \$0 (zero)) until its final disposition.

8.4.7.2.2. Capital assets removed from use, regardless of the period and for whatever reason, will still incur depreciation costs during that particular period.

8.4.7.3. Depreciation costs of equipment acquired with a procurement appropriation for a mobilization requirement and facilities acquired with a MILCON appropriation will reflect on the WCF financial statements but are not recoverable in the tariff rates. Addendum 1 to DoDFMR 7000.14, Volume 11B, chapter 58, illustrates the accounting for these types of capital assets; chapter 70 contains the financial reporting formats and instructions.

8.4.7.4. Do not depreciate equipment and MC projects purchased primarily to meet mobilization requirements.

8.4.7.5. Real Property, to include land, buildings, pavements, utility plants and systems, and associated appurtenances are not subject to depreciation. However, depreciate any associated MC projects.

8.4.7.6. Any other exclusion from funded depreciation requires prior approval by USD(C).

8.4.7.7. See [Table 8.1](#) below for the statistical depreciation schedule established for WCF activities:

**Table 8.1. WCF Statistical Depreciation Schedule.**

ASSET	SCHEDULE
*C-5A	16 years
*C-141	14 years
*C-17	22.2 years
Minor Construction (MC)	20 years
Equipment, Other than ADPE	10 years
ADPE/Telecommunications Equipment	5 years
Software	5 years
*NOTE: Residual value for these assets is 15 percent (statistical information only).	

8.4.7.8. Methodology and Alternative Depreciation Schedules. Alternative depreciation schedules and methods are allowable if approved by USD(C). See DoDFMR 7000.14, Volume 11B, chapter 58, paragraph D.7.g.1.

## 8.5. Accounting for TWCF Capital Assets.

8.5.1. The TWCF property and financial records must recognize capital assets used by TWCF in providing goods or services. Financial records for assets capitalized in the TWCF must:

8.5.1.1. Be supported by formal depreciation schedules.

8.5.1.2. Have all depreciation expenses recorded.

8.5.1.3. Consider and include depreciation expenses in the customer rate structure and other revenue sources, except for depreciation of facilities acquired through MILCON appropriations or other exclusions approved in accordance with paragraph 8.4.7.4. through 8.4.7.6. of this instruction.

8.5.2. The **following criteria** are necessary for an item to **qualify as a TWCF capital asset** for inclusion in the TWCF financial statements, in accordance with DoDFMR 7000.14, Volume 11B, chapter 58, paragraph E.2.

8.5.2.1. **The asset must embody a probable future benefit that will contribute to the TWCF operations.** In this application, the concept of benefit has traditionally been referred to as "service capacity" that is the ability of an item to directly assist the TWCF in achieving its mission. Service capacity has value because it is consumable or exchangeable for other benefits. Real property assets financed by a MILCON appropriation provide a service capacity to the TWCF in that they house TWCF operations thus allowing the TWCF activity to achieve its mission. Although these MILCON-funded facilities do not depreciate in the TWCF, note memo entries in the financial statements to show the value of the asset provided to the TWCF. Also, the TWCF is responsible for assuring that the maximum benefit is always available since it pays for utilities, maintenance, and upkeep. The exchangeability part of the benefit criteria (the ability to sell, trade, or donate

property) need not be present for an item to qualify as an asset in the federal sector if consumption of the item provides benefit to the TWCF. See [Table 6.1.](#) for a list of the type of facilities that qualify as TWCF assets.

8.5.2.2. **The TWCF activity that reports the asset must be able to obtain the benefit and control access to the benefit inherent in the asset.** The second criteria of an asset, control over the benefit, refers to a TWCF activity's ability to direct who derives the benefit, the timing of when deriving the benefit, and under what conditions. Directing the use of the benefit has traditionally depended on (1) possession or (2) the ability to exert significant influence over the benefits, obtained through legal ownership or an agreement with the owner. There are instances where a TWCF activity maintains possession of property through agreements that provide for TWCF's possession for as long as needed, without a termination date and without reimbursement. Consider such arrangements as generally providing sufficient influence over the use of the property to satisfy the control criteria. However, once termination occurs, as in the case of a base closing where the TWCF conducts operations, control no longer exists. As a result, the property will no longer meet the control criteria of an asset.

8.5.2.3. **The transaction or event giving the TWCF a right to and control over the benefit must have already occurred.** The third criteria are an agreement (express or implied) that allows the TWCF to occupy or use property without reimbursement for as long as needed.

8.5.3. The TWCF activities that meet the criteria in paragraph [8.5.2.](#) above shall (1) record the capital asset in their property and financial records, (2) record depreciation on the capital asset, and (3) record improvements to the capital asset.

8.5.4. Facilities used by TWCF activities.

8.5.4.1. The TWCF activities that are sole occupants or tenants of a government-owned facility or hold a capital lease (as opposed to an operating lease) on an entire building and sublet portions of the building and meet the criteria in paragraph [8.5.2.](#) above shall record the capital asset in their property and financial records.

8.5.4.2. The TWCF activities that are joint occupants or tenants of a government-owned facility and meet the criteria in paragraph [8.5.2.](#) above shall determine which occupant or tenant will record the capital asset in their property and financial records by applying the following criteria in descending order of application:

8.5.4.2.1. Occupant or tenant that can substantiate preponderant use (via direct labor hours, actual hours, population, square footage, metered output, etc.) of an asset in the production of goods or services for their customers.

8.5.4.2.2. Occupant or tenant that maintains exclusive responsibility for the maintenance, repair, upkeep, and replacement (MILCON) of the asset.

8.5.5. Assets Held by TWCF Activities for Mobilization Requirements. The TWCF activities shall assume ownership of assets acquired through procurement appropriations that are held to meet a mobilization surge capability. See DoDFMR 7000.14, Volume 11B, chapter 14 for additional information.

8.5.6. Sources of Capital Assets. You may develop, manufacture, transfer, or purchase any approved and funded capital asset for use by TWCF activities subject to availability of sufficient resources and compliance with other DoD or Federal requirements. Additionally, you must identify, capture and

record all costs incurred as execution against a specific capital asset in the development, manufacture, or acquisition of the asset regardless of the ultimate use of the asset.

8.5.6.1. Acquisition of Capital Assets for TWCF Use. The total cost incurred by a TWCF activity to develop, manufacture, or acquire a capital asset consists of, but not limited to (1) direct and indirect labor and non-labor, (2) contractual cost, net of authorized discounts paid, (3) reimbursable support cost, applicable overhead, (4) G&A costs incurred when appropriate, and (5) any associated costs for transportation, installation, and other related costs necessary to put the asset in place and useful form. Software development (programs, routines, and subroutines) costs also shall include the computer operating costs for testing, developing, and parallel processing.

8.5.6.2. Capital Assets Centrally Acquired.

8.5.6.2.1. Business areas, such as the Joint Logistics Systems Center, may from time to time be designated as a central agent to procure capital assets for customers within the WCF. The procuring business area shall issue contracts to commercial sources or funded orders to other WCF activities and DoD components as necessary, to satisfy the requirement.

8.5.6.2.2. Capital assets may be sold or transferred to customers of the central agent at negotiated selling or transfer prices. Negotiated selling or transfer prices shall include the total cost of the capital asset that consists of contractual cost net of discounts taken, reimbursable support cost, applicable overhead, G&A costs incurred in the acquisition of the asset, plus any approved surcharges.

8.5.6.2.3. Capitalize and depreciate in the financial records of each business area any capital asset acquired by a central agent and distributed and installed in one or more business areas.

8.5.6.2.4. When the share of the cost of a capital asset distributed and installed at a business area fails to meet the investment capitalization criteria continue to capitalize and depreciate its share of the asset if the aggregate initial cost of the asset distributed to business areas satisfies the investment \$100 thousand threshold.

8.5.6.2.5. A commercial vendor or contractor may deliver a capital asset acquired by a central agent to the receiving business area. Central financial records shall record all deliveries and receipt of capital assets in their financial records until completion of the order and sale or transfer to a customer. The ultimate cost of the completed asset shall include all incremental deliveries and all additional costs incurred by acquisition and installation of the asset.

8.5.6.2.6. HQ AMC will process the necessary financial transactions, if required.

8.5.6.3. Transfer of Capital Assets.

8.5.6.3.1. Capitalize and depreciate any capital assets transferred to a TWCF activity, having a preexisting depreciation schedule and accumulated depreciation, at their book value, plus any associated costs for transportation, installation, and other related costs necessary to put the asset in the place and in its useful form.

8.5.6.3.2. Capitalize and depreciate any capital assets transferred to a TWCF activity, having no preexisting depreciation schedule and accumulated depreciation, at their original acquisition cost, or reasonable estimate thereof when unable to reasonably determine the acquisition costs, plus any associated costs for transportation, installation, and other related costs necessary to put the asset in the place and in its useful form. DFAS-OM records the accumulated

depreciation in an amount equal to the amount recorded if the asset had depreciated based on its (the TWCF activity) normal depreciation policy. Record the net value (original acquisition cost less accumulated depreciation) as an equity increase. Calculate and record the depreciation costs in the financial records after the transfer based on the current net value of the asset.

8.5.6.3.3. Capitalize and depreciate a capital asset donated to the TWCF by organizations outside the DoD that meet the capitalization criteria at estimated fair market value, plus any associated costs for transportation, installation, and other related costs necessary to put the asset in the place and in its useful form. Calculate the depreciation of the donated asset based on the asset amount recorded. The TWCF will then begin recording depreciation expenses on these assets and reporting them in the financial records.

8.5.6.3.4. When transferring any capital asset out of the TWCF to another DoD activity, government agency or others, process the accounting entry at the recorded acquisition cost less accumulated depreciation as of the date of transfer. DoDFMR 7000.14, Volume 11B, Chapter 58 paragraphs, E.6.c.(4) and E.8.b. prescribes the accounting entries for these transfers. Disposal of a capital asset (whether at a gain or a loss) is in accordance with chapter 62 of DoDFMR 7000.14, Volume 11B.

#### 8.5.6.4. Capital Assets Acquired for Customers.

8.5.6.4.1. Statutory limitations and restrictions imposed on appropriated or other funds of the TWCF customers do not change by the placement of an order with the TWCF. A TWCF customer cannot use its APF to do indirectly (i.e., through placement of an order with a WCF activity), what it cannot fund directly. Thus, the availability of an appropriation does not expand or otherwise change by placing a customer order with, or otherwise transferring amounts to the WCF. The APF cited on reimbursable orders are available only for the purposes permissible under the source appropriation and remain subject to the same restrictions. The ordering activity is primarily responsible to determine the application of the ordering appropriation. However, if instances arise where the ordering appropriation is not an APF, return the order to the agency with a request for the proper fund cites.

8.5.6.4.2. Capital assets acquired specifically for a particular customer order that do not have a recurring use for other workload or customer orders are chargeable to the customer order, provided the appropriation or fund cited in the order is appropriate for that purpose. Such assets will be the property of the customer and, as such, are not subject to depreciation expense recovery by the TWCF.

8.5.6.4.3. Accumulate the total cost incurred by a TWCF activity in developing, manufacturing, or acquiring capital assets for a customer in the work-in-process account. Bill the appropriate customers at the negotiated sales price. The sales price includes the total cost of the capital asset, consisting of contractual cost, net of authorized discounts taken, reimbursable support cost, applicable overhead, G&A costs when appropriate, any associated costs for installation, modification, testing, transportation, and other related costs in developing or acquiring the asset, plus any approved surcharges.

#### 8.5.7. Improvements and Upgrades of Existing Capital Assets.

8.5.7.1. Improvements and upgrades that increase the capacity or operating efficiency of an existing capital asset, and for which the cost is equal to or greater than the \$100 thousand threshold, are capitalized even though the improvement or upgrade may not extend the useful life of the asset.

Revise the depreciation schedule of existing capital assets to include the acquisition cost of a capitalized improvement or upgrade. Apply the criteria in paragraphs 8.5.7.2. through 8.5.7.4. below to determine if the useful life of the original asset required revision. Regardless of the application, measure and account for the revision of depreciation expense or expected useful life in the current and future periods. Do not make any adjustment to prior depreciation.

8.5.7.2. If the cost of the improvement or upgrade is greater than 50 percent of the net book value (original acquisition cost less accumulated depreciation) of the existing asset, then the improvement or upgrade is equivalent to the purchase or manufacture of a new asset. Accordingly, with a new depreciation value computed for the existing asset, depreciate the new value over the useful life of the asset, determined from the month that the improvement or upgrade became operational.

8.5.7.3. If the cost of the improvement or upgrade is less than 50 percent of the net book value (original acquisition cost less accumulated depreciation) of the existing asset, depreciate the cost of the improvement or upgrade over the remaining useful life of the existing asset.

8.5.7.4. Record all improvements and upgrades costing less than \$100 thousand as an operating expense in lieu of a CIP purchase even though the improvement or upgrade could extend the useful life of the asset.

8.5.8. Disposal and Demolition of Assets. Accumulate all costs incurred in removing, packing, crating, handling, and shipping of fixed assets for disposal or demolition of buildings and structures within a separate job order or account. Charge the costs incurred to the appropriate fixed asset account. At the time the asset is made available to the Defense Reutilization and Marketing Service for disposal, close the accumulated depreciation into the applicable fixed asset account balance (accomplished by DFAS-OM).

8.5.9. Capital Asset Accounting Pro Forma Illustrations. See DoDFMR 7000.14, Volume 11B, chapter 58, paragraph E8.

## **8.6. Economic Analysis (EA)/Cost Analysis (CA) of TWCF CIP Projects.**

8.6.1. In the process of budget formulation and execution, it is important to understand the primary goal of the CIP within the WCF. The objective is to improve product and service quality and timeliness, reduce costs, and foster comparable and competitive business operations. The capital investment analyses are an important tool in accomplishing this objective.

8.6.2. Pre-investment Analysis. In accordance with DoDFMR 7000.14, Volume 2B, chapter 9, paragraph 090103.C.10., you must perform a formal initial supporting pre-investment analysis or a cost comparison prior to inclusion of the capital asset in the TWCF Capital budget submission. The originating office will maintain a copy of the pre-investment analysis for project documentation requirements for the TWCF Capital budget submission as well as program execution.

8.6.3. Substitution and Reprogramming. Use an EA or CA, as indicated in paragraph 8.6.5.2. below, to support project substitutions or to accomplish reprogramming requests, in addition to supporting budget formulation.

8.6.4. Capital Budget Submissions. Submit capital budget projects in accordance with DoDFMR 7000.14, Volume 2B, chapter 9. The following EA/CA requirements to support all TWCF CIP projects apply:

8.6.4.1. Analysis. Comprised of an EA/CA, a Cost and Operational Effectiveness Analysis (COEA), or a Functional Economic Analysis (FEA) as described in DoDFMR 7000.14, Volume 11B, chapter 58 paragraph F.

8.6.4.2. Executive Summary. The executive summary is a succinct document that provides a summary of an analysis. Include alternatives considered and expected Life Cycle Costs (LCC). An example of the Executive Summary is in the initial AMC DBOF (WCF) Economic Analysis Guidance and Instructions.

8.6.4.3. Impact Paper. An impact paper is a point paper similar to the Executive Summary, but focusing on the preferred alternative. Discuss the impacts if not funded and how the preferred alternative best meets the identified need. The Impact Paper must include:

8.6.4.3.1. Program Objective Memorandum (POM) Profile. A profile of the Investment and Operating and Support (O&S) costs, by year, for the Future Year Defense Program (FYDP) period, required to procure, operate, and maintain the asset over its expected life. Detail these costs, expressed in constant dollars, by expense type. These expense types correlate to the numeric breakout in Exhibit Fund 1a, *Details of Price and Program Changes—Costs*. Include a depreciation schedule for the economic life of the preferred alternative. Depreciate the item in accordance with the expected economic life shown in paragraph 8.6.9. below and per the USTRANSCOM Capital Assets Supplemental Guidance to DoDFMR 7000.14, Volume 11B, chapter 58.

8.6.4.3.2. Manpower Summary. Identify all organic manpower required for operation and maintenance of the preferred asset. Distinguish between those positions currently authorized and any new requirements. Like the costs above, state manpower for each year in the FYDP. Where organizations have multi-service manpower authorizations, identify the positions by Service.

8.6.4.3.3. Offsets. A project might provide a capability that forces another system into obsolescence. Apply the soon-to-be obsolete system's O&S costs to offset the new system's similar costs. Identify these offsets by expense category.

8.6.4.3.4. Requirement for the Project. Fully narrate the need for the investment. Discuss how the preferred alternative best meets the objective. Describe how the requirement relates to the needs of the unit, group, or wing mission.

8.6.4.3.5. Impact if not Funded. Specifically identify all the problems that will occur if the preferred alternative is unfunded.

8.6.4.4. Analysis Documentation. The analysis documentation for the CIP project is equal to the executive summary and impact paper. Each organization that has a CIP project must submit analysis documentation, along with the source EA/CA to AMCFSS/A88IC, 402 Scott Drive, Unit 1K1, Scott AFB IL 62225-5311, for review and forwarding to USTRANSCOM. Retain a copy for your files. The basic analysis is the source document for analysis documentation.

8.6.4.5. Include an appropriate exemption justification statement, as applicable, for projects that meet exemption criteria in paragraph 8.6.6. of this instruction.

8.6.4.6. POM Submissions. Capital funding authority is replenishable just like equipment. The means to replenish this authority is through the POM process. If there are no identified CIP

projects, the TWCF Capital funding authority will eventually go to zero, resulting in our inability to fund replacement equipment or any emergency requirement that might arise.

8.6.4.6.1. New Starts. Exhibit Fund 9b entitled *Business Area Capital Purchases Justification*, must accompany any CIP project anticipated for the POM years. HQ AMC/A88 will submit the Exhibit Fund 9b, along with the analysis documentation to USTRANSCOM/TCJ8. This does not mean to include a formal EA/CA as described in DoDFMR 7000.14, Volume 11B, chapter 58 paragraph F. However, it does require a comprehensive analysis to justify placing a project in the POM. The result of that analysis is summarized in the analysis documentation described in paragraph 8.6.4.4. above. **NOTE:** With regard to automated information systems and functional program evaluations within the DoD, Major Automated Information System Review Council (MAISRC) Systems, FEAs, COEAs, etc., are acceptable forms of analysis. However, AMCFSS/A88IC still requires documentation based on these types of analyses.

8.6.4.6.2. Updates. We anticipate changes in inflation indices, pay rates, etc. These changes are not grounds to reaccomplish and resubmit analysis documentation. Include these types of changes when a particular fiscal year enters the budget cycle, 18 months prior to execution, and again 6 months prior to the year of execution. However, a change in a demonstrated need, an acceptable solution, a quantity of resources (manpower, equipment, etc.), or a methodology does require reaccomplishing and resubmitting analysis documentation, even if the start date of the CIP project is more than 18 months out.

8.6.5. USD(C)'s guidance on WCF EAs and DoDFMR 7000.14, Volume 11B, chapter 58, paragraph F establishes the following thresholds for determining the type of analysis required.

8.6.5.1. Initial Threshold. Capital projects begin at \$100 thousand investment cost with an estimated useful life of 2 years or more.

8.6.5.2. Economic Analysis/Cost Analysis (EA/CA). The WCF capital projects equal to or greater than \$100 thousand generally require either an EA or CA. For CIP projects with a cost of \$1 million or greater, use an EA; for CIP projects under \$1 million, use a CA. Prepare the EA/CA in accordance with guidance contained in this instruction, DoDFMR 7000.14, Volume 2B, chapter 9, paragraph 090103.C.10., and per the USTRANSCOM Capital Assets Supplemental Guidance to chapter 58. HQ AMC/A78 will submit an annual EA/CA for all Capital MC projects. Any project not identified in the annual EA/CA must have a separate EA/CA prepared and submitted by the base in accordance with this paragraph.

8.6.5.2.1. Presentation of Costs. Initially, prepare the appropriate analysis requirement in constant base year dollars and present a differential cost display by year over the project's expected economic life, beginning with the budget year requiring the capital funds. Inflate costs to current dollars using current USD(C) raw inflation indices. Prepare the analysis on a net present value (NPV) basis and ensure that it complies with applicable DoD or component guidance, as well as functional program guidance.

8.6.5.2.2. Economic Indicators. The standard criterion used in evaluating investment alternatives is NPV, which is the difference between the discounted present value of monetary benefits and the discounted present value of investment costs. In addition to NPV, develop the payback and benefit to investment ratio (BIR).

8.6.5.2.3. Benefit Analysis. The EA/CA must include a benefit analysis. Consider all quantifiable (non-monetary) and intangible benefits for each alternative.

8.6.5.2.4. Discount Rate. Use the current constant dollar discount rate for discounting costs in an EA/CA (e.g., use 4.6 percent for projects greater than 20 years).

8.6.5.2.5. Certificate of Satisfactory EA/CA. Prepare a Certificate of Satisfactory EA/CA, including a Summary of Analysis Results.

8.6.5.2.6. Executive Summary. Prepare an executive summary showing primary economic indicators and a conclusion.

8.6.5.2.7. Compile EA/CA. The completed EA/CA should contain all of the following elements:

- Cover page
- Certificate of Satisfactory Economic Analysis
- Executive summary
- WCF EA
- Source documents
- Interim calculations
- Any attachments, as necessary

8.6.5.2.8. Impact Paper. Prepare the Impact Paper as described in paragraph [8.6.4.3](#) above.

8.6.6. Exemptions. Not all WCF capital investment projects over \$100 thousand will require an EA or CA. There are two instances for which DoD instruction (with approval through HQ AMC/A8) waives the requirement to perform a pre-investment analysis. The exemptions are:

8.6.6.1. Exemption One. Environmental, hazardous waste reduction, or regulatory agency (state, local, or federal) mandated requirements; also, include directed action by higher headquarters authority that may preclude choices among alternatives.

8.6.6.2. Exemption Two. When DoD instruction or directive waives the EA requirement (e.g., if a transportation regulation stipulates the replacement of a specific type of vehicle (not procured with centrally managed investment funds) after a certain number of miles or years). Be sure to include a specific reference to the applicable regulation, instruction, or directive in the Certificate In Lieu of EA. See [Attachment 7](#) for an example of a Certificate in Lieu of EA.

8.6.7. Exemption Justification Statement. Prepare the exemption justification statement documenting the requirement or authority for the exemption claimed, validate as you would a pre-investment analysis, and obtain approval from AMCFSS/A88IC. Continue to use the Certificate In Lieu of EA as the exception justification statement.

8.6.8. Investment Categories and Reasons for Investment. All WCF capital investment projects must fall into one of the following investment categories, supported with at least one of the primary reasons for capital investment.

8.6.8.1. Investment Categories. Investment categories (\$100 thousand or greater):

8.6.8.1.1. Equipment (non-combat). Excludes centrally procured equipment.

- 8.6.8.1.2. MC (not more than \$750 thousand). See exception in paragraph 8.4.4. of this chapter.
- 8.6.8.1.3. ADPE and Telecommunications Equipment (hardware).
- 8.6.8.1.4. Software Development (except software developed for a non-WCF customer).
- 8.6.8.2. Reasons for Investment. Primary reasons for justifying an investment include:
  - 8.6.8.2.1. Replacement. The asset is unsafe, beyond economical repair, inoperative, or unusable.
  - 8.6.8.2.2. Productivity. Improved efficiency (savings) or effectiveness.
  - 8.6.8.2.3. New Mission. Required new capability or capacity not met with current equipment or facilities.
  - 8.6.8.2.4. Environmental. Investment for environmental or hazardous waste reduction, including regulatory agency mandated requirements. Projects funded from the Environmental Restoration Account (ERA) program do not require an EA/CA or Certificate In Lieu of EA.
- 8.6.9. Expected Economic Life. Use the expected economic life as the period of evaluation. The following may serve as a basis for expected economic life:
  - 8.6.9.1. MC projects – 20 years.
  - 8.6.9.2. Equipment (non-ADP and telecommunications) – 10 years.
  - 8.6.9.3. ADP hardware and telecommunications equipment – 5 years.
  - 8.6.9.4. Software development – 5 years.
- 8.6.10. Economic Indicators. There are two primary economic indicators for an EA/CA. They are payback and BIR. Rank order projects using these economic indicators.
  - 8.6.10.1. Payback. Use payback to compare the period of time, in years, necessary for an alternative to repay its investment cost from monetary benefits and as a value to compare and rank in order of competing projects. Compute payback using current dollars. Calculate and present payback as whole and fractional parts of a year (i.e., 2.73 years).
  - 8.6.10.2. Benefits to Investment Ratio (BIR). Use BIR to compare project alternatives in terms of all expected monetary benefits; inclusive of whole and partial manpower productivity savings resulting from increased efficiency and other cost avoidance achieved over the total project life under evaluation. Also, use BIR as a value to compare other projects. Calculate BIR using discounted constant dollars as an index value and round to the second decimal place. The value must be greater than one to be cost beneficial, i.e., the larger the ratio the greater the advantage.
- 8.6.11. Post-Investment Analysis. HQ AMC submits post-investment analysis annually to USTRANSCOM. AMCFSS/A88IC identifies CIP funded actions that require a post-investment analysis and tasks the appropriate base FMA office to submit accordingly. The post-investment analysis must follow the same format and techniques as the pre-investment analysis. Use historical costs for the first year of execution throughout the total life cycle for comparison of projected costs and actual expenditures. Retain the post-investment analysis for ready review for 5 years; however, a post-investment analysis does not require an Impact Paper.

8.6.12. USD(C) issues inflation indices annually to DoD components to assist in preparation of Planning Programming and Budget Estimating System (PPBES) submissions and cost estimates.

## 8.7. Budget Formulation and Execution.

8.7.1. Budget and submit CIP projects to USTRANSCOM/TCJ8, through HQ AMC/A88, in accordance with DoDFMR 7000.14, Volume 2B, chapter 9, and the HQ AMC/A88 and USTRANSCOM/TCJ8 TWCF BES "call" guidance

8.7.1.1. An EA/CA or exemption certificate will support CIP projects.

8.7.1.1.1. A summary of the EA/CA results, to include an explanatory narrative of the need or requirement, workload projections, feasible alternatives, significant assumptions, estimating methods, data sources, NPV, payback, BIR, dollar benefits expected, and other support of the recommended project, will accompany all CIP projects costing \$500 thousand or more. Include the appropriate exemption justification statement, as applicable, in lieu of EA summary results.

8.7.1.1.2. CIP projects of \$1.0 million or more will include a copy of the supporting EA.

8.7.1.2. The TWCF activities will rank order all projects within CIP category (as shown in paragraph 8.4.) based on NPV, economic indicators, and program importance. The prioritization process will facilitate timely substitution of worthy projects for those no longer justified and subsequently dropped. The sequencing process will result in a listing that is periodically updated as CIP priorities change.

8.7.1.3. Guidance for preparing inputs by CIP category is as follows:

3XXXX.

8.7.1.3.1. Equipment, Other Than ADP and Telecommunications Resources (BPAC 23XXX). Equipment requirements are stratified by costs greater than \$500 thousand and those costing \$100 thousand through \$500 thousand. Additionally, categorize capital non-ADP equipment by the primary reason justifying the purchases: (1) Improved efficiency (savings) or effectiveness, (2) required new capability or capacity, (3) replacement, and (4) mandated environmental, hazard waste reduction, or regulatory agency requirement (see paragraph 8.3.1.6. above). Consider any alternative that satisfies the requirement in the most cost effective manner, supported by the EA.

8.7.1.3.2. Minor Construction (MC) (BPAC 21XXX). Budget MC CIP projects (to include related contract or in-house A-E design, as per paragraph 6.3.1.7.16. of this instruction) in the TWCF BES/BR submission on a facility category basis. An EA/CA is required for MC projects as defined in paragraph 8.6. above. Budget and fund all MR projects for facilities that maintain the capability of an existing facility from the TWCF Operating budget under BPAC 3XXXX. Additionally, budget and fund MC projects that are less than \$100 thousand funded costs from the TWCF Operating budget, under BPAC 3XXXX.

8.7.1.3.3. ADPE and Telecommunications Equipment (Hardware - BPAC 22XXX). Resources in this category consist of computer hardware, operating system software (including utility and communications software), and telecommunications equipment. Submit these CIP requirements as follows:

8.7.1.3.3.1. Budget for computer and telecommunications resources in three separate categories: (1) Data Processing Installation (DPI), (2) Central Design Activity (CDA), and (3) other support.

8.7.1.3.3.1.1. Display the DPI costs as follows: (1) computer hardware (production), (2) computer software (operating systems), and (3) telecommunications. These costs support the operation and the production of data processing installations.

8.7.1.3.3.1.2. Display the CDA costs as follows: (1) computer hardware (test beds), (2) computer software (operating system), and (3) telecommunications. The CDA functions include new design and redesign, software modification and conversion, software maintenance, and management and technical support.

8.7.1.3.3.1.3. Other computer and telecommunications resource costs include other capital investments associated with the DPI and CDA business area. Other support includes investments such as uninterrupted power sources and air conditioning required to support any TWCF computer and telecommunications capital resources. Separately describe and justify other support valued at \$150 thousand or more.

8.7.1.3.3.2. TWCF Capital budgeting is also required for any local area network (LAN) acquisition, modifications, LAN software, and system upgrades, exclusive to TWCF organizations. Submit ancillary equipment requirements (i.e., individual computers, printers, etc.) in the TWCF Operating budget, whose primary purpose is to operate independently from the LAN and individually cost less than \$100 thousand. Also, include in the TWCF Operating budget the purchase of repair parts, components, spares, and computer requirements (individually costing less than \$100 thousand) to replace failed components that must be functionally equivalent to the unit replaced. We recommend you prepare separate requirements documents (i.e., CSRDs) for those items integral to the LAN operation and for all other items not integral to the LAN operation.

8.7.1.3.4. Software Development (BPAC 24XXX). This includes the actual development and acquisition of the information system, excluding weapons systems. Budget for software development as CDA support. HQ AMC/A6 currently serves as the TWCF CDA. The CDA support costs for software development will include the full cost of software development displayed in four parts: (1) planning and system design, (2) system development, (3) deployment, including environmental and operational test and installation, and (4) systems maintenance. An EA is required.

8.7.2. Execution. You must obligate CIP purchases in the fiscal year funding is received. Closely monitor all TWCF Capital purchases to ensure timely installation and completion.

8.7.3. Commitment Accounting. Use commitment accounting for TWCF Capital funding execution. Title 31 USC, Section 1517 and DoDFMR 7000.14, Volume 14, *Administrative Control of Funds and Antideficiency Act Violations* places limitations on CIP funding.

## Chapter 9

### REAL PROPERTY MAINTENANCE AND REPAIR (MR)

**9.1. General Information.** Facility MR is a TWCF Operating budget expense. Therefore, a threshold is not used to define/limit these projects.

#### **9.2. Explanation of Terms.**

9.2.1. Real Property MR Projects. These projects are defined as recurring maintenance, repair, and renovation work accomplished (contract and in-house) for real property (buildings, warehouses, paved areas, and other real property) exclusively used or operated by TWCF activities. Costs executed from operating budgets include real property MR projects undertaken to preserve the physical structure of the facility or its support systems. It also includes any MC work with funded costs less than \$100K accomplished in support of a TWCF activity/facility. See [Table 6.1.](#) for a list of those facilities that qualify for TWCF MR funding.

9.2.1.1. Fund and execute all TWCF MR costs in BPAC 3XX, to include all MC projects with total funded costs less than \$100 thousand.

9.2.1.2. Fund and execute all A-E design costs associated with MR projects in BPAC 101.

9.2.2. MR projects \$2 million or more require an approved EA before issuing funds. MR projects \$3 million and up to \$5 million requires HQ AMC/A75 approval with an information copy to SAF/MII. Additionally, MR projects \$5 million or greater requires HQ AMC/A75 *and* SAF/MII approval.

9.2.3. Reprogramming of TWCF MR (BPAC 3XX) funds to TWCF Operating (BPAC 101) funds or vice versa requires HQ AMC/A78/A88 approval. Commanders wishing to reprogram will submit a base FMA/CER request with the proper justification and dollar amount. HQ AMC/A78/A88 will consider each request on its own merit and overall command impacts. If approved, AMCFSS/A88I (Funds Control) will issue funding documents to reflect the changes.

## Chapter 10

### MANAGEMENT HEADQUARTERS AND GENERAL & ADMINISTRATIVE (G&A) COSTS

**10.1. General Information.** Each WCF activity or group of activities is under the management control of a designated DoD component. In accordance with DoDFMR 7000.14, Volume 2B, chapter 9, paragraph H1, managers of business areas within the WCF must establish their prices based upon full cost recovery, including all G&A support provided by others. The WCF headquarters management relates to specific WCF activity operations and is separate from the general policy direction for the DoD or a DoD component. The supplemental provisions of the WCF Charter (Management Command) should identify WCF funding of management headquarters for each applicable business area. DoDI 4000.19, *Interservice and Intragovernmental Support*, defines those types of incremental common support direct costs that are legitimately chargeable to WCF. Identifiable incremental costs incurred are those additional measurable and attributable base support costs incurred as a result of the presence of the WCF activity.

**10.2. Identification and Payment for Headquarters Costs.** The WCF should directly fund G&A costs for discrete WCF management headquarters organizations, and parts of organizations that perform WCF management headquarters functions, if feasible or, if not feasible, reimbursed by WCF on a pro rata basis. Additionally, allocate, if feasible, any significant costs for common support (e.g., counsel and personnel) at organizations partially funded or reimbursed by the WCF (i.e., that have direct WCF management responsibilities). Reimburse only significant headquarters costs from WCF, i.e., those exceeding 1 percent of the total business area costs, or \$1 million, whichever is greater.

10.2.1. USTRANSCOM. USTRANSCOM is considered TWCF management oversight and the TWCF funds for its daily operations (excluding support costs provided to USTRANSCOM funded from AMC O&M) under fund code 6F. USTRANSCOM passes these costs along to the individual TWCF components (AMC, MSDDC, and MSC) in the form of USTRANSCOM G&A costs. HQ AMC/A88 retains the programming and execution of these costs at command level.

10.2.2. AMC. This headquarters is funded from the DoD component's (Air Force) O&M 3400 funds, with the exception of those HQ AMC organizations that provide direct administrative support to the TWCF. The TWCF reimburses O&M at the command level for HQ AMC G&A costs based on a pro rata share of support costs in the program element (PE) codes listed below. The pro rata share is based on the primary AMC TWCF bases (Charleston, Dover, McGuire, Pope, Travis, Scott and McChord). HQ AMC/A88 budgets for future year G&A costs by determining the amount of O&M funding in the PB/POM, in the following PEs, multiplied by the percent of TWCF personnel residing at each location.

10.2.2.1. PE 41856 – Environmental Compliance.

10.2.2.2. PE 41976 – Restoration and Modernization (under \$750 thousand).

10.2.2.3. PE 41978 – Sustainment.

10.2.2.4. PE 41879 – Real Property Services.

10.2.2.5. PE 41890 – Visual Information Activities.

10.2.2.6. PE 41895 – Command and Base Communications.

10.2.2.7. PE 41896 – Base Operations.

10.2.3. DFAS. The TWCF reimburses DFAS for accounting support as a G&A cost. DFAS determines the requirements based on actual work counts at USD(C) approved rates. HQ AMC/A88 retains the budgeting and execution of DFAS G&A costs at command level.

## Chapter 11

### UNIT COST RESOURCING

**11.1. General Information.** Unit Cost Resourcing (UCR) represents a significant change to existing resource allocation techniques and financial management operations. The primary objectives of UCR are to (1) increase total cost visibility of operating support, (2) give operating forces a greater role in determining their required level of support, (3) create budget savings by making support more efficient, and (4) develop mission budgets.

#### 11.2. Explanation of Terms.

11.2.1. Customer. Organizations, either operational or support, who purchase support services in the operations of the benefiting organization.

11.2.2. Provider. Any support activity whose output or service is sold to other commands or services at a rate incorporating the full cost of producing that output. The provider is the organization that performs the function. The provider does not usually originate the requirement for support.

11.2.3. Unit Cost. This represents the cost of producing one item of a product or providing one unit of service. Unit costs are determined by dividing the total dollar cost (including overhead, plant and equipment) of inputs used to produce an output by the total units of output produced.

11.2.4. Unit Cost Resourcing (UCR). This term refers to the process by which USD(C) makes funding allocations based on unit cost per output times expected workload. It is essentially performance budgeting which facilitates appraisal of on-going performance, adjustment of budgets to reflect changes in volume of necessary work units, and changes in unit cost. The UCR applies to all activities within the WCF and to those activities tested for inclusion in the WCF.

**11.3. Concept.** UCR extends cost per output from productivity and management purposes to a funding device. Allocation of funding to an activity under UCR is a function of output times the unit cost (or cost per output). Under full UCR implementation, instead of receiving a direct annual appropriation, providers would earn their budget revenue based on their unit costs and customer requirements. Furthermore, output is determined by the benefiting activity, not the providing activity. In theory, if customers (generally, operating commands) of major support activities determine the type and amount of support desired, support commands will have to produce only those outputs that fulfill that demand and no more. The UCR, therefore, is designed to introduce behavioral changes that drive efficiencies in the support infrastructure.

**11.4. Organizing Support Activities.** There are three ways of organizing support activities to be funded under UCR, as follows:

11.4.1. First, funding is received from normal channels subject to unit cost control. Customers determine the output levels and, therefore, budget authority, but only indirectly. End-of-year closeout requires careful estimation of customer demand and possibly a commensurate increase in funding authority from headquarters.

11.4.2. Second, a form of UCR is fee-for service. In this case, the customer pays for the support through an appropriated reimbursement, thereby directly determining the provider's type and amount of output. As with direct appropriations, closeout actions must ensure obligations do not exceed the earned budget authority.

11.4.3. Finally, another form of UCR is the Revolving Fund Concept. Revolving funds use the fee-for-service (or goods) concept but provide greater flexibility in management. For example, in the other two funding channels, APF rules must apply whereas in the revolving fund, the funding is "colorless" (not appropriation specific), and the overall funds manager can concentrate on reducing cost and generating revenues. Revenue is earned as sales rather than a negotiated reimbursement.

**11.5. Unit Cost Calculation Methodology.** For WCF entities, revenue and expense unit cost calculations identified for each business area must use capability based on like workload indicators in order to maintain a direct relationship between unit costs and actual earnings.

## Chapter 12

### CASH MANAGEMENT

**12.1. Definition.** The definition of TWCF cash management are those actions necessary to maintain appropriate levels of cash to meet operational and capital requirements, as outlined in DoDFMR 7000.14, Volume 11B, chapter 12.

**12.2. Purpose.** The policy for TWCF cash management is to maintain a minimum cash balance necessary for meeting operational and disbursement requirements to support the Capital program.

**12.3. Cash Availability.** Cash generated from operations is the primary means of maintaining adequate cash levels within TWCF. The ability to generate cash is dependent on rates that recover costs to include prior year losses, determine accurate workload projections, and meet established operational goals. Aggressive revenue collection procedures are also essential in maintaining adequate cash balances. Cash shortage correction efforts, necessary to meet minimum cash requirements and prevent a violation of the Antideficiency Act, will initially focus on those business areas and processes failing to meet operational plans, which contribute to cash shortages.

**12.4. Cash Level Criteria.** Effective cash management is directly dependent on the availability of accurate and timely data on cash levels and operational results. The present criteria are for cash levels to be maintained at 7 to 10 days of operational cost (\$1.5 to \$2.1 billion for the WCF as a whole) and sufficient cash adequate to meet 4 to 6 months of capital disbursements (\$0.5 to \$0.9 billion against the WCF as a whole). Improvements in management data as well as changes in operational needs and capital requirements may dictate subsequent changes in the established cash level criteria. USD(C) reviews the criteria at least annually as part of the overall budget review and directs any changes through the Program Budget Decision (PBD) process.

**12.5. Cash Management Plan.** The director for Revolving Funds, Office of the DoD Deputy Comptroller (Program and Budget), will develop an annual cash plan to facilitate the cash management process. The plan shall consider collections, disbursements, appropriations, and other cash transactions based on DoD Component estimates initially developed during the budget process and will be an integral part of the budget document. In addition, DoD requires a monthly phasing of the cash plan to monitor its execution.

12.5.1. A monthly execution review should lead to increased management attention to reduce cost, emphasize timely billing collection of revenue, and timely disbursements. Resolve any variances from collection and disbursement plans of \$50 million for each business area. Overall cash balances of less than \$1 billion require immediate action to increase cash levels.

12.5.2. The USTRANSCOM cash plan (Fund Exhibit 13) for the TWCF is submitted to USD(C) as a part of the budget submission for review. Additionally, USTRANSCOM/TCJ8 coordinates its cash plans through SAF/FMB since USTRANSCOM is administratively aligned under the AFWCF for cash management purposes.

**12.6. Cash Management Responsibilities.** The divisions of responsibilities include:

12.6.1. Office of the Deputy Comptroller for Program and Budget.

- 12.6.1.1. Develops overall cash plans based on the impact of operations, appropriations, reprogramming, and other cash transactions.
- 12.6.1.2. Monitors overall cash levels and establish procedures to correct short-term cash shortages.
- 12.6.2. Defense Finance and Accounting Service (DFAS) responsibilities.
  - 12.6.2.1. Provides timely and accurate reporting of cash levels by component and business area.
  - 12.6.2.2. Improves cash reporting with the goal of providing real-time cash balances.
  - 12.6.2.3. Works with DoD components to correct finance and accounting problems and provide details of DFAS changes to accounting reports.
  - 12.6.2.4. Ensures collections and disbursements are consistent with established policy.
  - 12.6.2.5. Takes immediate corrective action to resolve cash shortages by implementing advance billing procedures when the overall cash level falls below \$1 billion, upon determining the cash shortage is not the result of an anomaly.
- 12.6.3. The AMC TWCF cash management administrator is HQ AMC/A8, who will:
  - 12.6.3.1. Establish cash plans based on the approved budget.
  - 12.6.3.2. Monitor collections and disbursements to assess operational or financial problems.
  - 12.6.3.3. Work with DFAS and USTRANSCOM, as appropriate, to take necessary action to correct operational problems contributing to deviations from cash plans.
  - 12.6.3.4. Monitor DFAS revenue recognition, progress billing, and ensure adherence of collection policies, including the minimization of outstanding receivables.
  - 12.6.3.5. Work with DFAS to correct finance and accounting problems contributing to deviations from the cash plan.

**12.7. Forms Adopted.** AF Form 15, **United States Air Force Invoice** AF Form 315, **United States Air Force Avfuels Invoice—POL Charges** AF Form 406, **Miscellaneous Obligation Reimbursement Document** AF Form 616, **Fund Cite Authorization** AF Form 847, **Recommendation for Change to Publication** AMC Form 41, **Flight Authorization** DD Form 448, **Military Interdepartmental Purchase Request (MIPR)** DD Form 1131, **Cash Collection Voucher** SF 1080, **Voucher for Transfers Between Appropriations and/or Funds** SF 1081, **Voucher and Schedule of Withdrawals and Credits.**

DAVID E. PRICE, Colonel, USAF  
Comptroller

**Attachment 1****GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION*****References***

10 USC, Section 2208, *Working Capital Funds*

10 USC, Section 2642, *Reimbursement Rate for Airlift Services Provided to Central Intelligence Agency*

31 USC, Section 1301, *Application*

31 USC, Section 1341, *Limitations on Expending and Obligation Amounts*

31 USC, Section 1517, *Prohibited Expenditures and Obligations*

DoDI 4000.19, *Interservice and Intragovernmental Support*

DoD 4500.9-R, *Defense Transportation Regulation, Part I, Passenger Movement*

DoDD 4500.54, *Official Temporary Duty Travel Abroad*

DoD 4515.13-R, *Air Transportation Eligibility*

DoDFMR 7000.14, Volume 2B, *Budget Formulation and Presentation*

DoDFMR 7000.14, Volume 3, *Budget Execution—Availability and Use of Budgetary Resources*

DoDFMR 7000.14, Volume 4, *Accounting Policy and Procedures*

DoDFMR 7000.14, Volume 5, *Disbursing Policy and Procedures*

DoDFMR 7000.14, Volume 11B, *Reimbursable Operations, Policy and Procedures – Working Capital Funds (WCF)*

DoDFMR 7000.14, Volume 14, *Administrative Control of Funds and Antideficiency Act Violations*

DoDFMR 7000.14, Volume 15, *Security Assistance Policy and Procedures*

DoDI 7041.3, *Economic Analysis for Decision Making*

AFI 11-2C-5, Volume 3, *C-5 Operations Procedures*

AFI 11-2C-17, Volume 3, *C-17 Operations Procedures*

AFI 16-101, *International Affairs and Security Assistance Management*

AFI 21-110, *Engineering and Technical Services*

AFI 25-101, *War Readiness Material (WRM) Program Guidance and Procedures*

AFI 25-201, *Support Agreement Procedures*

AFI 32-1032, *Planning and Programming Real Property Maintenance Projects Using Appropriated Funds (APF)*

AFI 32-1061, *Providing Utilities to US Air Force Installations*

AFI 33-110, *Data Administration Program*

AFI 36-3014, *Clothing Allowance for Air Force Personnel*

AFI 38-203, *Commercial Activities Program*

AFI 48-123, *Medical Examinations and Standards*

AFI 64-117, *Air Force Government-Wide Purchase Card Program*

AFI 65-503, *US Air Force Cost and Planning Factors*,

AFI 65-601, Volume 1, *Budget Guidance and Procedures*

AFI 65-601, Volume 3, *The Air Force Budget Corporate Process*

AFI 65-604, *Appropriation Symbols and Budget Codes*

AFI 91-213, *Operational Risk Management (ORM) Program*

AFMAN 37-139, *Records Disposition Schedule*

AFOSH 91-501, *Air Force Consolidated Occupational Safety Standard*

AFM 67-1, Volume 7, Part 1, *Mechanized Materials Handling Systems and Storage Aids System*

AMCI 24-101, Volume 6, *Military Airlift Transportation – Transportation Documentation, Data, Records, and Reports*

AMCI 24-101, Volume 9, *Military Airlift Air Terminal Operations Center*

AMCI 24-101, Volume 14, *Military Airlift Passenger Service*

AMCI 65-601, *AMC Headquarters Financial Management for Operations*

AMCS1 to AFI 65-601, Volume 1, *Budget Guidance and Procedures*

AMCPAM 65-603, *Budget Operating Guidance*

DFAS-DE 7000.1-R, *Responsibility Center/Cost Center Codes*

DFAS-DE 7010.1-R, *General Accounting and Finance Systems at Base Level*

GAO, Volume 1, *Principles of Federal Appropriations Law*

GAO, Volume 2, *Principles of Federal Appropriations Law*

OMB Circular A-11, *Preparation and Submission of Budget Estimates and Strategic Plans or Planning, Budgeting, and Acquisition of Fixed Assets*

OMB Circular A-94, *Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs*

DFAS-DE, *Interim Guidance on Procedures for Travel Accounting Operations*

AMC Tariff Rate Guide, *US Government Airlift Rates and Non-US Government Airlift Rates* (see [Chapter 6](#), paragraph [6.2.3](#) for web site address)

### ***Abbreviations and Acronyms:***

**A8**—Financial Management and Comptroller (A-Staff)

**A88**—Financial Management and Comptroller – Budget

**A88I**—Financial Management and Comptroller – Budget - Integration

**A88IC**—Financial Management and Comptroller – Budget – Integration - Cost

- | **A88T**—Financial Management and Comptroller – Budget - Transportation Working Capital Fund
- | **A87**—Financial Management and Comptroller – Programs and Analysis
- | **A87D**—Financial Management and Comptroller – Programs and Analysis – Transportation Working Capital Fund Billing and Accounting Reconciliation
- A-E**—Architect-Engineering
- ACM**—Additional Crewmember
- ADP**—Automated Data Processing
- ADPE**—Automatic Data Processing Equipment
- ADSN**—Accounting and Disbursing Station Number
- AE**—Aeromedical Evacuation
- AEF**—Air Expeditionary Force
- AEP**—Accrued Expenditures Paid
- AEU**—Accrued Expenditures Unpaid
- AFCAIG**—Air Force Cost Analysis Improvement Group
- AFMC**—Air Force Material Command
- AFRC**—Air Force Reserve Command
- AFSF**—Air Force Stock Fund
- AFWCF**—Air Force Working Capital Fund
- AHS**—AMC Historical System
- ALOC**—Air Line of Communications
- AMC**—Air Mobility Command
- AMCFSS**—Air Mobility Command Financial Support Squadron
- AMOCC**—Air Mobility Operations Control Center
- AMOG**—Airlift Mobility Operations Group
- ANG**—Air National Guard
- APF**—Appropriated Funds
- APOE**—Aerial Port of Embarkation
- ASECNA**—Agency for Air Navigation Safety in Africa and Madagascar
- ASIF**—Airlift Service Industrial Fund
- ASIFICS**—Airlift Service Industrial Fund Integrated Computer System
- ATCBT**—Air Transportation Computer Based Training
- AVPOL**—Aviation Petroleum Oil and Lubricants
- BASH**—Bird Aircraft Strike Hazard

**BCE**—Base Civil Engineer  
**BIR**—Benefit to Investment Ratio  
**BPAC**—Budget Project Account Code  
**BRAC**—Base Realignment and Closure  
**CA**—Cost Analysis  
**CBA**—Central Billed Account  
**CBAS**—Command Budget Automated System  
**CCA**—Command-to-Command Agreement  
**CDA**—Central Design Activity  
**CIC**—Customer Identification Code  
**CIP**—Capital Investment Program  
**CJCS**—Chairman, Joint Chiefs of Staff  
**COMM**—Commitment  
**CRAF**—Civil Reserve Airlift Fleet  
**DAPS**—Defense Automated Printing Service  
**DBOF**—Defense Business Operations Fund  
**DBOF-T**—Defense Business Operations Fund-Transportation (see paragraph [1.1.4.](#))  
**DCS**—Defense Courier Service  
**DESC**—Defense Energy Support Center  
**DFAS**—Defense Finance and Accounting Service  
**DFAS-OM**—Defense Finance and Accounting Service-Omaha  
**DITCO**—Defense Information Technology Contracting Organization  
**DLR**—Depot Level Repairables  
**DMAG**—Depot Management Activity Group  
**DoD** —Department of Defense  
**DRU**—Direct Reporting Unit  
**DV**—Distinguished Visitor  
**EA**—Economic Analysis  
**EEIC**—Element of Expense and Investment Code  
**EPA**—Environmental Protection Agency  
**ERA**—Environmental Restoration Account  
**ESP**—Emergency and Special Program

**FC**—Fund Code  
**FMA**—Financial Management Analysis  
**FSL**—Forward Supply Location  
**FSO**—Financial Services Office  
**FY**—Fiscal Year  
**FYDP**—Future Year Defense Program  
**G&A**—General and Administrative  
**GATES**—Global Air Transportation Execution System  
**GLAC**—General Ledger Accounting Code  
**HAZMAT**—Hazardous Material  
**HQ**—Headquarters  
**IDT**—Inactive Duty Training  
**IMA**—Individual Mobilization Augmentee  
**INMARSAT**—International Maritime Satellite  
**IWIMS**—Interim Work Information Management System  
**JA/ATT**—Joint Airborne/Air Transportability Training  
**LAN**—Local Area Network  
**MAR**—Minimum Activity Rate  
**MC**—Minor Construction  
**MEDEX**—Medical Express  
**MEGP**—Mission Essential Ground Personnel  
**MILCON**—Military Construction  
**MIPR**—Military Interdepartmental Purchase Request  
**MMO**—Mobility Mission Observer  
**MOA**—Memorandum of Agreement  
**MORD**—Miscellaneous Obligation Reimbursement Document  
**MOU**—Memorandum of Understanding  
**MPA**—Military Personnel Appropriation  
**MR**—Maintenance and Repair  
**MRS**—Mission Route Support  
**MRT**—Maintenance Recovery Team  
**MSC**—Military Sealift Command

- MSDDC**—Military Surface Deployment and Distribution Command (formerly Military Traffic Management Command (MTMC))
- NAF**—Numbered Air Force
- NMC**—Not Mission Capable
- NOR**—Net Operating Result
- NPV**—Net Present Value
- O&M**—Operation and Maintenance
- O&S**—Operating and Support
- OAC**—Operating Agency Code
- OBAN**—Operating Budget Account Number
- OCONUS**—Outside the Continental United States
- OLVIMS**—On-Line Vehicle Interactive Management System
- OMB**—Office of Management and Budget
- ORM**—Operational Risk Management
- OSIA**—On-Site Inspection Agency
- OUSDC(C)**—Office of Undersecretary of Defense (Comptroller)
- PAA**—Primary Assigned Aircraft
- PB**—President’s Budget
- PCS**—Permanent Change of Station
- PE**—Program Element
- POC**—Point of Contact
- POL**—Petroleum Oil and Lubricants
- POM**—Program Objective Memorandum
- RAFO**—Regional Accounting and Finance Office
- RC/CC**—Responsibility Center/Cost Center
- REMIS**—Reliability and Maintainability Information System
- RIF**—Reduction-in-Force
- RSP**—Readiness Spare Package
- SAAM**—Special Assignment Airlift Mission
- SBSS**—Standard Base Supply System
- SD**—Strategic Distribution
- STEM**—Systems Telecommunications Engineering Manager

**TACC**—Tanker Airlift Control Center  
**TALCE**—Tactical Airlift Control Element  
**TCTO**—Time Compliance Technical Order  
**TDY**—Temporary Duty  
**TMO**—Transportation Management Office  
**TWCF**—Transportation Working Capital Fund  
**UCR**—Unit Cost Resourcing  
**UMD**—Unit Manning Document  
**UOO**—Undelivered Orders Outstanding  
**USC**—United States Code  
**USAF**—United States Air Force  
**USD**—Undersecretary of Defense  
**UTC**—Unit Tasking Code  
**USTRANSCOM**—United States Transportation Command  
**WCF**—Working Capital Fund  
**WRM**—War Readiness Material

## Attachment 2

### DETAILED SUMMARY OF REVISIONS

#### A2.1. General. This attachment is applicable to basic publication dated 1 December 2002.

A2.1.1. Changed all references to the \$500 thousand (\$500K, \$500,000) threshold for unspecified minor construction to \$750 thousand (\$750K, \$750,000) to comply with the FY02 Defense Authorization Act, P.L. 107-107, Title 28, Section 2801(b)(2).

A2.1.2. **Attachment 1** is updated to include additional acronyms and references and delete those that are no longer applicable.

A2.1.3. Updated DoDFMR 7000.14, Volume 11B chapter and paragraph references throughout the instruction, as appropriate, to conform to the USD(C) published revised changes effective October 2002.

#### A2.2. Chapter 1:

A2.2.1. Paragraph **1.2.3.1.**, changed distribution of annual tariff rate publication to October in lieu of August.

A2.2.2. Added new paragraph **1.2.3.1.2.** on circumstances where DoD airlift rates are charged to non-DoD US Government agencies.

A2.2.3. Revised paragraph **1.2.3.3.** on the proper collection of landing fees from civil aircraft at AMC CONUS bases that maintain a TWCF operation.

A2.2.4. Added new paragraph **1.3.** and subparagraphs **1.3.1.** through **1.3.4.** on the financial administration of TWCF (formerly **Chapter 12** of the previous publication).

A2.2.5. Added new paragraph **1.2.5.7.** to include Group Travel as reimbursable to TWCF from AMC O&M.

A2.2.6. Renumbered paragraphs **1.3.**, **1.4.**, **1.5.**, and **1.6.** of the previous publication to **1.4.**, **1.5.**, **1.6.**, and **1.7.** respectively.

A2.2.7. Paragraph **1.6.** revised the referenced AMC/FM web site.

A2.2.8. Paragraph **1.7.** revised address to send requests for changes to AMCI 65-602.

#### A2.3. Chapter 2.

A2.3.1. Revised paragraph **2.2.** to clarify the various data elements in the AMC TWCF accounting classification and include the appropriation symbol and fund code for DCS TWCF.

A2.3.2. Revised paragraph **2.3.1.** to delete the former AFI 33-110 reference and to provide a more suitable reference for an EEIC definition.

A2.3.3. Revised paragraph **2.3.2.** to include specific TWCF-coded aerial port functions assigned to the Logistics Readiness Squadron under PE 41125.

A2.3.4. **Table 2.1.** moved McChord AFB from the assigned C-141 RC/CC to the assigned C-17 RC/CC for aircrew lodging. Note 1 replaced McChord AFB with McGuire AFB.

A2.3.5. Paragraph 2.3.5.9. replaced “NationsBank” with “Bank of America”

A2.3.6. Revised paragraph 2.4.9. to clarify UOO rollover process.

A2.3.7. Added paragraph 2.4.10. on the application of the bona fide need rule to TWCF.

#### **A2.4. Chapter 3.**

A2.4.1. Paragraph 3.2.2. updated the referenced web site address.

A2.4.2. Added new paragraph 3.2.4. on the prohibition of collecting landing fees received from civil aircraft into TWCF as a sale of service other than airlift, at AMC CONUS bases that maintain a TWCF operation.

A2.4.3. Paragraph 3.3.4. replaced all references of “DAO” with “FSO”.

#### **A2.5. Chapter 4.**

A2.5.1. Paragraph 4.3.2. revised the acronym definition for AFCA.

A2.5.2. Paragraph 4.3.4.2. deleted references to AFMC C-141, AETC C-141, and ACC KC-135 aircraft.

A2.5.3. Paragraph 4.3.4.2.1. replaced “AMC Historical System (AHS)” with “Reliability and Maintainability Information System (REMIS)”.

A2.5.4. Paragraph 4.3.4.2.2. deleted references to ACC and AFMC.

#### **A2.6. Chapter 5.**

A2.6.1. Revised paragraph 5.1.2.2. to include to SD landbridge cargo.

A2.6.2. Deleted paragraph 5.1.2.11. in the previous publication as it is no longer applicable. Renumbered paragraph 5.1.2.12. of the previous publication to 5.1.2.11. accordingly.

A2.6.3. Revised paragraph 5.2.2.1. to change SAAM requirements flow.

A2.6.4. Revised paragraph 5.2.2.1.1. to reflect the new office of responsibility for SAAM charges and billings.

A2.6.5. Revised paragraph 5.2.2.1.2. to reflect current process for resolving variances in SAAM mission flows versus the plan.

A2.6.6. Revised paragraph 5.2.2.2. to reflect changes to SAAM billing procedures.

A2.6.7. Paragraph 5.2.3.2. replaced “Equipment Inventory Multiple Status Utilization Reporting System (EIMSURS)” with “REMIS”.

A2.6.8. Paragraph 5.2.5.3. replaced “EIMSURS” with “REMIS” and revised paragraph to include the HQ AMC office that provides the REMIS report.

A2.6.9. Added paragraph 5.3.8. on airlift mission cancellation fees.

A2.6.10. Added paragraph 5.4. and subparagraphs to provide AMC TWCF policy on charging AFRC/ANG passengers transported on AFRC/ANG aircraft flying TWCF and non-TWCF missions that are manifested at AMC terminals.

**A2.7. Chapter 6.**

- A2.7.1. Revised paragraph **6.2.3.** to include AMC/CC approval of the TWCF budget based on the recommendation of the HQ AMC BAB. Revised the referenced AMC/FM web site.
- A2.7.2. Revised paragraph **6.3.1.4.6.** to include AFI 11-series references.
- A2.7.3. Paragraph **6.3.1.4.9.**, added “E” mobility bags.
- A2.7.4. Added new paragraph **6.3.1.4.10.** on TWCF funding for individual equipment uniform clothing issues.
- A2.7.5. Added new paragraph **6.3.1.4.11.** on TWCF funding for systems furniture for new facilities.
- A2.7.6. Paragraph **6.3.1.6.2.** changed the limitation on damage repair to TWCF facilities resulting from catastrophes or Acts of God from “\$200 thousand” to “\$750 thousand”.
- A2.7.7. Paragraph **6.3.1.6.6.1.** changed the limitation on MR funding for facility projects to correct a life, health, or safety-threatening deficiency from “\$1M” to “\$1.5M” to comply with the FY02 Defense Authorization Act, P.L. 107-107, title 28, section 2801(b)(1).
- A2.7.8. Revised paragraph **6.3.1.6.6.4.** by adding “other CE services”.
- A2.7.9. Clarified paragraph **6.3.1.7.2.** on payment of border clearance inspection charges.
- A2.7.10. Revised paragraph **6.3.1.7.9.7.1.**
- A2.7.11. Paragraph **6.3.1.7.9.7.2.** added AFI 65-601, Volume 1, AMCS1 reference.
- A2.7.12. Paragraph **6.3.1.7.9.7.3.** added AFI 65-601, Volume 1, AMCS1 reference.
- A2.7.13. **Table 6.1.** added category codes 422-264, Storage Igloos (Aerial Port bldgs 809 and 810 – applicable only to McChord AFB); 422-258, In-Transit Munitions Facility (applicable only to RAF Mildenhall); 852-273, Aircraft Support Equipment Storage Yard to the list of TWCF-eligible facilities. Deleted category codes 214-425, Vehicle Maintenance Shop; 610-711, Plant, Data Processing (Kadena AB only); 723-388, In-Flight Kitchens. Clarified category codes 218-872, Aerospace Ground Equipment Storage Facility and 218-852, Shop, Parachute and Dinghy Repair, on applicability to TWCF.
- A2.7.14. Revised paragraph **6.3.1.7.5.** for clarity and to include Iridium airtime services. Also expanded paragraph to exclude TWCF funding for exterior communications cabling (common infrastructure support) from a TWCF facility to the base communications distribution system unless it is unique to the TWCF organization.
- A2.7.15. Paragraph **6.3.1.7.8.1.**, added a sentence providing reference to paragraph **6.6.5.14.** on transportation costs excluded from TWCF funding.
- A2.7.16. Added paragraph **6.3.1.7.8.4.** on TWCF funding for the shipment of aircraft parts from AFRC/ANG bases to support NMC aircraft flying TWCF missions.
- A2.7.17. Added paragraph **6.3.1.7.8.5.** that provides further reference in AMCI 65-602 for TWCF MRT funding of transportation costs of aircraft parts.
- A2.7.18. Paragraph **6.3.1.7.9.5.**, added a note that makes reference to the paragraph guidance in the AMC/PACAF/USAFE Command-to-Command Agreements.

- A2.7.19. Revised paragraph [6.3.1.7.9.9.](#) to include AMC and other Air Force/DoD locations in the 1<sup>st</sup> sentence..
- A2.7.20. Paragraph [6.3.1.7.9.9.2.](#) deleted “austere” from the 1<sup>st</sup> sentence.
- A2.7.21. Paragraph [6.3.1.7.9.9.3.](#), added a note that makes reference to the paragraph guidance in the AMC/PACAF/USAFE Command-to-Command Agreements.
- A2.7.22. Revised paragraph [6.3.1.7.9.9.4.](#) to reflect all landings at AMC locations.
- A2.7.23. Paragraph [6.3.1.7.10.](#) revised to clarify the exclusion of rental vehicles authorized on travel orders.
- A2.7.24. Paragraph [6.3.1.7.14.1.](#) revised sentence to clarify lease and rental of special vehicles must be unique to TWCF-assigned units.
- A2.7.25. Changed paragraph [6.3.1.7.19.](#) to reflect revised DoDFMR paragraph reference.
- A2.7.26. Added new paragraph [6.3.1.7.20.](#) on TWCF funding for HAZMAT spills and environmental contamination.
- A2.7.27. Added new paragraph [6.3.1.7.21.](#) and subparagraphs [6.3.1.7.21.1.](#) through [6.3.1.7.21.4.](#) which pertain to TWCF and O&M-funding allocation for HQ AMC initiatives that encompass TWCF and O&M operations.
- A2.7.28. Renumbered paragraph [6.3.1.7.20.](#) in previous publication to [6.3.1.7.22.](#)
- A2.7.29. Added new paragraph [6.3.1.7.23.](#) on TWCF funding for unique training course development.
- A2.7.30. Added new paragraph [6.3.1.7.24.](#) on TWCF funding for training costs of military and civilian personnel assigned to TWCF organizations only.
- A2.7.31. Revised paragraph [6.3.2.2.6.](#) excluding any vehicles from TWCF maintenance funding that are not utilized specifically by TWCF organizations and operated by TWCF personnel, as well as excluding GSA base-wide general purpose vehicles.
- A2.7.32. Paragraph [6.3.2.4.](#) deleted references to ACC and AFMC.
- A2.7.33. Added new paragraph [6.3.3.](#) and subparagraphs [6.3.3.1.](#), [6.3.3.2.](#), [6.3.3.3.](#), and [6.3.3.4.](#) on TWCF funding for SD landbridge cargo movements.
- A2.7.34. Paragraph [6.6.3.](#) changed all references of “\$200 thousand” to “\$750 thousand” (see paragraph [A2.7.6.](#) above).
- A2.7.35. Changed paragraph [6.6.5.](#) to reflect revised DoDFMR paragraph reference and to also include a statement on the exclusion of charging base support indirect costs to TWCF.
- A2.7.36. Revised paragraph [6.6.5.2.](#) to exclude from TWCF funding the purchase of aircraft structural and fire protection vehicles.
- A2.7.37. Revised paragraph [6.6.5.7.](#) on exception to excluding TWCF funding for Antiterrorism/Force Protection requirements directly relating to airlift transportation.
- A2.7.38. Revised paragraph [6.6.5.9.](#) to include reference to paragraph [6.3.1.7.12.](#)

- A2.7.39. Added new paragraph **6.6.5.13.** to exclude TWCF funding for the GSA lease of base-wide general purpose vehicles at AMC bases. Paragraph also provides a process for approval of exceptions to this prohibition.
- A2.7.40. Added new paragraph **6.6.5.14.** to exclude TWCF funding for transportation costs of cargo shipments except as provided in paragraph **6.3.1.7.8.1.**
- A2.7.41. Revised paragraph **6.6.6.** to exclude TWCF funding of environmental assessments for land purchases/leases.
- A2.7.42. Revised paragraph **6.6.7.** to include excluding TWCF funding of environmental assessments for disposal of land interests.
- A2.7.43. Revised paragraph **6.6.8.** for expanded clarification.
- A2.7.44. Paragraph **6.6.9.** deleted the text in the previous publication and replaced it with the prohibition of TWCF funding for personal-related items in the office workplace.
- A2.7.45. Revised paragraph **6.6.15.** to exclude the purchase of alcoholic beverages using TWCF funds.
- A2.7.46. Expanded paragraph **6.6.20.1.** on ASCENA air navigation and overflight fees for clarification purposes.
- A2.7.47. Added new paragraph **6.6.26.** to exclude TWCF funding for environmental contamination clean-up and any associated fines/penalties for EPA non-compliance at or near TWCF-assigned facilities that are not directly attributable to the TWCF organization that occupies the facility.
- A2.7.48. Added new paragraph **6.6.27.** to exclude TWCF funding for memberships in civic or professional organizations.
- A2.7.49. Added new paragraph **6.6.28.** to exclude TWCF funding for light refreshments at conferences, symposiums, or seminars. Renumbered paragraphs **6.6.27.** and **6.6.28.** in the previous publication to **6.6.31.** and **6.6.32.** respectively.
- A2.7.50. Added new paragraph **6.6.29.** to exclude TWCF funding for transient alert/maintenance.
- A2.7.51. Added new paragraph **6.6.30.** to exclude TWCF funding for seasonal decorations.
- A2.7.52. Revised paragraph 6.6.30.6. to clarify exclusion of group commanders in TWCF organizations from TWCF funding.
- A2.7.53. Added new paragraph 6.6.30.7. to exclude TWCF funding for wartime requirements for which there is no direct peacetime utility.
- A2.7.54. Added new paragraph 6.6.30.8. to exclude TWCF funding for funding BRAC-related base closure costs.
- A2.7.55. Paragraph **6.7.** added applicable DoDFMR reference.
- A2.7.56. Revised paragraph **6.8.** to include paragraph reference (**6.8.2.**) for applicable TWCF missions.
- A2.7.57. Revised paragraph **6.8.1.** to reflect revised billing guidance.
- A2.7.58. Revised paragraph **6.8.2.** to include Contingency missions.

A2.7.59. Revised paragraph **6.8.5.** to inform that the referenced MOU is being revised to reflect current established procedures and to include the DoD 4500.9-R reference.

A2.7.60. Paragraph **6.9.4.**, added a note that makes reference to the paragraph guidance in the AMC/PACAF/USAFE Command-to-Command Agreements.

A2.7.61. Revised paragraph **6.10.2.** to provide the correct DFAS Field Site location for the 615/621 AMOGs to submit their accounting documentation for contingency support.

A2.7.62. Revised paragraph **6.10.3.** to change the paragraph references.

## **A2.8. Chapter 7.**

A2.8.1. Deleted paragraph 7.1.8. of the previous publication concerning the Reports Control Symbol for the base TWCF Budget Estimate Submission. This is no longer required per DoDFMR 7000.14, Volume 2A, chapter 1, paragraph 010104.

## **A2.9. Chapter 8.**

A2.9.1. Deleted paragraph 8.2.10.7. of the previous publication.

A2.9.2. Revised paragraph **8.2.11.** to include Title 31 reference.

A2.9.3. Revised **Table 8.1.** to include 22.2 years for C-17 aircraft depreciation.

A2.9.4. Revised paragraphs **8.4.1.** and **8.4.2.** to include standard warranties offered by the contractor in the total cost of the CIP requirement and the exclusion of extended warranties from the CIP purchase.

A2.9.5. Changed paragraph **8.4.3.1.** to reflect revised DoDFMR paragraph reference.

A2.9.6. Paragraph **8.4.4.** changed “\$1M” to “\$1.5M” (see paragraph **A2.7.7.** above).

A2.9.7. Clarified paragraph **8.4.5.12.** on centrally managed equipment items.

A2.9.8. Paragraph **8.5.2.** added the DoDFMR paragraph reference.

A2.9.9. Changed paragraph **8.6.2.** to reflect revised DoDFMR paragraph reference.

A2.9.10. Changed paragraph **8.6.5.2.** to reflect revised DoDFMR paragraph reference.

## **A2.10. Chapter 9 – no changes.**

## **A2.11. Chapter 10.**

A2.11.1. Revised paragraph **10.2.2.** to better describe the AMC TWCF G&A reimbursement process.

A2.11.2. Paragraph **10.2.2.2.** change “41876” to “41976”.

A2.11.3. Paragraph **10.2.2.3.** change “41878” to “41978”.

## **A2.12. Chapter 11 – no changes.**

**A2.13. Chapter 12.** Deleted chapter 12 of previous publication and incorporated it into chapter 1 (see paragraph **A2.2.3.** above). Renumbered chapter 13 of the previous publication to chapter 12 and renumbered the paragraphs accordingly. No changes to chapter 12 from chapter 13 in the previous publication.

**Attachment 3**

**DEPARTMENT OF DEFENSE  
DEPARTMENT OF THE AIR FORCE  
AIR FORCE INDUSTRIAL FUND  
CHARTER FOR FINANCING OPERATIONS OF THE  
AIRLIFT SERVICE OF MILITARY AIR TRANSPORT SERVICES**

**I. AUTHORITY**

In accordance with Section 405 of the National Security Act of 1947, as amended, and Department of Defense Directive 5160.2, 7 December 1956, as amended, and the associated Terms of Reference, approved 17 September 1957, as amended, the Department of the Air Force is authorized hereby to finance the operations of the Airlift Service of the Single Manager Operating Agency under provisions of "Regulations Governing the Operation of Working Capital Funds for Industrial and Commercial-Type Establishments (Industrial Funds)" approved by the Secretary of Defense, hereinafter referred to as "Industrial Fund Regulations."

**II. PURPOSE**

Under the management control of the Secretary of the Air Force as the Single Manager, the purpose of the Airlift Service is to provide for the airlift of personnel, cargo, and other authorized services for agencies of the Department of Defense. As directed or authorized by the Single Manager, or higher authority as may be appropriate, the Airlift Service provides airlift of personnel and cargo and performs other services necessarily incident thereto for agencies of other government departments or instrumentalities and for private individuals or other agencies as are otherwise authorized by law. This charter is issued for the purpose of authorizing, and establishing the basis for, financing this Airlift Service.

**III. BASIS OF CHARGING FOR SERVICES**

Charges for airlift services furnished to agencies of the United States Government will be in accordance with published tariff rates developed by the Single Manager Operating Agency, which are approved by the Assistant Secretary of Defense (Comptroller) and shall be designed to reimburse the Airlift Service Industrial Fund for costs incurred in rendering such service, including applicable overhead. Such tariff rates may make provision for special rates or a cost-reimbursement basis for billing in connection with certain unusual types of airlift and other authorized services, as appropriate. In addition, charges for services furnished to individuals or agencies outside the United States Government shall include statistical costs as required by the Industrial Fund Regulations.

IV. WORKING CAPITAL

The initial cash working capital of the Airlift Service will be provided from the Air Force Industrial Fund in an amount stipulated in Appendix A attached to and made a part of this charter.

V. EXCEPTIONS

Exception to paragraph 7(e) of the Industrial Fund Regulations is authorized in that statistical costs need not be included in charges for services performed under treaties on international agreements in which specific exception is provided therefore, for other government agencies for which payments are to be received from appropriations of the United States Government, or for services performed for activities under the jurisdiction of the Armed Forces which are operated under nonappropriated funds.

Recommended:

Approved:

\_\_\_\_\_  
Assistant Secretary of the Air Force

\_\_\_\_\_  
Assistant Secretary of Defense (Comptroller)

Appendix A to the Charter

\_\_\_\_\_  
Initial cash working capital authorization for the Airlift Service  
account.....\$75,000,000.00

**NOTE:** The Airlift Service Industrial Fund was replaced by the Defense Business Operations Fund-Transportation, effective 1 October 1991 (FY92).

**Attachment 4****DEPARTMENT OF DEFENSE****AIR FORCE WORKING CAPITAL FUND****UNITD STATES TRANSPORTATION COMMAND ACTIVITY GROUP CHARTER****1. AUTHORITY**

The United States Transportation Command Working Fund Activity Group under the Air Force Working Capital Fund (WCF) is established, effective December 11, 1996, under the authority of Title 10, United States Code, section 2208. Operations of the activity will be conducted in accordance with applicable Department of Defense policies and regulations.

**2. MISSION**

The United States Transportation Command (USTRANSCOM) manages common-user transportation services. The mission of USTRANSCOM is to provide air, land, and sea transportation for the Department of Defense (DoD), both in time of peace and war. USTRANSCOM executes its mission through the three Transportation Command Components—Air Mobility Command, Military Sealift Command, Military Traffic Management Command, and a Direct Reporting Unit—Defense Courier Service.

**3. MANAGEMENT COMMAND**

Headquarters for USTRANSCOM is located at Scott AFB, Illinois. USTRANSCOM is also funded by the WCF and provides management oversight of USTRANSCOM's mission in order to meet Defense transportation requirements as effectively and efficiently as possible.

**4. ACTIVITY COMPOSITION**

Air Mobility Command (AMC), located at Scott AFB, Illinois, provides airlift services for the wartime deployment of fighting forces and support of peacetime activities to include humanitarian efforts.

Military Sealift Command (MSC), located at the Washington Navy Yard in Washington DC, provides sealift for deploying forces and delivers worldwide military dry cargo and petroleum during peacetime and war.

Military Traffic Management Command (MTMC), located at Falls Church, Virginia, manages freight movement, personal property shipments, and passenger traffic worldwide. MTMC operates common-user water terminals throughout the world and monitors movements through all the terminals.

Defense Courier Service (DCS), located at Ft Meade, Maryland, acts as the DoD agent for providing secure custody and rapid transfer of all highly classified or sensitive national security materials.

5. AUTHORIZED EXCEPTIONS

There are no policy exceptions for this activity.

6. CANCELLATION

The Defense Business Operations Fund-Transportation charter dated April 10, 1995, is hereby canceled as a result of the approval of this charter.

Submitted by:

\_\_\_\_\_  
Deputy Commander in Chief  
United States Transportation Command

Approved:

\_\_\_\_\_  
Under Secretary of Defense (Comptroller)

**Attachment 5**

**FUNDING MATRIX FOR TWCF UNITS**

COST CATEGORY	TWCF UNITS ON AMC BASES			TWCF UNITS ON OTHER AIR FORCE COMMAND BASES*				TWCF UNITS ON OTHER SERVICE INSTALLATIONS*				NAVY OPERATED AERIAL PORTS USED BY TWCF*			
	TWCF Funded	AMC O&M Funded	Other	TWCF Funded	AMC O&M Funded	Host Funded	Other	TWCF Funded	AMC O&M Funded	Host Funded	Other	TWCF Funded	AMC O&M Funded	Navy Funded	Other
Civilian Pay (Footnote 1)	X			X				X				X		X	
Travel or TDY (Footnote 2)	X			X				X				X			
Transportation of Things (Footnote 3)	X			X				X				X			
Equipment Rentals or Leased Space	X			X				X							
Utilities (Footnotes 4, 5, & 6)	X			X				X		X		X		X	
Communications (Except DSN and Other Common User-Type Services) (Footnote 32)	X			X				X				X		X	
Foreign National Indirect Hire (Footnote 1)				X				X				X		X	
RPM Contracts—Maintenance and Repair (MR) (Footnotes 4 & 5)	X			X				X		X		X		X	
RPM Contracts—Alterations or Minor Construction (MC) up to and including \$750,000 Per Project (Footnotes 4 & 5)	X			X				X		X		X		X	
Facility Maintenance and Repair (MR)— In-House (Footnotes 4 & 5)	X			X				X		X		X		X	
Maintenance of Vehicles or Equipment—By Contract, and MOGAS (Footnote 7)	X			X				X				X		X	
Maintenance of Vehicles or Equipment— In-House (Footnote 7)	X			X				X				X		X	
Fleet & Traffic Services (Footnote 8)	X			X				X				X			
Landing & Parking Fees (Footnote 9)	X			X				X							
Customs Charges (Footnote 10)	X			X				X				X			
Overflight Fees (Footnote 11)	X		X	X			X								
Contract/In-House A-E (Footnotes 4 & 5)	X			X				X				X		X	
Cable TV (Footnote 12)	X			X				X				X			

\*Refer to the applicable host-tenant intraservice or interservice support agreement for specific detailed reimbursement guidance.

COST CATEGORY	TWCF UNITS ON AMC BASES			TWCF UNITS ON OTHER AIR FORCE COMMAND BASES*				TWCF UNITS ON OTHER SERVICE INSTALLATIONS*				NAVY OPERATED AERIAL PORTS USED BY TWCF*			
	TWCF Funded	AMC O&M Funded	Other	TWCF Funded	AMC O&M Funded	Host Funded	Other	TWCF Funded	AMC O&M Funded	Host Funded	Other	TWCF Funded	AMC O&M Funded	Navy Funded	Other
Common User Communications (Footnote 32)		X				X				X				X	
Food Service and Other Food Related Items (Footnote 13)	X	X		X		X				X					X
Housing, Recreation Services, Housekeeping Supplies, & Equipment (Footnote 14)		X		X		X		X		X		X		X	
Custodial Services (Footnote 15)	X			X		X		X		X		X		X	
Other CE Services (Footnotes 4 & 5)	X			X						X				X	
Land or Grounds Maintenance (Footnotes 4 & 5)	X					X				X				X	
Maintenance of Idle Plants & Equipment & Disposal of Excess Property (Footnote 16)		X				X				X				X	
Claims for Injury, Death, Lost Cargo & Baggage (Footnote 17)		X				X					X				X
Minor Construction (MC) Projects (over \$750,000) (Footnote 30)			X MCP				X MCP				X MCP				X MCP
Civilian Employee Severance Pay (Footnote 1)	X			X				X				X		X	
Base Closure, Plant Closing, Layaway & Custody Costs		X				X				X				X	
Aircraft Refueling Service	X			X				X				X		X	
Security		X				X				X		X		X	
Mortuary			X				X				X				X
Local Purchasing & Contracting Services		X				X				X				X	
Dedicated Leased Line Communications and Other Direct Communications Support (Footnote 32)	X			X				X				X			
Medical Support (Footnote 18)	X		X	X			X	X			X	X			X
Excess & Surplus Property		X				X				X				X	
Retraining Programs		X				X				X				X	

\*Refer to the applicable host-tenant intraservice or interservice support agreement for specific detailed reimbursement guidance.

COST CATEGORY	TWCF UNITS ON AMC BASES			TWCF UNITS ON OTHER AIR FORCE COMMAND BASES*				TWCF UNITS ON OTHER SERVICE INSTALLATIONS*				NAVY OPERATED AERIAL PORTS USED BY TWCF*			
	TWCF Funded	AMCO&M Funded	Other	TWCF Funded	AMCO&M Funded	Host Funded	Other	TWCF Funded	AMCO&M Funded	Host Funded	Other	TWCF Funded	AMCO&M Funded	Navy Funded	Other
Laundry & Dry Cleaning (Footnote 19)	X			X				X				X			
Lodging—Contract (TWCF Aircrew Personnel Only) (Footnote 31)	X			X				X				X			
Lodging--On-Base (TWCF Aircrew Personnel Only) (Footnote 31)	X			X				X				X			
Aviation Fuel--Non-fly	X			X				X				X		X	
Aviation Fuel—Fly	X			X				X				X			
Supplies or Materials (Footnote 20)	X			X				X				X		X	
Equipment (Footnote 21)	X		X	X			X	X			X	X		X	X
ADP Rental/Maintenance (Footnote 22)	X			X				X				X		X	
Education and Training (Footnote 23)	X			X				X				X		X	X
Aircraft Depot Maintenance and Engineering Tech Services by Contract (Footnote 24)	X			X				X							
Base or En Route Maintenance (Footnote 25)	X		X	X				X				X			
Printing & Reproduction (Footnote 26)	X	X		X		X		X		X		X		X	
Fire Protection		X				X				X		X		X	
Weather		X				X				X				X	
Depot Level Repairables (DLRs)	X			X				X				X			
Commercial Augmentation (Footnote 27)	X			X				X				X			
General & Administrative (G&A) for BOS (Footnote 27)	X			X				X				X			
Aircraft Modification (Footnote 27)	X			X				X				X			
Aircraft and Other AFMC (Central) Procured Items (Footnote 28)			X				X				X				X
Postage (Footnote 29)		X		X				X				X			
Intelligence		X				X				X				X	
Awards (Footnote 33)	X			X			X					X			

\*Refer to the applicable host-tenant intraservice or interservice support agreement for specific detailed reimbursement guidance.

**NOTES:**

1. Funded by PEC of assignment and UMD. Reference **Chapter 6**, paragraph **6.3.1.1**.
2. See paragraph **6.3.1.7.9** for funding guidance. At Navy locations, additional contracting efforts or military to civilian conversion will be at Navy expense unless previously agreed to in writing by HQ AMC.
3. See paragraph **6.3.1.7.8** for funding guidance.
4. TWCF funds only for TWCF dedicated facility space, which is assigned a category code reflected in **Table 6.1**. Facilities include AMC airlift aerial ports, AMOGs, TALCEs (except at C-130 locations), airlift operation centers, airlift flying squadron facilities, and aircraft maintenance facilities. Reference **Chapter 6**, paragraphs **6.3.1.6** and **6.3.2.2.6** for more details. At Navy locations with TWCF aerial port facilities where TWCF does not have personnel assigned, reimbursement limited to activities receiving TWCF reimbursements the previous 30 September. Prorate reimbursements based on the percentage of TWCF as a share of the total workload.
5. Based on cross service agreements.
6. At Navy locations, costs shared based on AMC/CNO Agreement.
7. For TWCF assigned vehicles or equipment and support equipment.
8. Contracts for fleet and traffic service in support of the airlift transportation mission. Reference **Chapter 6**, paragraph **6.3.1.7.3**.
9. Commercial airfields only; excludes foreign military airfields per SECSTATE guidance. See **Chapter 6**, paragraph **6.3.1.7.7**.
10. Border clearance services for airlift missions (i.e., overtime pay for US Bureau of Customs inspectors and personnel of the US Department of Agriculture, US Public Health Service, and US Immigration and Naturalization Service). Reference **Chapter 6**, paragraph **6.3.1.7.2**.
11. Effective 1 Oct 97, all overflight fees are normally not chargeable per SECSTATE guidance. See **Chapter 6**, paragraph **6.6.20**.
12. Chargeable to TWCF when specifically approved for mission essential purposes in designated office or recreational areas within authorized TWCF facilities. Reference **Chapter 6**, paragraph **6.3.1.7.5**.
13. Snacks and beverages for passenger use on TWCF military organic aircraft. Excludes food preparation and food serving supplies. Reference **Chapter 6**, paragraphs **6.3.1.4.6.**, **6.3.1.7.22.**, and **6.6.5.5**.
14. Supplies and linens for TWCF dormitories at tenant (non-AMC) locations only. Reference **Chapter 6**, paragraph **6.3.1.4.7**.
15. At AMC or Air Force installations, all contract custodial services for TWCF unit assigned eligible facilities funded with TWCF Operating funds. See **Chapter 6**, paragraph **6.3.1.7.12**. For non-Air Force locations, funding based on cross service agreements.
16. Maintenance of idle plants and equipment is not a cost borne by a Working Capital Fund entity in accordance with DoDFMR 7000.14, Volume 11B, chapter 13, paragraph 131111.

17. Claims submitted by TWCF personnel on other than Air Force installations funded by the host O&M account from the nearest Air Force installation where the claim is adjudicated.
18. Only medical supplies issued and charged to TWCF units. Reference **Chapter 6**, paragraph **6.3.1.4.8**.
19. Includes items for TWCF aircraft and organizational laundry and dry cleaning. Does not include items associated with lodging or housing facilities. See **Chapter 6**, paragraph **6.3.1.7.6**.
20. Furnished oxygen and deicing fluid is reimbursable by commercial carriers.
21. Equipment for TWCF units authorized for purchase through the stock fund or for local purchase, with a unit cost of less than \$100 thousand. See **Chapter 6**, paragraph **6.3.1.7.17**.
22. ADPE (to include hardware and software) rental and maintenance for major C2 or C4 systems managed by HQ AMC/SC is centrally funded at HQ AMC. ADPE costs at Navy operated ports used by TWCF are shared based on workload supported.
23. Per AMC/CNO Agreement. Training for maintenance or terminal operation of AMC equipment. AETC courses financed through AETC. Training at AMC bases financed by TWCF.
24. Funding provided by AMC to the Air Logistics Centers (ALCs).
25. Includes contract support of base maintenance organizations and emergency maintenance. Reference **Chapter 6**, paragraph **6.3.1.2**.
26. TWCF funds only for aircraft decals (prorated between O&M and TWCF), drop zone photos, forms used in direct support of airlift operations, PAX travel planner, etc. All other printing requirements O&M funded. Reference **Chapter 6**, paragraph **6.3.2.2.10**, paragraph **6.6.16**, and paragraph **6.6.17**.
27. Temporary (T-1/T-2) modifications only. Excludes TCTO kits. Reference **Chapter 6**, paragraph **6.3.1.4.4**.
28. Centrally managed items are financed from 3010, 3020, and 3080 appropriations and are centrally managed at HQ AFMC. Reference **Chapter 6**, paragraph **6.6.2**.
29. For AMC bases, TWCF units are not directly charged for postage but TWCF reimburses at HQ AMC through the G&A distribution. At AMC tenant locations, TWCF is charged for its postage costs. Reference **Chapter 6**, paragraph **6.3.2.2.9**.
30. See paragraph 6.3.1.6.5.1. or paragraph **8.4.4**. for exception to exceeding the \$750,000 threshold.
31. See paragraphs **2.4.5**. and **6.3.1.7.11**.
32. See paragraphs **6.3.1.7.5**. and **6.3.2.2.4**.
33. See paragraph **6.3.1.7.22**.

## Attachment 6

### TWCF MANPOWER CRITERIA

**NOTES:**

1. Positions coded to TWCF are based on their direct support to TWCF airlift missions. These include Air Force military, civilian, and foreign national authorizations assigned to organizations directly involved with the operation of TWCF missions. Activities or functions within these organizations include strategic airlift aircrews, aircraft maintenance, aerial port, operational command and control, current operations, weapons system security, contract airlift, and tariff rate development. Headquarters' activities are considered overhead and are generally not eligible for TWCF coding. Tanker manpower authorizations are not eligible for TWCF funding or coding because their primary mission is not airlift.
2. The following decision process is used to determine if a particular manpower position should be TWCF:

Question	Decision	Question	Decision	Question	Decision	Question	Decision	Result
Does position directly support airlift missions and reside within one of the following functions: strategic airlift aircrews, aircraft maintenance (to include associated supply), aerial port, operational command and control, current operations, weapons system security, contract airlift and tariff rate development?  <i>NOTE:</i> In instances where multiple weapon systems reside at a single location (e.g., an AMW), the TWCF or O&M position determination will be made on a case-by-case basis.	Yes	Does position reside within HQ AMC or a Numbered Air Force (NAF) HQ?	No	Does position have a tanker AFSC or combat controller AFSC?	No	Is position currently funded outside of MFP 04? (Airlift)  <i>NOTE:</i> This is not to be confused with budget MFPs.	No	Requires TWCF manpower
	No	Requires O&M manpower	Yes	Requires O&M manpower	Yes	Requires O&M manpower	Yes	Requires current MFP manpower

**Attachment 7****CERTIFICATE IN LIEU OF ECONOMIC ANALYSIS (EA) FOR TWCF CAPITAL****Installation/MAJCOM:** Charleston AFB/AMC**Project Title/Scope:** Mechanized Material Handling System-Phase IV—Gravity Conveyor and Ball Transfer Mats/\$700,000

An EA was not prepared for this project because it results in the replacement of assets that are unsafe and beyond economical repair. Sixteen years of use and exposure to heat and humidity caused this system to corrode and break down to the point that it now takes an average of seven people straining to move a single pallet. The system has outlived its economic life of 15 years (See AFM 67-1, Volume 7, Part 1, *Mechanized Materials Handling Systems and Storage Aids System*, page 5-15, paragraph g6a).

**Evaluation of Certificate in Lieu of EA:** This certificate (exception to an EA) complies with Chapter 58 of DoDFMR 7000.14, Volume 11B.

**Base FMA Evaluator:** \_\_\_\_\_**Base FMA Concurrence:** \_\_\_\_\_**Base FM Concurrence:** \_\_\_\_\_**Requesting Agency Concurrence:** \_\_\_\_\_**NOTE:** Attach full explanation on following page.

**Attachment 8****IC 03-1 TO AMCI 65-602, TRANSPORTATION WORKING CAPITAL FUND (TWCF)  
BUDGET GUIDANCE AND PROCEDURES****1 NOVEMBER 2003**

OPR: AMCFSS/A8BI (Mr. Bill Bjornstad)

Certified by: HQ AMC/A8B (Col Edwin R. Newcome)

***SUMMARY OF REVISIONS***

This revision incorporates Interim Change IC 03-1. Interim Change (IC) 03-1 to AMCI 65-602 clarifies and revises general guidance. It provides the new A-Staff office symbols for HQ AMC Financial Management and Comptroller and other referenced HQ AMC A-Staff directorates throughout the publication, effective 1 Oct 03. All references to HQ AMC/FM, HQ AMC/FMB, HQ AMC/FMP, HQ AMC/FMPD, AMCFSS/FMBI, and AMCFSS/FMBT within the previous publication are changed to HQ AMC/A8, HQ AMC/A8B, HQ AMC/A8P, HQ AMC/A8PF, AMCFSS/A8BI, and AMCFSS/A8BT respectively. It also adds new paragraphs explaining the various TWCF Operating and Capital budget project account codes (BPACs) (paragraphs [2.2.1.](#), [2.2.1.1.](#), [2.2.1.2.](#), [2.2.1.3.](#), [2.2.1.4.](#), [2.2.1.4.1.](#), [2.2.1.4.2.](#), [2.2.1.4.3.](#), [2.2.1.5.](#), [2.2.1.6.](#), [2.2.1.7.](#), [2.2.1.8.](#), [2.2.1.8.1.](#), and [2.2.1.8.2.](#)), revises paragraph [1.2.3.1.1.](#) by including the AMC web site address to obtain the TWCF channel tariff rates and business rules, revises paragraph [1.6.](#) on how to electronically access AMCI 65-602 on the AMC/FM and the AMC publications web sites, deletes all references to DFAS-DE 7010.2-R *Commercial Transactions at Base Level* in the previous publication ([2.2.](#), [2.4.7.](#), and [Attachment 1](#), References) as it was rescinded by DFAS-Denver in April 2003, deleted reference to Defense Courier Service (DCS) in the previous publication as reporting directly to HQ AMC as DCS reports directly to USTRANSCOM effective 1 Oct 03 ([1.1.3.](#), [1.1.4.](#), and [2.2.](#)), deletes the sentence, "Establish UOO for authorized travel and transportation costs chargeable to the TWCF." in paragraph [2.4.4.1.](#) of the previous publication, clarifies TWCF facilities for the purpose of charging utilities ([2.4.6.1.1.](#)) and in-house maintenance ([2.4.6.2.](#)), revises paragraph [2.4.8.](#) to include exception for reestablishing prior year AEU (Operating) or UOO (Capital) transactions in the accounting system erroneously deleted by DFAS, revises paragraph [2.4.10.](#) to include TWCF funding for future year requirements, revises paragraph [3.2.](#) to preclude issuance of reimbursement authority that would permit TWCF funding points to use TWCF revenue collected at their specific locations, revises paragraph [3.2.3.](#) to provide issuance of additional expense authority to TWCF funding points to match revenue collected for non-airlift services, revises DoDFMR references in paragraph [4.2.](#), changes EEIC 491 to EEIC 441 in paragraph [4.3.2.](#), deletes the sentence, "The addendums are updated annually." from paragraph [4.3.4.2.](#) of the previous publication and adds "C-130" to the list of AETC military augmentation aircraft, incorporates revised guidance from the 1 April 2003 republication of AMCI 24-101, Volume 14, *Military Airlift Passenger Service* (paragraphs [2.4.4.1.](#), [3.3.1.](#), [3.3.4.](#), [5.4.2.3.](#), and [6.3.1.4.6.](#)), deletes references to DFAS-DE 7010.3-R and replaces it with the DFAS-DE *Interim Guidance for Procedures on Travel Accounting Operations* ([2.4.4.1.](#) and [Attachment 1](#), References). Changes the TWCF Capital Purchase Program (CPP)/Capital Investment Program (CIP) threshold from \$100 thousand to \$250 thousand effective FY04 (paragraphs [2.4.6.2.](#), [4.6.1.](#), [6.3.1.6.](#), [6.3.1.6.3.](#), [6.3.1.6.4.](#), [6.3.1.7.13.5.](#), [6.3.1.7.16.](#), [6.3.1.7.17.](#), [8.2.6.](#), [8.3.1.7.](#), [8.4.1.](#), [8.4.2.](#), [8.4.4.](#), [8.4.6.1.1.](#), [8.5.6.2.4.](#), [8.5.7.1.](#), [8.5.7.4.](#), [8.6.5.1.](#), [8.6.5.2.](#), [8.6.6.](#), [8.6.8.1.](#), [8.7.1.3.1.](#), [8.7.1.3.2.](#), [8.7.1.3.3.2.](#), and [9.2.1.1.](#)). Deletes paragraphs on TWCF revenue source for maintenance and terminal support service ([5.1.2.7.](#)) and revenue accrual for incomplete SAAM missions ([5.2.2.4.2.](#), [5.2.2.4.2.1.](#), and [5.2.2.4.2.2.](#)) in the previous publication. Revises paragraphs on SAAM reve-

nue accrual (5.2.2.4. and 5.2.2.4.1.). Deletes the sentence in paragraph 6.2.3. of the previous publication, “AMC Airlift tariff rates are established to recover the cost of the airlift while providing managers throughout DoD the incentive to make financial decisions pertaining to their specific airlift needs.” and “...which are distributed to potential users of the airlift service.” at the end of the 4<sup>th</sup> sentence. Revises paragraph 6.3.1.6.5. to include MR funding for real property installed equipment (RPIE) in TWCF-assigned facilities. Adds CAT CODES 141-182, 214-425, 843-316, and 843-319 to **Table 6.1.** that now qualify as TWCF-eligible facilities. Deleted McGuire AFB from CAT CODE 141-459. Clarifies funding for unique vehicle rental requirements of TWCF organizations (6.3.1.7.10.). Adds EEIC 53350 for non-base custodial contract costs (6.3.1.7.12.). New paragraph on funding for carpeting to exclude immediate installation (6.3.1.7.13.7.). Revises paragraph on TWCF funding for operating equipment to include TWCF-unique closed circuit television systems (6.3.1.7.17.). Clarifies funding for centrally managed equipment items (6.3.1.7.17.5.). Revises paragraph on TWCF funding responsibility for WRM reconstitution specific to the 4 EAMS at Moron AB Spain (6.3.2.2.13.). Adds civilian professional credentials to paragraph on TWCF funding for training requirements (6.3.1.7.24.). Adds new paragraph on the prohibition of TWCF funding of transient maintenance operations (6.6.5.15.). Clarifies TWCF funding prohibition for mortuary services (6.6.13.). Deletes all regulatory references in paragraph 6.8.5. except for DoD 4500.9-R. Revises paragraph 7.2.2. to include BCE input and justification for CE-related EEICs. Adds new paragraph 8.1.4. that provides the authority for the change in threshold of the CPP/CIP. Adds “TWCF” to paragraphs 8.2.6.2. and 8.2.6.3. in conjunction with the capital budget and funding document. Revises regulatory references and adds new acronyms to **Attachment 1.** A copy of IC 03-1 is located at **Attachment 8** of this publication. **An asterisk indicates a change since the last edition.**

1.1.3. Establishment of the Defense Business Operating Fund (DBOF). In FY92, the infusion of DBOF combined and incorporated all of the Services’ stock and industrial funds under one umbrella. The result was the ASIF’s consolidation along with the other Services’ transportation industrial funds (Military Sealift Command (MSC) - Navy; and Military Traffic Management Command (MTMC) - Army) into the Transportation Division of the DBOF, or more commonly known as Defense Business Operations Fund-Transportation (DBOF-T). The United States Transportation Command (USTRANSCOM) is now the single manager for all DoD transportation. In FY95, DBOF-T incorporated the Defense Courier Service (DCS). Thus, the primary mission of USTRANSCOM is to provide air, land, and sea transportation for DoD, in peace and war. Within USTRANSCOM, AMC is the operating agency for common-use strategic air mobility assets.

1.1.4. Establishment of the Working Capital Fund (WCF). On 11 December 1996, the Office of the Undersecretary of Defense (Comptroller) (USD(C)) signed a decision paper that replaced DBOF with WCF, and granted the Services the authority to manage them. This act created five divisions of the WCF, with the Air Force Working Capital Fund (AFWCF) designated as the responsible agency for DBOF-T, for administrative and cash purposes only. As a result of this change, USTRANSCOM/TCJ8 renamed DBOF-T the Transportation Working Capital Fund (TWCF). Under TWCF, the DCS reports to USTRANSCOM for budget submission and funding purposes. See AFI 65-601, Volume 3, *The Air Force Budget Corporate Process*, attachment 1, for a brief description of the AFWCF. **Attachment 4** is a copy of the charter that established the DoD AFWCF USTRANSCOM activity group.

1.2.3. Revenue (or reimbursement for airlift services) is received by the TWCF from authorized airlift customers by charging tariff rates based on the type of airlift services provided. These tariff rates are developed by HQ AMC/A8B, reviewed by USTRANSCOM/TCJ8, and approved by USD(C) through the President’s Budget cycle (See AFI 65-601, Volume 1, chapter 18, paragraphs 18.3.1., 18.3.4.2., and DoD-

FMR 7000.14, Volume 2B, chapter 9, paragraph 090104.C.) Per AFI 65-601, Volume 1, chapter 18, paragraph 18.2.1., revenue earned by TWCF recoups direct and indirect costs, general and administrative support provided by others, depreciation, and amortization costs incurred by AMC in providing airlift services. TWCF tariffs include:

1.2.3.1. Rates for airlift furnished to authorized customers are chargeable to DoD funds, other federal funds, or allied air forces when a cooperative military airlift agreement exists. The annually published AMC rate guide, *US Government Airlift Rates and Non-US Government Airlift Rates* (see **Chapter 6**, paragraph **6.2.3.** for web site address) provides the appropriate rates for the specific channel route (passenger/cargo service) or if chartering an entire aircraft (Special Assignment Airlift Mission (SAAM)). Additionally, tariff rates for these same airlift services applicable to the non-DoD federal users recover a portion of the unfunded cost. HQ AMC/A8B is responsible for the publication of these tariff rates in an annual publication (generally published in October of each fiscal year), as well as specific instructions and examples relating to their use. See **Chapter 3**, paragraph **3.2.2.** of this instruction for the web site address to access the TWCF tariff rate publication.

1.2.3.1.1. TWCF channel passenger and cargo tariff rates are set annually based on commercial competition or a standard rate per mile. As a result, they do not recover full costs due to AMC's requirement to maintain the wartime capacity of the airlift system. The difference between the revenue that TWCF receives and costs incurred for these airlift services is offset by an Air Force O&M-funded Readiness Account (see DoDFMR 7000.14, chapter 65, paragraph D.4.a.). The individual channel rates are implemented 1 Oct each year and remain stable for the fiscal year. AMC's rates and business rules can be viewed at [https://www.amcfm.scott.af.mil/FM\\_FMBT.cfm](https://www.amcfm.scott.af.mil/FM_FMBT.cfm). (**NOTE:** There is an underscore character ( ) in the blank space of the web address.)

1.3.1. USTRANSCOM/TCJ8 provides HQ AMC/A8B with fiscal guidance that shows approved operating budget and budget estimates to include the TWCF funding floor by category of service.

1.3.2. HQ AMC/A8B issues approved operating expense authority (to include facility maintenance and repair projects) and capital program authority to its subordinate funding points through the Command Budget Automated System (CBAS). All TWCF funding authority changes are provided to the bases/funding points telephonically by the AMCFSS/A8BT base analyst prior to issuance of a CBAS funding document.

1.3.4. The authority to incur obligations and accrue expenditures for the TWCF is the right of local management under the direction and supervision of HQ AMC/A8/A8B.

**1.5. Operational Risk Management (ORM).** AFI 91-213, *Operational Risk Management (ORM) Program*, defines ORM as "a logic-based common sense approach to making calculated decisions on human, material, and environmental factors before, during, and after Air Force operations. It enables commanders, functional managers, and supervisors to maximize operational capabilities while minimizing risk by applying a simple, systematic process appropriate for all personnel and Air Force functions." ORM has 4 main principles: (1) accept no unnecessary risk; (2) make risk decisions at the appropriate level to establish clear accountability; (3) accept risk when the benefits outweigh the cost; and (4) integrate ORM into Air Force Doctrine and planning at all levels. HQ AMC/A8 has directed the implementation of the ORM fundamentals and philosophy into all aspects of our financial management culture in accordance with AFI 91-213.

**1.6. Distribution.** This AMCI is accessible on the HQ AMC/A8 web site at the following address: [https://www.amcfm.scott.af.mil/FM\\_BudgetPolicy.cfm](https://www.amcfm.scott.af.mil/FM_BudgetPolicy.cfm). (**NOTE:** There is an underscore character ( ) in

the blank space on the web address.) To access the link to the publication, click on the “Budget Policy” key located under the “Navigate” menu; then select it under “Policy Guidance” menu. You may download the publication at any time and reproduce in sufficient copies to allow distribution to local financial managers, as determined by the local Comptroller. AMCI 65-602 is also directly available on the AMC Publications web site: <https://www.amc.af.mil/pubs/hqamc.htm>. Click on the “65-Series Financial Management” block and select on “AMCI 65-602”.

**1.7. Updates.** HQ AMC/A8B will provide changes by page replacements and inserts or interim message changes, and will also make them available on the HQ AMC/A8 web site. You may submit suggestions for updates to AMCFSS/A8BI, Attn: Budget Policy and Procedures, 402 Scott Drive, Unit 1K1, Scott AFB IL 62225-5311. Please use the Air Force Form 847, **Recommendation for Change of Publication** and be specific as to the purpose of your suggestion. Provide as much information as possible to include the benefits derived from your proposed change.

**2.2. Coding of Costs.** Record all AMC TWCF airlift operations accounting transactions as a Commitment (COMM), Undelivered Orders Outstanding (UOO), AEU, or Accrued Expenditures Paid (AEP), depending upon the stage of accounting at the time of the transaction. A debit or credit general ledger entry is made either mechanically or by manual input for each UOO, AEU and AEP transaction. Each cost transaction for AMC TWCF reflects the following: Appropriation symbol/limit 97X4930.FD40; fund code (FC) 68; fiscal year (FY) X (insert the last numerical digit of the appropriate fiscal year); operating agency code (OAC) 65; operating budget account number (OBAN) XX (insert the appropriate OBAN designation); budget project account code (BPAC) XXXXX (insert the appropriate TWCF BPAC); element of expense and investment code (EEIC) XXXXX (insert the appropriate EEIC designation); responsibility center/cost center (RC/CC) XXXXXX (insert the applicable RC/CC code); and Accounting and Disbursing Station (ADSN) XXXXXX (525700 for AMC TWCF locations; for non-AMC TWCF locations, use the assigned DFAS Field Site ADSN applicable to the host base); and any other supporting data required to allow processing in the general accounting system (e.g., applicable Emergency and Special Program (ESP) code). Certification of fund availability is unnecessary on planning purchase request forms if the documents include the following certification statement: "The procurement requested by this document is included in the approved operating budget for FYXX." (**NOTE:** Insert the last two digits of the appropriate fiscal year in place of the “XX”.)

2.2.1. Applicable BPACs for AMC TWCF include:

2.2.1.1. 101 (or 10100) – All Operating (except for Military Augmentation, Commercial Augmentation, and Maintenance and Repair). AMCFSS/A8BT assigns an additional 2-digit shred to identify each AMC centrally funded ADP system program under this BPAC, managed by HQ AMC/A6X.

2.2.1.2. 102 – Operating, Commercial Augmentation (HQ AMC only).

2.2.1.3. 103 – Operating, Military Augmentation (HQ AMC only).

2.2.1.4. 21XXX – Capital, Minor Construction. **NOTE:** HQ AMC/A7R establishes the 3<sup>rd</sup> through 5<sup>th</sup> positions of this BPAC, as follows:

2.2.1.4.1. The 3<sup>rd</sup> position will be a “C” for contract or “I” for in-house.

2.2.1.4.2. The 4<sup>th</sup> position represents the last digit of the applicable fiscal year of the project being funded. If the funds are for a current fiscal year project, then it will correspond to the last digit of the fiscal year in which the funds are issued. If the issue is for a project originally funded in a previous fiscal year, i.e., a change order, the BPAC will be the same as the BPAC for which the project was funded.

2.2.1.4.3. The 5<sup>th</sup> position represents the sequential assignment of an alphabetic character by HQ AMC/A7R unique to each project.

2.2.1.5. 220 – Capital, ADPE and Telecommunications Equipment (hardware). AMCFSS/A8BT establishes an additional 2-digit shred to identify each AMC centrally funded ADP system program under this BPAC, managed by HQ AMC/A6X.

2.2.1.6. 230 – Capital, Equipment, Other than ADPE and Telecommunications. A 2-digit shred may be established by AMCFSS/A8BT, as appropriate.

2.2.1.7. 240 – Capital, Software Development and Modernization. AMCFSS/A8BT establishes an additional 2-digit shred to identify each AMC centrally funded ADP system program under this BPAC, managed by HQ AMC/A6X.

2.2.1.8. 3XXXX – Operating, Maintenance and Repair (MR). **NOTE:** HQ AMC/A7R establishes the 2<sup>nd</sup> through 5<sup>th</sup> positions of this BPAC, as follows:

2.2.1.8.1. The 2<sup>nd</sup> position represents the last digit of the applicable fiscal year of the project being funded. If the funds are for a current fiscal year project, then it will correspond to the last digit of the fiscal year in which the funds are issued. If the issue is for a project originally funded in a previous fiscal year, i.e., a change order, the BPAC will be the same as the BPAC for which the project was funded.

2.2.1.8.2. The 3<sup>rd</sup> through 5<sup>th</sup> positions represent a sequentially assigned number or number-alpha combination by HQ AMC/A7R unique to each project.

2.3.1. EEICs identify the various cost elements in the base level operating budgets that finance TWCF operations. See DFAS-DE 7010.1-R, *General Accounting and Finance Systems at Base Level*, chapter 2, paragraph 2-1.f., for the definition of an EEIC. AMCFSS/A8BI establishes a command list of EEICs to include additional shreds of the basic EEIC structure for those command-unique transactions that require additional cost identification. This list can be found at the web site address provided in **Chapter 1**, paragraph **1.6**, of this instruction.

2.3.3. The use of correct TWCF PEs when establishing obligations or expenses in the accounting system is extremely critical when AMCFSS/A8BT personnel analyze expense execution to determine the appropriate budgetary aircraft hourly tariffs to charge TWCF customers who utilize AMC strategic aircraft to move their oversize cargo requirements or group travel passengers. If TWCF costs are incorrectly PE coded (e.g., using an incorrect O&M-assigned PE in lieu of the correct TWCF PE) or the PE field is blank in the accounting records, the AMCFSS/A8BT tariff analysts must speculate as to where these costs belong by prorating them to the various weapon systems based on actual TWCF PE coded expenses or some other artificial means. The end result is that aircraft hourly tariffs may be erroneously overstated or understated in our TWCF budget submissions to USTRANSCOM, thereby incorrectly charging airlift customers for requested airlift services. Base FMAs should work with their respective Defense Finance and Accounting Service (DFAS) Field Site/RAFO and resource advisors to ensure validity of the PE code for all TWCF-related accounting transactions.

2.4.4.1. Instructions in the DFAS-DE *Interim Guidance on Procedures for Travel Accounting Operations*, govern recording accrued expense for TDY and PCS costs. Travel advances for authorized TDY or PCS require additional accounting actions. See AMCI 24-101, *Military Airlift Transportation*, Volume 14, *Military Airlift Passenger Service*, section C, paragraph 25, for policy governing use of mission route support (MRS), mobility mission observer (MMO), mission essential ground personnel (MEGP), and additional

crewmember (ACM) customer identification codes (CIC) that identify non-billable OCONUS travel for authorized personnel on AMC organic aircraft. Contact AMCFSS/A8PD, Scott AFB IL, E-mail: <mailto:PAMC-TWCFISSUES@scott.af.mil> for guidance on constructing billable CIC codes or consult DoD 4500.9-R, *Defense Transportation Regulation, Part I, Passenger Movement*, chapter 103, section J, paragraph 3.d for the appropriate military department CIC web site address.

2.4.5.9. Central Billed Account (CBA). TWCF flying units may utilize a CBA government travel card program for the purposes of establishing aircrew lodging reservations while flying airlift missions. Each CBA will be established under a unit name with an individual assigned to the account. The CBA will have no credit limit but will be restricted to lodging cancellation charges only. The cost of the rooms when occupied by the aircrew members will not be charged to this account. CBA accounts will be established with Bank of America and will be maintained by HQ AMC/A8P. **NOTE:** Use EEIC 59271 to record these costs in the accounting system.

2.4.6.1.1. The TWCF will reimburse Appropriated Fund (APF) activities for gas, electric power, water, and heat consumed, contract solid waste collection, and for sewage facilities utilized by TWCF designated facilities. For this purpose, TWCF facilities are airlift aerial ports, airlift operations centers, Air Mobility Operations Group (AMOG) facilities, airlift flying squadron facilities, and aircraft maintenance facilities at AMC bases and overseas en route locations that receive TWCF funding to support the global transportation airlift mission. See **Table 6.1.** of this instruction for facility category codes that qualify for TWCF funding.

2.4.6.2. In-House Maintenance and Repair (MR) (EEIC 527) and Minor Construction (MC) (EEIC 528). Charge the TWCF for in-house costs relative to minor construction and maintenance or repair of real property facilities used solely or partially by TWCF. See paragraph **2.4.6.1.1.** above for the definition of TWCF facilities. Refer to **Table 6.1.** of this instruction for a list of TWCF eligible facilities. The TWCF will also reimburse the O&M appropriation in total for all funded costs of MR/MC projects for TWCF facilities when done with in-house capability. Charge in-house MC costs (less than \$250 thousand of funded cost) against MR funding issued in EEIC 527. Charge in-house MC costs (\$250 thousand - \$750 thousand of funded costs) against the Capital MC account funding issued for the work in EEIC 528. Direct cite TWCF funds when work is performed by contract. (**NOTE:** See **Chapter 8**, paragraph **8.1.4.** for the FY04 threshold increase of TWCF CPP/CIP to \$250 thousand.)

2.4.7. Supplies, Materials, and Equipment Costs (EEICs 602 through 699). The Air Force standard base supply system (SBSS) procedures apply (DFAS-DE 7077.10-M, *Automated Material Accounting System Integrated within Standard Base Supply System: D002A or GV Users Manual*). The SBSS interface updates the accrued expenditures unpaid accounting stage.

2.4.8. Prior Year Funding. The TWCF does not utilize prior year funds as is done for O&M 3400 funding. Funding for any prior year obligations or expenses incurred come from current year funding authority, regardless of when the actual transaction took place unless an accrual or estimate was established in the accounting records prior to the end of the fiscal year in question. While it may appear from an accounting perspective that prior year TWCF uncommitted funds are available in the accounting system to pay prior year bills not previously established as accruals or payables (AEU) for the Operating Budget, or set up as obligations (UOO) for the Capital Budget, the fact is you cannot use these "available" balances to pay prior year bills. There is no prior year funding management in the TWCF in either the Operating or Capital Budgets. Before you approve/submit a prior year bill for payment from prior year TWCF funds, first establish that a corresponding payable (AEU-Operating) or obligation (UOO-Capital) still exists in the prior year accounting records. Any payments for prior year bills previously not accrued (Operating) or

obligated (Capital) is payable against current year expense (Operating) or obligation (Capital) authority only. The Funds Control section at AMCFSS/A8BI will pull all available TWCF FC 68 available uncommitted balances after accomplishing the end-of-fiscal-year processing. **NOTE:** In the event DFAS-OM erroneously deobligates AEU (Operating) or UOO (Capital) transactions in the accounting system at the end of the fiscal year, HQ AMC/A8B will work with DFAS-OM to reestablish them in the appropriate prior year, on a case-by-case basis.

2.4.9. UOO and Contingent Liability Rollovers. At the end of the fiscal year, TWCF BPAC 101 and 3XX transactions in UOO or commitment (contingent liabilities only) stages of accounting roll into the new fiscal year during the DFAS End of Fiscal Year Conversion process. These transactions do not retain fiscal year integrity in the accounting system – only those TWCF BPAC 101 or 3XX transactions in AEU will maintain fiscal year integrity until liquidated. Since UOO records are reestablished in the current fiscal year after the End of Fiscal Year Conversion process, there should not be any UOO transactions in the TWCF prior year accounting records. Any subsequent line item amounts in prior year UOO should be reviewed and moved into prior year AEU if goods or services have been received, moved to current year UOO if goods or services have not been received, or deobligated if no longer valid. HQ AMC/A7R/A8B will determine the appropriate amount of Architect-Engineering (A-E) and MR UOO rollover funding by project and AMCFSS/A8BI (Funds Control) will issue additional TWCF authority, usually in the October-November timeframe. Other TWCF BPAC 101 rollover commodity funding will be determined by AMCFSS/A8BT, as appropriate.

2.4.10. **Bona Fide Need Rule Application.** The bona fide need rule is not applicable to TWCF because it is a no-year fund in accordance with *GAO: Principles of Federal Appropriations Law, Volume I*, chapter 5, page 5-13. Because TWCF Operating and Capital programs are no-year appropriations, all change orders and upward adjustments arising in future years applicable to TWCF projects that commenced in prior years are funded with current year TWCF Operating or Capital funds, as appropriate. You may also use current year Operating and Capital authority to buy down future year requirements if current year funds are available. For example, a TWCF organization budgeted/programmed to replace stand-alone office computers in FY04 and they have the opportunity to purchase them using existing FY03 Operating funds. This is permissible provided the computers are received and expensed in the accounting system prior to 30 September 03. The same holds true on one-time contracts for unseverable services. However, keep in mind that any portion of the requirements that is not expensed by the end of the fiscal year will roll over into the new fiscal year and charged against the new year's authority (see paragraph 2.4.9. above). **NOTE:** You may not move the unexpensed part of the contracted requirements from UOO into the AEU stage of accounting at the end of the fiscal year in order to avoid roll over into the next fiscal year unless the services or materials are actually received (reference DoDFMR 7000.14, Volume 4, chapter 9, paragraph 090102.B. and Volume 11B, chapter 12, paragraph 120102.). Additionally, do not use current year TWCF funds to buy down/expense future year civilian pay, TDY requirements, or services that are provided on a monthly recurring basis (e.g., utilities, communications, rental of equipment, etc.).

**3.1. Sale of Airlift Services (Traffic Revenue).** AMCI 24-101, Volume 6, *Transportation Documentation, Data, Records, and Reports*, describes the integrated management and accounting system for airlift of passengers, cargo, and mail on TWCF controlled aircraft. No revenue billing/accounting for sales of airlift services (i.e., charging for passenger, cargo, and other airlift movements) are done at base level except for occasional space required passenger reimbursement. HQ AMC/A8B and Defense Finance and Accounting Service-Omaha (DFAS-OM) accounts for all other sales of airlift revenue.

**3.2. Sale of Services Other than Airlift.** TWCF organizations may provide services other than transportation airlift to customers as required. Common examples of chargeable non-airlift services include but are not necessarily limited to servicing foreign commercial/military aircraft (unless exempted by existing treaties or cooperative agreements) and loading/unloading passengers and cargo on/off foreign aircraft. HQ AMC/A8B does not issue TWCF Reimbursement Authority to AMC funding points to allow TWCF organizations to retain revenue received for miscellaneous services provided to customers for further expenditure.

3.2.3. For all other miscellaneous non-transportation airlift services other than described above, TWCF units should follow accounting and revenue collection procedures outlined in paragraph 3.2.1. above, if feasible. **NOTE:** If you receive revenue from the sale of non-transportation airlift services and it is collected into an OAC/OBAN and ADSN at your base or supporting DFAS Field Site other than 525700 above, process a Standard Form (SF) 1081, **Voucher and Schedule of Withdrawals and Credits**, to transfer the amount to OAC/OBAN 6594, ADSN 525700 in order to establish as a for-others collection. Ensure that you use the correct sales code and ESP code (DH) to properly record the revenue transaction into the accounting system. Do not use sales code 90 to record revenue collections unrelated to servicing or processing passengers and cargo relating to foreign commercial/military aircraft. HQ AMC/A8B will issue additional expense authority, upon request, to AMC TWCF funding points based on revenue recorded against ESP code DH in the accounting system.

3.3.1. Travelers at non-aerial ports who want AMC services should report to the flight authorization issuing agent who will prepare the DD Form 1131, **Cash Collection Voucher**, who will normally accept the proper fare, surcharges, and taxes, and issue the flight authorization. At bases where the Transportation Management Office (TMO) does not collect funds for other services or payments (excess weight of household goods (HHG), refunds from airlines, etc.), the issuing agent prepares the DD Form 1131 and sends the traveler to the FSO with the completed form. The FSO collects the proper tariffs, surcharges, and taxes as shown on the collection voucher, and gives the traveler a signed copy of the form. The traveler exchanges the signed copy for a flight authorization at the TMO. The flight authorization is evidence of payment when processing the traveler at the Aerial Port of Embarkation (APOE). Prepare the DD Form 1131 and dispose of the funds per AMCI 24-101, Volume 14, attachment 14.

3.3.4. Acceptance of Negotiable Instruments. The AMC terminal or flight authorization issuing agents may accept negotiable instruments for payments of tariffs per AMCI 24-101, Volume 14, Section F, paragraph 44, and DoDFMR 7000.14, Volume 5, *Disbursing Policy and Procedures*, Chapter 10. The servicing Financial Services Office (FSO) or DFAS Field Site directs how to prepare and endorse negotiable instruments. At aerial ports where there is a large volume of cash sales, the FSO or DFAS Field Site may authorize the air terminal manager to make direct deposits to the on-base bank per DoDFMR 7000.14, Volume 5. The FSO or DFAS Field Site furnishes specific instructions.

**4.2. Accrual Accounting.** Follow policies and guidelines in DoDFMR 7000.14, Volume 4, chapter 9, and Volume 11B, chapter 12. Record expenditures based on the most appropriate documentation available. If actual amounts are not available, use the best estimate based on reasonable and uniformly applied techniques. Establish expense accruals for HQ AMC centrally funded TWCF programs and HQ AMC budget personnel based on receipt of the most accurate source documentation from accomplishing activities. Adjustments made after the close of the FY are processed as prior year adjustments.

4.3.2. Communications. This includes the cost of communications services (leased long line circuits, etc., EEIC 441) furnished TWCF under contract administered by the Defense Information Technology Contracting Organization (DITCO) and the Air Force Communications Agency (AFCA).

4.3.4.1.1.1. Undelivered Orders Outstanding (UOO). During first month of each quarter, establish a UOO for the total of all contracts for that quarter, plus applicable cancellation penalties for the fixed buy contracts for all remaining quarters. Each month, increase UOO for service orders and change orders. Use data from the commercial augmentation financial management subsystem and from AMCFSS/A8BT support entries.

4.3.4.2. Military Augmentation. This includes flying hour reimbursements for: PACAF and USAFE C-130 and KC-135 aircraft; AETC KC-135, C-5, C-130, and C-17 aircraft; AFRC KC-10, KC-135, C-5, C-130, and C-141 aircraft; ANG KC-135, C-5, C-130, and C-141 aircraft; and AMC KC-10, KC-135, and C-130 aircraft operating in the airlift transportation system (EEICs 58920-58939). Refer to the respective comptroller addendums or the basic Command to Command Memorandum of Agreements (MOA) for specific terms provided. Reimbursement rates are contained in AFI 65-503, *US Air Force Cost and Planning Factors*, Section C, Table A15-1. For all MAJCOM's reimbursement aircraft hourly rates, AMCFSS/A8BT includes an additional 3 percent overhead factor to cover other miscellaneous non-AFCAIG mission-related aircraft costs (e.g., landing fees, border clearances, etc.).

4.3.4.2.1. Accruals. Each month, AMCFSS/A8BT provides DFAS-OM an expense accrual based on Reliability and Maintainability Information System (REMIS) Flying Hour Report for military airlift augmentation.

4.3.4.2.2. Payments. HQ AMC/A3TR verifies flying hour billings from AETC, PACAF, USAFE, and AMC (KC-10, KC-135, and C-130 aircraft); AMCFSS/A8BT approves payments; DFAS-OM remits payment, adjusts expense accruals, and liquidates liabilities accordingly.

4.6.1. Develop depreciation schedules for all TWCF assets with a value equal to or greater than \$250 thousand with a useful life of 2 years or more (**NOTE:** See [Chapter 8](#), paragraph [8.1.4](#). for the threshold increase of TWCF CPP/CIP to \$250 thousand). Use residual values and life expectancies shown in [Chapter 8](#), paragraph [8.6.9](#). of this instruction.

4.6.2. Since there are no accounting systems currently in place to track assets for depreciation purposes, estimated depreciation amounts are used. EEICs 705 through 709 apply, depending on the type of capital asset depreciated. DFAS-OM records monthly depreciation estimates as an expense to TWCF based on one-twelfth of the budgeted amounts, as provided by AMCFSS/A8BT. See DoDFMR 7000.14, Volume 11B, chapters 12 and 58, and [Chapter 8](#) of this instruction for additional guidance concerning depreciation criteria and schedules.

5.1.2.1. Passenger. Revenue earned from the air movement of people on a space-required basis through the channel traffic system (see paragraphs [2.4.4.1](#)., [5.4.2.1](#)., and [5.4.2.3](#). for exceptions).

5.1.2.7. DELETED.

5.2.1. Channel Traffic (Passenger, Cargo, Mail). Airlift services provided to the users are in accordance with those rates specified in the AMCFSS/A8BT annual rate guide, *US Government Airlift Rates and Non-US Government Airlift Rates*. The AMC channel revenue data subsystem accumulates accounting and billing information for all traffic moved on TWCF channels. AMCI 24-101, Volume 6, provides data collection and processing requirements.

5.2.2.1.1. SAAM charges for airlift missions are provided by HQ AMC/A8PDB, DSN 779-2291. HQ AMC/A8PDB gathers mission information upon completion of the SAAM mission and the billing is submitted to DFAS-OM for disbursing to the appropriate paying agency.

5.2.2.1.2. If there is a variance in any mission flow from the planned mission, HQ AMC/A8PDB works with USTRANSCOM/TCJ3-ODJ and HQ AMC TACC/XOO to resolve the variances. Organic missions are calculated by multiplying the aircraft tariff rate by the flying hours, plus any minimum activity rate (MAR), less any discount incentives.

5.2.2.4. Since all SAAM missions may not be billed during a particular calendar month, account for the unbilled SAAM revenue of the reporting month as follows:

5.2.2.4.1. DFAS-OM management support accountants download GDSS and match what has been billed to all missions. HQ AMC/A8PD establishes a revenue accrual from the billed SAAM missions versus all SAAM missions.

5.2.2.4.2. DELETED.

5.2.2.4.2.1. DELETED.

5.2.2.4.2.2. DELETED.

5.2.3.1. AMC publishes an operations plan for each identified CJCS Exercise, for distribution to all offices of responsibility, to include HQ AMC/A8B.

5.2.3.2. CJCS airlift billings are computed on the exercise flying hours reported in REMIS multiplied by the approved flying hour rate. The cost of commercial augmentation in support of CJCS Exercises is computed using the rate tables in the annual airlift tariff rate guide. AMCFSS/A8BT furnishes DFAS-OM preliminary billing information based on the REMIS monthly flying hour report. Any adjustment to the current month flying hours will be included in the subsequent month's billing. Process monthly billings against the Joint Chiefs of Staff MIPR.

5.2.5.1. JA/ATT Revenue. The JA/ATT missions are flown to support aerial delivery and static loader training requirements between AMC and military airborne units. Airlift provided for JA/ATT is an Air Force mission responsibility and charged to AMC O&M funds. AMCFSS/A8BT provides DFAS-OM the JA/ATT hours flown and charges calculated at the approved flying hour rates. DFAS-OM monthly bills the AMC O&M account managed by AMCFSS/A8BO, based on the hours provided.

5.2.5.2. Active Force Crew Proficiency Training, Test, and Ferry (TTF). AMCFSS/A8BT develops for DFAS-OM the amounts of reimbursement TWCF earns from AMC O&M for costs associated with TTF flying hours required for active force aircrew proficiency training. DFAS-OM receives monthly from AMCFSS/A8BT the amount of TTF hours flown and bills these costs monthly to AMCFSS/A8BO at the approved flying hour rates.

5.2.5.3. HQ AMC/A4MQA provides the REMIS Flying Hour Report to HQ AMC/A3TR/A8BT identifying each month's flying hours flown by category.

5.2.8.1. Associate Reserve Program. AMCFSS/A8BT develops for DFAS-OM the amount to be billed to the Air Force Reserve (HQ AFRC/FM) for the cost of aviation fuel and depot maintenance relating to applicable flying hours for AMC TWCF aircraft training. Billing is based on a percentage (determined by HQ USAF) of the Approved Reserve Associate Flying Hour Program, multiplied by the hourly rate in the USD(C) approved budget for the current year. DFAS-OM bills each month and collects revenue using cross-disbursement procedures.

5.2.8.2. Readiness Costs. AMCFSS/A8BT develops for DFAS-OM the amounts of reimbursement TWCF earns from AMC O&M, managed by AMCFSS/A8BO, for readiness costs not covered by customer revenues. See paragraph [5.1.2.10](#). above.

5.2.8.4. Unused and Unoffered Capability. AMCFSS/A8BT develops for DFAS-OM the amounts of reimbursement for costs associated with unused and unoffered airlift capability, if applicable.

5.2.8.5. Other Revenue. AMCFSS/A8BT develops for DFAS-OM the amounts of other non-tariff revenue for direct reimbursement, as required.

5.3.7. DFAS-OM collects and records the differences between TWCF DoD-established rates and the TWCF rates charged to non-DoD US Government or non-US Government and Foreign Military Sales (FMS) customers in accordance with DoDFMR 7000.14, Volume 5. These amounts are not retained in the TWCF. The AMC annual rate guide, SAAM rates, show amounts to be returned to Air Force appropriations and US Treasury receipt accounts 573041 \*\*\*\* (asterisks indicate the applicable appropriation limit). AMCFSS/A8BT develops appropriate ratios and coordinates them with DFAS/DE, Denver CO, for distributing the difference between the TWCF DoD and non-DoD rates to the applicable appropriations. AMCFSS/A8BT annually reviews the ratios to ensure validity.

5.3.8. Mission Cancellation Fees. If a transportation customer cancels an organic airlift mission (e.g., SAAM) within 24 hours of operation, HQ AMC/A8PD checks with the SAAM directors or barrel masters in the TACC to determine if an aircrew was placed in crew rest. If so, the customer is charged the applicable MAR (4 hours for C-17 aircraft; 2 hours for all other AMC TWCF aircraft). If the mission is launched from home station prior to cancellation, the customer is charged all the hours logged in the AHS SAAM Departure Report, subject to the applicable MAR. No MAR is assessed for organic airlift mission cancellations greater than 24 hours notice. For commercial mission cancellations, the airlift customer is charged if the commercial airline assesses HQ AMC a cancellation fee.

5.4.2.3. Public Law 106-65 provides for Guard and Reserve personnel performing inactive duty training (IDT) to travel on DoD aircraft on a space-required basis, worldwide, free of charge. AMC TWCF will not charge for IDT travel regardless of mission parameters. AMCI 24-101, Volume 14, paragraph 25.7.5., provides the non-billable CIC codes used for these travelers.

6.2.3. AMC/CC approves the TWCF expense and revenue budget submission based on the recommendations of the HQ AMC Budget Advisory Board (BAB), to include the recommended airlift tariff rates. The TWCF budget is then submitted to USTRANSCOM/TCJ8-T, who reviews and makes necessary changes (budget marks), and then forwards it to USD(C) for final approval and inclusion in the AFWCF justification material sent to Congress. HQ AMC/A8B publishes the OSD-approved airlift tariff rates in the annual rate guide, *Non-US Government Airlift Rates and US Government Airlift Rates*, available at <https://www.amcfm.scott.af.mil/FMB.htm>.

6.3.1.4.6. Complimentary snacks and beverages purchased by TWCF organizations (aerial port units) for passenger consumption while flying aboard AMC TWCF organic airlift aircraft per AMCI 24-101, Volume 14, paragraph 54. Record these costs to EEIC 619. (See also AFI 11-2C-5, Volume 3, paragraph 13.4.2.3. and AFI 11-2C-17, Volume 3, paragraph 13.5.2.3.)

6.3.1.6. Facility Maintenance and Repair. All MR projects and those MC projects with funded costs less than \$250 thousand accomplished on TWCF facilities are chargeable to the operations portion of TWCF against the MR account whether done by contract or by the BCE. Reimbursement for work accomplished by the BCE includes the cost of direct materials used plus the predetermined shop rate less the military factor. Facilities occupied by TWCF-funded organizations include airlift aerial port facilities, mobility aerial port facilities, airlift operations centers, squadron operations facilities, and aircraft maintenance facilities at AMC bases and overseas en route locations that receive TWCF funding to support the global transportation airlift mission (reference paragraph 2.3.2. of this publication for the PE codes applicable to

TWCF-funded organizations). See **Table 6.1.** for the real property category codes that qualify for TWCF funding on those installations that have TWCF-assigned organizations. **NOTE:** All references to the TWCF MC CPP/CIP dollar threshold number in this chapter are now changed to reflect \$250 thousand (see **Chapter 8**, paragraph **8.1.4.** of this publication).

6.3.1.6.3. TWCF MC over \$250 thousand per project, use Capital Budget (BPAC 21X) funds.

6.3.1.6.4. All TWCF MR projects, regardless of the dollar amount, and TWCF MC projects under \$250 thousand funded costs must use Operating Budget funds under BPAC 3XXXX. See **Chapter 9** of this instruction for additional guidance concerning MR funding.

6.3.1.6.5. Real property facility MR projects, for buildings, funded under BPAC 3XXXX pertain only to the structural requirements of a TWCF-assigned building to include replacement of real property installed equipment (RPIE) and components, and new RPIE requirements. All TWCF facility non-structural requirements/systems (e.g., emergency services to repair non-RPIE components (e.g., motors, cables, rollers, material handling systems, etc.), emergency servicing of hanger door components, or annual service contracts for these types of requirements) are properly funded from BPAC 101.

**Table 6.1. TWCF Eligible Facilities by Category and Description.**

CAT CODE	FACILITY DESCRIPTION
113-321	Apron Parking (only that portion of the overall apron dedicated for TWCF-assigned aircraft parking)
116-672	Pad Aircraft Wash Rack
116-945	Blast Deflectors (deflectors dedicated to TWCF-assigned aircraft parking spots only)
121-122	Fuel Hydrants (hydrant refueling only at TWCF-assigned aircraft parking positions)
141-232	Aerial Delivery Facility
141-459	Aircrew Alert Facilities (Charleston AFB only)
141-461*	Air Force Command Post
*141-182 (new)	Protective Aircraft Shelter (applicable to Ramstein AB GE only – <b>NOTE:</b> used exclusively by the 723 AMS Aerial Port to store in-transit munitions)
141-753	Squadron Operations
141-782	Air Freight Terminal
141-783	Air Freight or Passenger Terminal
141-784	Air Passenger Terminal
141-785	Fleet Service (excludes In-Flight Kitchen)
211-111	Maintenance Hangar
211-124**	Reclamation Shop

CAT CODE	FACILITY DESCRIPTION
211-152	General Purpose Aircraft Maintenance Shop
211-153	Shop, Non-Destructive Inspection
211-154	Organizational Aircraft Maintenance Shop
211-157	Engine Inspection & Repair Shop
211-158	Schedule Inspection Shop
211-159	Corrosion Control Facility
211-161	Corrosion Control Utility Storage
211-173	Large Aircraft Maintenance Dock
211-174	Consolidated Aircraft Maintenance Facility
211-175	Medium Aircraft Maintenance Dock
211-179	Fuel System Maintenance Dock
211-183	Test Cell Facility
211-193	Test Stand Facility
*214-425 (new)	Vehicle Maintenance Shop (applicable only to Hickam AFB, Osan AB, and Kadena AB for AMC-assigned facilities where minor vehicle maintenance of AMC TWCF assets is performed by AMC Aerial Port personnel)
214-426	Vehicle Operations Heated Parking (includes only those facilities which exclusively house TWCF-assigned vehicles)
214-428	Vehicle Operations Parking Shed (includes only those facilities which exclusively house TWCF-assigned vehicles)
217-712	Shop Avionics
218-712	Aerospace Ground Equipment or Storage Facility (only the part that directly supports TWCF-assigned aircraft)
218-852	Shop, Parachute & Dinghy Repair (only the part that directly supports TWCF aircraft)
422-258	In-Transit Munitions Facility (applicable only to RAF Mildenhall)
422-264	Storage Igloos (Aerial Port buildings 809 and 810 – applicable only to McChord AFB)
442-258	Cryogenics Facility (liquid oxygen storage – applicable only to McChord, Dover, Charleston, Travis, and McGuire AFBs)

CAT CODE	FACILITY DESCRIPTION
442-758	Forward Supply Systems or Location (TWCF-assigned aircraft supplies located on flight lines)
452-258	Open Storage, Air Freight or Traffic Management Surface Freight (includes only those portions of the facility that are dedicated exclusively to TWCF cargo operations)
610-129	Aircraft Maintenance Control Office (including DCM Administrative Functions)
610-243***	Operations Support Squadron
812-926	Apron Floodlighting or Apron Staging Floodlights or Exterior Lighting (supporting TWCF facilities for parking areas, staging areas, or TWCF-qualified facilities)
833-354	Aircraft Sewage or Waste Disposal (McGuire AFB and Charleston AFB only)
833-356	Solid Waste Repository (Yokota AB only)
*843-316 (new)	Water Fire Pump Station (applicable to Charleston, Dover, McChord, McGuire, and Travis AFBs only for those aircraft maintenance hangers that directly support TWCF-assigned aircraft)
*843-319 (new)	Fire Protection Water Storage (applicable to McChord, McGuire, and Travis AFBs only for those aircraft maintenance hangers that directly support TWCF-assigned aircraft)
852-273	Aircraft Support Equipment Storage Yard (only the part that directly supports TWCF-assigned aircraft)
890-152	Staging or Storage Yards (only freight terminal storage or other areas where security is necessary to protect TWCF cargo)
890-197	Truck Scale (Hickam AFB only)
*TWCF Command Posts only.	
**Include only reclamation shops that are located within the TWCF maintenance function.	
***Excludes Airfield Operations, Airfield Mgmt, Control Tower, Flight Simulator Mgmt, Weather, and RAPCON.	

6.3.1.7.4. Automatic data processing equipment (ADPE) lease, maintenance, and contract support used in providing air terminal services and aircraft maintenance data collection. Budget and funding responsibilities of the centrally managed ADPE programs stay at the command level, managed by HQ AMC/A6.

6.3.1.7.8.4. Transportation of Aircraft Parts from ANG/AFRC Bases to MRTs Supporting NMC Aircraft Flying AMC TWCF Missions. There may be circumstances where the closest aircraft parts required to repair a NMC aircraft flying a TWCF mission reside at an AFRC/ANG base, as determined by HQ AMC/A4RC. In this event, the resource advisor of the tasked TWCF AMC MRT unit will contact the appropriate ANG/AFRC base transportation office and obtain an estimated cost of transportation and will, in turn, provide them with a certified fund cite or AF Form 616 to pay for any shipping costs to move aircraft parts from the AFRC/ANG base to the MRT location. Use command ESP code CS (Charlie Sierra) with the appropriate transportation EEIC to track these costs in the accounting system.

6.3.1.7.9.7. AFRC or ANG Augmentation. AFRC and ANG personnel or units are frequently called upon by the TACC to augment active AMC units or to backfill a mission that an active AMC unit cannot accomplish, at the local or command level. HQ AMC/A1PB issues Military Personnel Appropriation (MPA) Man-days to the tasked AFRC or ANG unit to support the AMC requirement. Whenever AFRC or ANG assets tasked to augment an active AMC unit, MPA Man-days are requested through the appropriate AMC functional manager for approval.

6.3.1.7.9.7.2. AFRC Augmentation Funding. HQ AMC/A8B issues TWCF funding to HQ AFRC/FMA through OAC/OBAN 6510. HQ AFRC/FMA sub-allocates these funds to their unit-equipped locations through established AMC sub-OBANs whenever MPA Man-day taskings are received. Associate Reserve units (e.g., strategic aircraft operations and maintenance) will obtain the appropriate TWCF fund cite from their parent wing. The AFRC units direct cite TWCF funds on the individual travel orders in accordance with the assigned sub-OBAN. AFRC O&M funds (57\*3740, Fund Code 54) are not used to support MPA Man-day taskings. HQ AFRC/FMA establishes and distributes official funding procedures (called Procedural Information Messages, or PIMs) to their units regarding the use of AMC TWCF funds for TDY costs relating to MPA Man-day requirements. See AMCS1 to AFI 65-601, Volume 1, paragraphs 10.2.1.1. and 10.2.1.2. (et seq.) for additional detailed guidance concerning TDY funding for AFRC augmentation relating to Individual Mobilization Augmentee (IMA) personnel, MPA Mandays (voluntary call-up to active duty), and non-voluntary partial/full mobilization.

6.3.1.7.9.7.3. ANG Augmentation Funding. HQ AMC/A8B issues TWCF funding to HQ ANG/FMA through OAC/OBAN 6515. ANG units direct cite their O&M funds on the travel orders and reports the costs to HQ ANG/FMA through FM channels. HQ ANG/FMA reimburses their units by charging the AMC OBAN and collecting the reimbursement as a negative direct into their headquarters account. HQ ANG/FMA will then issue their O&M funds (57\*3840, Fund Code 58) to ANG units based on the validated costs incurred. See AMCS1 to AFI 65-601, Volume 1, *Budget Guidance and Procedures*, paragraphs 10.2.1.1. and 10.2.1.2. (et seq.) for additional detailed guidance concerning TDY funding for ANG augmentation relating to MPA Mandays (voluntary call-up to active duty) and non-voluntary partial/full mobilization.

6.3.1.7.9.9. Maintenance Recovery Team (MRT) Support for Not Mission Capable (NMC) Aircraft (AMC, Other Air Force/DoD, or Austere Locations). These MRT taskings to AMC TWCF units are command directed through HQ AMC/A4RC and will be funded by the tasked unit (TDY costs for the MRT and surface/air transportation costs to ship required aircraft parts and support equipment, if necessary), even when the NMC aircraft being supported is not assigned to the base of the tasked unit. Use AMC ESP code CS (Charlie Sierra) to track these costs in the accounting system. **EXCEPTION:** If the

TWCF-assigned MRT is tasked to provide support to another command's NMC aircraft flying their mission requirements on their flying time, the unit who owns the NMC aircraft will provide a TDY fund cite to the tasked TWCF MRT, through HQ/AMC/A4RC.

6.3.1.7.9.9.1. When AMC TWCF NMC aircraft are supported by another command's MRT, the base to which the aircraft is assigned will provide HQ AMC/A4RC, upon request, a TDY fund cite and if required, a surface/air transportation fund cite, with applicable ESP code to forward on to the tasked MRT unit. Where the base chooses to source TWCF funding within the wing/group is their discretion.

6.3.1.7.9.9.3. AMC will reimburse PACAF/USAFE for any additional flying hour support required to transport an MRT along with any required parts/support equipment to repair a PACAF/USAFE NMC aircraft flying a TWCF mission. These missions will be TWCF-coded and billed to AMCFSS/A8BT as per paragraph 6.3.2.4. below. (**NOTE:** This guidance is also reflected in the Financial Management and Comptroller section (H) of the AMC/PACAF CCA, June 2002, paragraph 1.a.(1)(d)3, and the current draft AMC/USAFE CCA, same paragraph.)

6.3.1.7.10. Rental of Vehicles. The TWCF funds for the contracting of rental vehicles to support airlift operations at locations where government-owned passenger vehicles are unavailable or nonexistent (e.g., bare base or minimal military presence locations supporting contingency or CJCS Exercise operations). This does not include rental vehicles authorized and funded on travel orders of TWCF-assigned personnel. Record these charges to EEIC 43X in the accounting system. The local deployed commander should use prudent judgment to ensure the number of passenger vehicles rented is kept to a minimum necessary to meet only the airlift mission requirements. Additionally, TWCF funds for rental of unique vehicle requirements of TWCF organizations in the performance of their day-to-day global transportation airlift mission (e.g., forklifts, aircrew buses). Record these charges to EEIC 47390. See paragraph 6.6.5.13. on exclusion of TWCF funding for GSA leasing of general purpose vehicles (passenger vehicles, "follow-me" trucks, etc.).

6.3.1.7.12. Contract CE Refuse Collection and Disposal, Grounds Services, and Custodial Services. In accordance with USD(C) guidance, TWCF reimburses O&M (locations with in-house capabilities) or direct cites for grounds services, refuse collection and disposal, and custodial service costs incurred in support of TWCF facilities. Use EEIC 53310 when recording contract grounds services costs, EEIC 53330 for contract refuse collection and disposal costs, and EEIC 53110 for custodial services when they are included as part of the base custodial contract. See Table 6.1. for applicable TWCF facility category codes. If the required custodial service, i.e., carpet cleaning, is not included as part of the base custodial contract, use EEIC 53350 to record the costs.

6.3.1.7.13.4. When installing carpet as part of a MC project, accomplished with in-house or self-help labor, with funded costs of \$250 thousand or more, use TWCF MC in-house funds, BPAC 21X, EEIC 528. When funded costs are less than \$250 thousand, fund the project with TWCF MR in-house funds, BPAC 3XX, EEIC 527.

6.3.1.7.13.5. When installing carpet as part of a MC project by contract, with funded costs of \$250 thousand or more, use TWCF MC funds, BPAC 21X, EEIC 529. When funded costs are less than \$250 thousand, use TWCF MR funds, BPAC 3XX, EEIC 529MR.

6.3.1.7.13.7. The cost of wall-to-wall carpet or carpet tiles are funded from TWCF BPAC 3XX (replacement) or BPAC 2XX (new installation), as appropriate, regardless if the installation is concurrent with the purchase or if it will be installed at a later date.

6.3.1.7.16. Architect-Engineering (A-E) Services. The TWCF funds A-E services (contract – EEIC 532, or in-house - EEIC 527ZE or 528ZE) for TWCF-funded MR/MC projects. You must fund MC A-E design costs from the Capital Budget, BPAC 21CXX and consider it a Capital Budget cost if the total funded cost of the MC project (excluding the A-E costs) is \$250 thousand or greater. Exclude A-E costs for MC capital projects from the total project cost determination to comply with the \$750 thousand statutory ceiling. However, you should include A-E costs in the depreciation of the MC capital project in accordance with USD(C) policy. Fund A-E costs associated with MC projects under \$250 thousand funded costs and MR projects, regardless of the dollar amount, from the Operating Budget, BPAC 101.

6.3.1.7.17. Operating Equipment. This primarily consists of tools and other accountable or expense equipment, as determined by base supply, having a unit cost of less than \$250 thousand and locally purchased (EEIC 63X) or issued from the AFWCF (EEIC 62X) to a TWCF organization. Also included are replacement issues for mobility bags and mobility equipment listed on the organization's Unit Tasking Code (UTC) and closed circuit television (CCTV) systems specifically unique to TWCF security requirements only. Exclusions to this policy are:

6.3.1.7.17.5. Any centrally procured (funded from 3010, 3011, 3020, and 3080 appropriations) item, even though their unit cost is less than the expense/investment threshold (e.g., firearms, ammunition, aircrew night vision goggles, general purpose vehicles, material handling equipment). See AFMAN 65-604, *Appropriation Symbols and Budget Codes*, for procurement-funded items and associated Budget BPACs or direct inquiries to your local base supply office to determine if unit funds qualify to purchase a particular stock-listed equipment item.

6.3.1.7.24. The TWCF will fund for training costs of all military and civilian personnel assigned to TWCF organizations unless specifically provided from other appropriations, to include required professional credentials for TWCF-assigned civilian employees, as directed by HQ USAF/DP memorandum, Subject: *Policy Memorandum – Payment of Expenses to Obtain Professional Credentials (DASD (Civilian Personnel Policy) Memo, 17 Aug 02, Payment of Expenses to Obtain Professional Credentials)*. Do not use TWCF funds to pay for training of personnel assigned to non-TWCF organizations.

6.3.2.2.3. General and Administrative (G&A) Cost. The TWCF reimburses AMC O&M for their fair share of common base support costs. This reimbursement transpires at the command level and does not include incremental support costs. Common base support costs include costs incurred in the daily operations of groups and above, as well as O&M funded squadrons. The base-level TWCF accounts do not fund these common support costs. HQ AMC/A8B programs and reimburses AMC O&M, managed by AMCFSS/A8BO, for G&A expenses at the command level. Daily operation costs for TWCF squadrons and below (aerial port, aircraft maintenance, flying squadrons, and mobility squadrons) are directly funded by TWCF at base level. See [Chapter 10](#) of this instruction for additional information relating to G&A.

6.3.2.2.5. Utilities. The TWCF reimburses AMC O&M for utilities (electricity, gas, water, sewage disposal, steam heat) consumed by TWCF facilities (AFI 32-1061). It does not include cable TV (a communications expense). The TWCF facilities are primarily limited to those occupied by TWCF functions and assigned a qualifying category code reflected in [Table 6.1](#). **NOTE:** TWCF utility funding is centrally funded. These funds cannot be moved out of the TWCF utility account (EEIC 480XX) without HQ AMC/A7R/A8B approval.

6.3.2.2.13. Reconstitution of theater-assigned war readiness material (WRM) assets, when AMC TWCF flying units deploy overseas to support contingencies, JCS Exercises, or Air Expeditionary Force (AEF)

requirements, as directed by AFI 25-101, *War Readiness Material (WRM) Program Guidance and Procedures*, chapter 6, paragraphs 6.3.5.9 and 6.8.1. The tasked AMC wing will provide a MIPR or AF Form 616 citing EEIC 549 with the appropriate ESP code to the providing theater unit responsible for the management of WRM assets prior to equipment release. A list of required WRM assets and estimated reconstitution costs will be provided by the appropriate AMC planning/tasking offices or functional managers to the tasked AMC wing prior to AMC TWCF unit deployments. Use historical reconstitution costs or the appropriate guidance in AFI 25-101, as supplemented by AMC, when determining total estimated charges. Unused funds in excess of actual reconstitution costs will be returned to the respective AMC wing. **NOTE:** For AMC TWCF units deploying to Moron AB Spain, the 721 AMOG/FMA will provide TWCF funding, as appropriate, to the 4 EAMS for any anticipated TWCF WRM reconstitution requirements at Moron.

6.3.2.3.2. AMC is authorized to negotiate and sign agreements with the Departments of the Army and Navy. HQ AMC/A4X retains copies of these agreements.

6.3.2.4. Military Augmentation. AMCFSS/A8BT, through DFAS-OM, records flying hour costs of Channel, SAAM, and CJCS Exercise Missions flown by other commands (AFRC, ANG, USAFE, PACAF, AETC), as well as AMC O&M aircraft, as a military augmentation expense. TWCF reimbursement to these commands is based upon the annual AFCAIG flying hour rates published in AFI 65-503 (see [Chapter 4](#), paragraph 4.3.4.2. of this instruction). Use EEIC 589XX with the appropriate shred that identifies the applicable command. Specific negotiated command-to-command agreements provide the flying hour reimbursement requirements for each command that augments AMC's organic capacity. AMC will coordinate all TWCF flying hours and reimbursement costs with the other commands. These expenses are programmed and executed only at the command level.

6.3.3.2. Expansions will only proceed after HQ AMC/A3N/A8P have coordinated them through GATES and the Airlift Service Industrial Fund Integrated Computer System (ASIFICS), in order to ensure capture of billing information using the Landbridge manifest.

6.3.3.4. Other surface conveyance requests for TWCF reimbursement will be worked on a case-by-case basis through HQ AMC/A3N/A8P.

**6.4. Non-Operating Costs.** Some TWCF costs are non-operating costs. Examples of these costs include depreciation of TWCF Capital equipment, facilities, ADP hardware or software capital development projects, and management improvement initiatives. Bad debt (non-US Government uncollectable revenue only) is another non-operating TWCF expense. HQ AMC/A8B maintains the funding and execution of these costs at the command level.

6.6.2. The procurement of aircraft and centrally procured items (financed from 3010, 3011, 3020, and 3080 appropriations) managed by HQ Air Force Materiel Command (AFMC). This includes major repair or replacement of aircraft, equipment, and capital material that is the result of actions other than normal fair wear and tear.

6.6.5.13. Rental of GSA base-wide general-purpose vehicles at AMC bases or the maintenance thereof, unless they exceed the authorized level determined by the transportation squadron and are specifically requested to fulfill an exclusive TWCF requirement. **NOTE:** Prior written approval from HQ AMC/A8B and the base transportation squadron is required before entering into a TWCF-funded general-purpose vehicle lease agreement. Requests for such leases should contain explicit justification as to the purpose of the lease and why the authorized level of leased general purpose vehicles at the AMC base does not cover the requirement.

6.6.5.15. Transient Alert (TA) operations, to include aircraft oil, lubricants, aircraft parts, and other items furnished to transient O&M aircraft at Air Force installations. This is a host base responsibility and TWCF-funded aircraft maintenance organizations at AMC bases are not responsible to provide these supplies and materials to TA operations for the purpose of providing maintenance services to transient aircraft.

6.6.13. Mortuary services. This excludes autopsies performed at the direction of Air Force authority on personnel assigned to TWCF organizations by private civilian pathologists when Air Force MTF pathology services are not available (see AFI 65-601, Volume 1, chapter 10, paragraph 10.25.10.12).

6.8.5. See also DoD 4500.9-R, *Defense Transportation Regulation, Part I, Passenger Movement*, chapter 103, paragraph K.3.

6.9.2. It is HQ AMC/A8B policy to reimburse the AMC funding points for validated CJCS ESP coded expenses reflected in the applicable CJCS RC/CCs on a quarterly basis. See AMCPAM 65-603, chapter 21, for additional guidance on CJCS Exercise support funding.

6.10.2. Normally, the appropriate CONUS AMOG (615 AMOG/FMA, Travis AFB CA or 621 AMOG/FMA, McGuire AFB NJ) will provide the Air Force Form 616 or DD Form 448, as appropriate, since it is one of their primary missions to deploy in support of contingencies. Reconcile the Air Force Form 616/DD Form 448 at least on a weekly basis and ensure proper close-out prior to returning to home station. Return all funding documents to the issuing AMOG upon redeployment. The 615/621 AMOG will then submit them along with the supporting documentation to DFAS-Omaha (DFAS-OM) to update the obligations or expenses in the accounting records. Use the applicable Air Force/command ESP code to properly track expenses in the accounting system to support any unfunded requirements submitted to HQ AMC/A8B.

**7.1. HQ AMC Preparation of Budget Estimates.** HQ AMC/A8B prepares the TWCF President's Budget (PB) estimates and submits it to USTRANSCOM/TCJ8 for review.

7.2.1. General Information. Each TWCF funding point sends an estimate of anticipated new requirements for the budget years along with one-time unique requirements spent on the prior and current years for all of the TWCF organizations under its control. Submit the general statements, schedules, and exhibits in accordance with the command budget call instructions issued by HQ AMC/A8B. Instead of a comprehensive submission with numerous exhibits, base level TWCF estimates are limited to the following, by EEIC, PE, and fiscal year:

7.2.2. Responsibility for Budgeting. Formulate the TWCF budget estimates at the lowest possible level to ensure financial management participation and responsibility. TWCF units located on installations of other commands or DoD agencies that do not have a budget function should request help from the host. The appropriate AMC unit commander signs the general statements of the TWCF estimates. **NOTE:** Ensure you request and receive input and justification from the BCE for utilities (EEIC 480XX), grounds services (EEIC 53310), refuse collection/disposal (EEIC 53330), custodial services (EEIC 53110), other CE services contracts (EEIC 533XX), and other miscellaneous service contracts (EEIC 592XX) generated by the BCE in support of a TWCF-assigned unit.

8.1.4. **NOTE:** Public Law 108-7, Division M, Title I, Section 106 changed Section 8040 of Public Law 107-248 by increasing the O&M 3400/3080 expense/investment threshold from \$100 thousand to \$250 thousand, effective 20 February 2003. Per SECDEF memorandum dated 11 Mar 03, Subject: *Expense/Investment Threshold*, this threshold increase will apply to DWCF CPP projects (minor construction, ADPE equipment, non-ADPE equipment, and software development/modernization) but not until FY04

(1 October 2003). Any new FY03 TWCF Capital requirements between \$100 thousand and up to \$250 thousand, Capital or Operating funds may be used; however, USTRANSCOM/TCJ8 approval is required prior to executing TWCF Operating funds. All references to the TWCF CPP dollar threshold number in this chapter are now changed to reflect \$250 thousand.

8.2.6. Projects that cost \$250 thousand or greater with a useful life of 2 years or more, must be:

8.2.6.1. Capitalized and depreciated.

8.2.6.2. Funded as part of the TWCF Capital budget.

8.2.6.3. Executed within approved TWCF capital budget authority limits reflected on the TWCF funding document.

8.3.1.7. It meets or exceeds the DoD capitalization criteria of \$250 thousand and a useful life of 2 years or more.

8.3.5.2. The approved CIP requirements and associated dollar amounts are reflected in the funding document. Substitutions and additions of capital projects must comply with the requirements in paragraph **8.3.1.** of this instruction. All cancelled, postponed CIP requirements, as well as those out-of-cycle CIP requirements, adjustments to estimates of approved projects, and projects selected as substitutions or replacements for canceled or postponed projects must be identified in CIP budget requests to HQ AMC/A8B.

8.3.5.5.1. HQ AMC/A7R/A8B must approve the MC changes.

8.3.5.5.2. HQ AMC/A8B must approve all other capital requirement changes.

8.4.1. Capital Equipment, Other Than ADPE and Telecommunications. This includes the development, manufacture, transfer, and acquisition of all capital equipment assets, along with any standard warranties offered by the contractor, that cost \$250 thousand or more with a useful life of 2 or more years. **NOTE:** Extended warranties are not an integral part of the equipment purchase and are considered as options to the standard warranty and purchased with TWCF Operating funds.

8.4.2. ADPE and Telecommunications Equipment (Hardware). As defined in the Office of Management and Budget (OMB) Circular A-11, *Preparation and Submission of Budget Estimates*, ADPE and telecommunications equipment is equipment or an interconnected system or subsystem of equipment used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information collectively costing \$250 thousand or more with a useful life of 2 or more years. Also included in this category is computer software integrated into hardware, that is necessary to operate the hardware rather than to perform an application, capitalized and funded as hardware, along with any standard warranties offered by the contractor (see paragraph **8.4.1.** above for funding of extended warranties). This applies to software exclusively owned by the Air Force as well as software with limited data rights to its use, application, distribution, or disposition.

8.4.4. Minor Construction (MC). The MC projects include all work and funded costs necessary to construct or improve (including contract or in-house A-E design) a complete and usable building, structure, or other real property. **NOTE:** A-E design costs are not considered as a part of the \$750 thousand dollar ceiling for MC projects. This includes in-house and contracted projects with funded costs \$250 thousand or more up through \$750 thousand. **NOTE:** MC projects intended solely to correct a deficiency that is life, health, or safety threatening may exceed the \$750 thousand threshold up to and including \$1.5 million, in accordance with AFI 32-1032, paragraphs 5.1.2.1 and 6.6. Such projects must have prior SAF/MII

approval along with prior congressional notification; failure to comply is an Anti-Deficiency Act violation. See paragraph **6.3.1.7.16.** of this instruction for A-E design application to MC projects. See **Table 6.1.** for a complete list of TWCF-eligible facilities at AMC CONUS and en route locations that have TWCF-assigned organizations.

8.4.6.1.1. Acquisition cost, book value, or, when applicable, the estimated fair market value equals or exceeds the \$250 thousand investment threshold. Transfers of capital assets shall comply with DoDFMR 7000.14, Volume 11B, paragraph E.6.c., and an estimated benefit period or useful life to the DoD of 2 years or more.

8.4.7.1.2. Depreciation Cost Classification. Depreciation expense is classified as either indirect or G&A depending upon the organizational location of the asset and its use. However, you may charge it as a direct expense only if depreciation costs of all like assets used for similar purposes are chargeable in the same manner. HQ AMC/A8B and DFAS-OM will jointly make these determinations.

8.5.6.2.4. When the share of the cost of a capital asset distributed and installed at a business area fails to meet the investment capitalization criteria, continue to capitalize and depreciate its share of the asset if the aggregate initial cost of the asset distributed to business areas satisfies the investment \$250 thousand threshold.

8.5.7.1. Improvements and upgrades that increase the capacity or operating efficiency of an existing capital asset, and for which the cost is equal to or greater than the \$250 thousand threshold, are capitalized even though the improvement or upgrade may not extend the useful life of the asset. Revise the depreciation schedule of existing capital assets to include the acquisition cost of a capitalized improvement or upgrade. Apply the criteria in paragraphs **8.5.7.2.** through **8.5.7.4.** below to determine if the useful life of the original asset required revision. Regardless of the application, measure and account for the revision of depreciation expense or expected useful life in the current and future periods. Do not make any adjustment to prior depreciation.

8.5.7.4. Record all improvements and upgrades costing less than \$250 thousand as an operating expense in lieu of a CIP purchase even though the improvement or upgrade could extend the useful life of the asset.

8.6.4.4. Analysis Documentation. The analysis documentation for the CIP project is equal to the executive summary and impact paper. Each organization that has a CIP project must submit analysis documentation, along with the source EA/CA to AMCFSS/A8BIC, 402 Scott Drive, Unit 1K1, Scott AFB IL 62225-5311, for forwarding to USTRANSCOM. Retain a copy for your files. The basic analysis is the source document for analysis documentation.

8.6.4.6.1. New Starts. Exhibit Fund 9b entitled *Business Area Capital Purchases Justification*, must accompany any CIP project anticipated for the POM years. HQ AMC/A8B will submit the Exhibit Fund 9b, along with the analysis documentation to USTRANSCOM/TCJ8. This does not mean to include a formal EA/CA as described in DoDFMR 7000.14, Volume 11B, chapter 58 paragraph F. However, it does require a comprehensive analysis to justify placing a project in the POM. The result of that analysis is summarized in the analysis documentation described in paragraph **8.6.4.4.** above. **NOTE:** With regard to automated information systems and functional program evaluations within the DoD, Major Automated Information System Review Council (MAISRC) Systems, FEAs, COEAs, etc., are acceptable forms of analysis. However, AMCFSS/A8BIC still requires documentation based on these types of analyses. See additional guidance concerning new starts in paragraph **8.2.9.** of this chapter above.

8.6.5.1. Initial Threshold. Capital projects begin at \$250 thousand investment cost with an estimated useful life of 2 years or more.

8.6.5.2. Economic Analysis/Cost Analysis (EA/CA). The WCF capital projects equal to or greater than \$250 thousand generally require either an EA or CA. For CIP projects with a cost of \$1 million or greater, use an EA; for CIP projects under \$1 million, use a CA. Prepare the EA/CA in accordance with guidance contained in this instruction, DoDFMR 7000.14, Volume 2B, Chapter 9, paragraph 090103.C.10., and per the USTRANSCOM Capital Assets Supplemental Guidance to chapter 58. HQ AMC/A7P will submit an annual EA/CA for all Capital MC projects. Any project not identified in the annual EA/CA must have a separate EA/CA prepared and submitted by the base in accordance with this paragraph.

8.6.6. Exemptions. Not all WCF capital investment projects over \$250 thousand will require an EA or CA. There are two instances for which DoD instruction (with approval through HQ AMC/A8) waives the requirement to perform a pre-investment analysis. The exemptions are:

8.6.7. Exemption Justification Statement. Prepare the exemption justification statement documenting the requirement or authority for the exemption claimed, validate as you would a pre-investment analysis, and obtain approval from AMCFSS/A8BIC. Continue to use the Certificate In Lieu of EA as the exception justification statement.

8.6.8.1. Investment Categories. Investment categories (\$250 thousand or greater):

8.6.11. Post-Investment Analysis. HQ AMC submits post-investment analysis annually to USTRANSCOM. AMCFSS/A8BIC identifies CIP funded actions that require a post-investment analysis and tasks the appropriate base FMA office to submit accordingly. The post-investment analysis must follow the same format and techniques as the pre-investment analysis. Use historical costs for the first year of execution throughout the total life cycle for comparison of projected costs and actual expenditures. Retain the post-investment analysis for ready review for 5 years; however, a post-investment analysis does not require an Impact Paper.

8.7.1. Budget and submit CIP projects to USTRANSCOM/TCJ8, through HQ AMC/A8B, in accordance with DoDFMR 7000.14, Volume 2B, chapter 9, and the HQ AMC/A8B and USTRANSCOM/TCJ8 TWCF BES "call" guidance

8.7.1.3.1. Equipment, Other Than ADP and Telecommunications Resources (BPAC 23XXX). Equipment requirements are stratified by costs greater than \$500 thousand and those costing \$250 thousand through \$500 thousand. Additionally, categorize capital non-ADP equipment by the primary reason justifying the purchases: (1) Improved efficiency (savings) or effectiveness, (2) required new capability or capacity, (3) replacement, and (4) mandated environmental, hazard waste reduction, or regulatory agency requirement (see paragraph 8.3.1.6. above). Consider any alternative that satisfies the requirement in the most cost effective manner, supported by the EA.

8.7.1.3.2. Minor Construction (MC) (BPAC 21XXX). Budget MC CIP projects (to include related contract or in-house A-E design, as per paragraph 6.3.1.7.16. of this instruction) in the TWCF BES submission on a facility category basis. An EA/CA is required for MC projects as defined in paragraph 8.6. above. Budget and fund all MR projects for facilities that maintain the capability of an existing facility from the TWCF Operating budget under BPAC 3XXXX. Additionally, budget and fund MC projects that are less than \$250 thousand funded costs from the TWCF Operating budget, under BPAC 3XXXX.

8.7.1.3.3.2. TWCF Capital budgeting is also required for any local area network (LAN) acquisition, modifications, LAN software, and system upgrades, exclusive to TWCF organizations. Submit ancillary

equipment requirements (i.e., individual computers, printers, etc.) in the TWCF Operating budget, whose primary purpose is to operate independently from the LAN and individually cost less than \$250 thousand. Also, include in the TWCF Operating budget the purchase of repair parts, components, spares, and computer requirements (individually costing less than \$250 thousand) to replace failed components that must be functionally equivalent to the unit replaced. We recommend you prepare separate requirements documents (i.e., CSRDs) for those items integral to the LAN operation and for all other items not integral to the LAN operation.

8.7.1.3.4. Software Development (BPAC 24XXX). This includes the actual development and acquisition of the information system, excluding weapons systems. Budget for software development as CDA support. HQ AMC/A6 currently serves as the TWCF CDA. The CDA support costs for software development will include the full cost of software development displayed in four parts: (1) planning and system design, (2) system development, (3) deployment, including environmental and operational test and installation, and (4) systems maintenance. An EA is required.

9.2.1.1. Fund and execute all TWCF MR costs in BPAC 3XX, to include all MC projects with total funded costs less than \$250 thousand (**NOTE:** See paragraph 8.1.4. for the FY04 threshold increase of TWCF CIP to \$250 thousand).

9.2.2. MR projects \$2 million or more require an approved EA before issuing funds. MR projects \$3 million and up to \$5 million requires HQ AMC/A7P approval with an information copy to SAF/MII. Additionally, MR projects \$5 million or greater requires HQ AMC/A7P *and* SAF/MII approval.

9.2.3. Reprogramming of TWCF MR (BPAC 3XX) funds to TWCF Operating (BPAC 101) funds or vice versa requires HQ AMC/A7R/A8B approval. Commanders wishing to reprogram will submit a base FMA/CER request with the proper justification and dollar amount. HQ AMC/A7R/A8B will consider each request on its own merit and overall command impacts. If approved, AMCFSS/A8BI (Funds Control) will issue funding documents to reflect the changes.

10.2.1. USTRANSCOM. USTRANSCOM is considered TWCF management oversight and the TWCF funds for its daily operations (excluding support costs provided to USTRANSCOM funded from AMC O&M) under fund code 6F. USTRANSCOM passes these costs along to the individual TWCF components (AMC, MTMC, and MSC) in the form of USTRANSCOM G&A costs. HQ AMC/A8B retains the programming and execution of these costs at command level.

10.2.2. AMC. This headquarters is funded from the DoD component's (Air Force) O&M 3400 funds, with the exception of those HQ AMC organizations that provide direct administrative support to the TWCF. The TWCF reimburses O&M at the command level for HQ AMC G&A costs based on a pro rata share of support costs in the program element (PE) codes listed below. The pro rata share is based on the primary AMC TWCF bases (Charleston, Dover, McGuire, Pope, Travis, Scott and McChord). HQ AMC/A8B budgets for future year G&A costs by determining the amount of O&M funding in the PB/POM, in the following PEs, multiplied by the percent of TWCF personnel residing at each location.

10.2.3. DFAS. The TWCF reimburses DFAS for accounting support as a G&A cost. DFAS determines the requirements based on actual work counts at USD(C) approved rates. HQ AMC/A8B retains the budgeting and execution of DFAS G&A costs at command level.

12.6.3. The AMC TWCF cash management administrator is HQ AMC/A8, who will:

### **Attachment 1**

## **GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION**

10 USC, Section 2208, *Working Capital Funds*

10 USC, Section 2642, *Reimbursement Rate for Airlift Services Provided to Central Intelligence Agency*

31 USC, Section 1301, *Application*

31 USC, Section 1341, *Limitations on Expending and Obligation Amounts*

31 USC, Section 1517, *Prohibited Expenditures and Obligations*

DoDI 4000.19, *Interservice and Intragovernmental Support*

DoD 4500.9-R, *Defense Transportation Regulation, Part I, Passenger Movement*

DoDD 4500.54, *Official Temporary Duty Travel Abroad*

DoD 4515.13-R, *Air Transportation Eligibility*

DoDFMR 7000.14, Volume 2B, *Budget Formulation and Presentation*

DoDFMR 7000.14, Volume 3, *Budget Execution—Availability and Use of Budgetary Resources*

DoDFMR 7000.14, Volume 4, *Accounting Policy and Procedures*

DoDFMR 7000.14, Volume 5, *Disbursing Policy and Procedures*

DoDFMR 7000.14, Volume 11B, *Reimbursable Operations, Policy and Procedures – Defense Business Operating Funds*

DoDFMR 7000.14, Volume 14, *Administrative Control of Funds and Antideficiency Act Violations*

DoDFMR 7000.14, Volume 15, *Security Assistance Policy and Procedures*

DoDI 7041.3, *Economic Analysis for Decision Making*

AFI 11-2C-5, Volume 3, *C-5 Operations Procedures*

AFI 11-2C-17, Volume 3, *C-17 Operations Procedures*

AFI 16-101, *International Affairs and Security Assistance Management*

AFI 21-110, *Engineering and Technical Services*

AFI 25-101, *War Readiness Material (WRM) Program Guidance and Procedures*

AFI 25-201, *Support Agreement Procedures*

AFI 32-1032, *Planning and Programming Real Property Maintenance Projects Using Appropriated Funds (APF)*

AFI 32-1061, *Providing Utilities to US Air Force Installations*

AFI 33-110, *Data Administration Program*

AFI 36-3014, *Clothing Allowance for Air Force Personnel*

AFI 38-203, *Commercial Activities Program*

AFI 48-123, *Medical Examinations and Standards*

AFI 64-117, *Air Force Government-Wide Purchase Card Program*

AFI 65-503, *US Air Force Cost and Planning Factors,*

AFI 65-601, Volume 1, *Budget Guidance and Procedures*

AFI 65-601, Volume 3, *The Air Force Budget Corporate Process*

AFI 65-604, *Appropriation Symbols and Budget Codes*

AFI 91-213, *Operational Risk Management (ORM) Program*

AFMAN 37-139, *Records Disposition Schedule*

AFM 67-1, Volume 7, Part 1, *Mechanized Materials Handling Systems and Storage Aids System*

AMCI 24-101, Volume 6, *Military Airlift Transportation – Transportation Documentation, Data, Records, and Reports*

AMCI 24-101, Volume 9, *Military Airlift Air Terminal Operations Center*

AMCI 24-101, Volume 14, *Military Airlift Passenger Service*

AMCI 65-601, *AMC Headquarters Financial Management for Operations*

AMCS1 to AFI 65-601, Volume 1, *Budget Guidance and Procedures*

AMCPAM 65-603, *Budget Operating Guidance*

DFAS-DE 7000.1-R, *Responsibility Center/Cost Center Codes*

DFAS-DE 7010.1-R, *General Accounting and Finance Systems at Base Level*

GAO, Volume 1, *Principles of Federal Appropriations Law*

GAO, Volume 2, *Principles of Federal Appropriations Law*

OMB Circular A-11, *Preparation and Submission of Budget Estimates and Strategic Plans or Planning, Budgeting, and Acquisition of Fixed Assets*

OMB Circular A-94, *Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs*

DFAS-DE, *Interim Guidance on Procedures for Travel Accounting Operations*

AMC Tariff Rate Guide, *US Government Airlift Rates and Non-US Government Airlift Rates* (see [Chapter 6](#), paragraph 6.2.3. for web site address)

***Abbreviations and Acronyms:***

**A8**—Financial Management and Comptroller (A-Staff)

**A8B**—Financial Management and Comptroller – Budget

**A8BI**—Financial Management and Comptroller – Budget - Integration

**A8BIC**—Financial Management and Comptroller – Budget – Integration - Cost

**A8BT**—Financial Management and Comptroller – Budget - Transportation Working Capital Fund

**A8P**—Financial Management and Comptroller – Programs and Analysis

**A8PD**—Financial Management and Comptroller – Programs and Analysis – Transportation Working Capital Fund Billing and Accounting Reconciliation

**A-E**—Architect-Engineering

**ACM**—Additional Crewmember

**ADP**—Automated Data Processing  
**ADPE**—Automatic Data Processing Equipment  
**ADSN**—Accounting and Disbursing Station Number  
**AE**—Aeromedical Evacuation  
**AEF**—Air Expeditionary Force  
**AEP**—Accrued Expenditures Paid  
**AEU**—Accrued Expenditures Unpaid  
**AFCAIG**—Air Force Cost Analysis Improvement Group  
**AFMC**—Air Force Material Command  
**AFRC**—Air Force Reserve Command  
**AFSF**—Air Force Stock Fund  
**AFWCF**—Air Force Working Capital Fund  
**AHS**—AMC Historical System  
**ALOC**—Air Line of Communications  
**AMC**—Air Mobility Command  
**AMCFSS**—Air Mobility Command Financial Support Squadron  
**AMOCC**—Air Mobility Operations Control Center  
**AMOG**—Airlift Mobility Operations Group  
**ANG**—Air National Guard  
**APF**—Appropriated Funds  
**APOE**—Aerial Port of Embarkation  
**ASECNA**—Agency for Air Navigation Safety in Africa and Madagascar  
**ASIF**—Airlift Service Industrial Fund  
**ASIFICS**—Airlift Service Industrial Fund Integrated Computer System  
**ATCBT**—Air Transportation Computer Based Training  
**AVPOL**—Aviation Petroleum Oil and Lubricants  
**BASH**—Bird Aircraft Strike Hazard  
**BCE**—Base Civil Engineer  
**BIR**—Benefit to Investment Ratio  
**BPAC**—Budget Project Account Code  
**BRAC**—Base Realignment and Closure  
**CA**—Cost Analysis

**CBA**—Central Billed Account  
**CBAS**—Command Budget Automated System  
**CCA**—Command-to-Command Agreement  
**CDA**—Central Design Activity  
**CIC**—Customer Identification Code  
**CIP**—Capital Investment Program  
**CJCS**—Chairman, Joint Chiefs of Staff  
**COMM**—Commitment  
**CRAF**—Civil Reserve Airlift Fleet  
**DAPS**—Defense Automated Printing Service  
**DBOF**—Defense Business Operations Fund  
**DBOF-T**—Defense Business Operations Fund-Transportation (see paragraph [1.1.4.](#))  
**DCS**—Defense Courier Service  
**DESC**—Defense Energy Support Center  
**DFAS**—Defense Finance and Accounting Service  
**DFAS-OM**—Defense Finance and Accounting Service-Omaha  
**DITCO**—Defense Information Technology Contracting Organization  
**DLR**—Depot Level Repairables  
**DMAG**—Depot Management Activity Group  
**DoD** —Department of Defense  
**DRU**—Direct Reporting Unit  
**DV**—Distinguished Visitor  
**EA**—Economic Analysis  
**EEIC**—Element of Expense and Investment Code  
**EPA**—Environmental Protection Agency  
**ERA**—Environmental Restoration Account  
**ESP**—Emergency and Special Program  
**FC**—Fund Code  
**FMA**—Financial Management Analysis  
**FSL**—Forward Supply Location  
**FSO**—Financial Services Office  
**FY**—Fiscal Year

**FYDP**—Future Year Defense Program  
**G&A**—General and Administrative  
**GATES**—Global Air Transportation Execution System  
**GLAC**—General Ledger Accounting Code  
**HAZMAT**—Hazardous Material  
**HQ**—Headquarters  
**IDT**—Inactive Duty Training  
**IMA**—Individual Mobilization Augmentee  
**INMARSAT**—International Maritime Satellite  
**IWIMS**—Interim Work Information Management System  
**JA/ATT**—Joint Airborne/Air Transportability Training  
**LAN**—Local Area Network  
**MAR**—Minimum Activity Rate  
**MC**—Minor Construction  
**MEDEX**—Medical Express  
**MEGP**—Mission Essential Ground Personnel  
**MILCON**—Military Construction  
**MIPR**—Military Interdepartmental Purchase Request  
**MMO**—Mobility Mission Observer  
**MOA**—Memorandum of Agreement  
**MORD**—Miscellaneous Obligation Reimbursement Document  
**MOU**—Memorandum of Understanding  
**MPA**—Military Personnel Appropriation  
**MR**—Maintenance and Repair  
**MRS**—Mission Route Support  
**MRT**—Maintenance Recovery Team  
**MSC**—Military Sealift Command  
**MTMC**—Military Traffic Management Command  
**NAF**—Numbered Air Force  
**NMC**—Not Mission Capable  
**NOR**—Net Operating Result  
**NPV**—Net Present Value

**O&M**—Operation and Maintenance  
**O&S**—Operating and Support  
**OAC**—Operating Agency Code  
**OBAN**—Operating Budget Account Number  
**OCONUS**—Outside the Continental United States  
**OLVIMS**—On-Line Vehicle Interactive Management System  
**OMB**—Office of Management and Budget  
**ORM**—Operational Risk Management  
**OSIA**—On-Site Inspection Agency  
**OUSD(C)**—Office of Undersecretary of Defense (Comptroller)  
**PAA**—Primary Assigned Aircraft  
**PB**—President’s Budget  
**PCS**—Permanent Change of Station  
**PE**—Program Element  
**POC**—Point of Contact  
**POL**—Petroleum Oil and Lubricants  
**POM**—Program Objective Memorandum  
**RAFO**—Regional Accounting and Finance Office  
**RC/CC**—Responsibility Center/Cost Center  
**REMIS**—Reliability and Maintainability Information System  
**RIF**—Reduction-in-Force  
**RSP**—Readiness Spare Package  
**SAAM**—Special Assignment Airlift Mission  
**SBSS**—Standard Base Supply System  
**SD**—Strategic Distribution  
**STEM**—Systems Telecommunications Engineering Manager  
**TACC**—Tanker Airlift Control Center  
**TALCE**—Tactical Airlift Control Element  
**TCTO**—Time Compliance Technical Order  
**TDY**—Temporary Duty  
**TMO**—Transportation Management Office  
**TWCF**—Transportation Working Capital Fund

**UCR**—Unit Cost Resourcing

**UMD**—Unit Manning Document

**UOO**—Undelivered Orders Outstanding

**USC**—United States Code

**USAF**—United States Air Force

**USD**—Undersecretary of Defense

**UTC**—Unit Tasking Code

**USTRANSCOM**—United States Transportation Command

**WCF**—Working Capital Fund

**WRM**—War Readiness Material

## Attachment 9

### IC 2004-1 TO AMCI 65-602, TRANSPORTATION WORKING CAPITAL FUND (TWCF) BUDGET GUIDANCE AND PROCEDURES

1 FEBRUARY 2004

#### *SUMMARY OF REVISIONS*

This revision incorporates Interim Change IC 2004-1 ([Attachment 9](#)). This Interim Change provides the new 3-digit A-Staff office symbols for HQ AMC Financial Management and Comptroller and other referenced HQ AMC A-Staff directorates, effective 9 Jan 04. All references to HQ AMC/A8B, HQ AMC/A8P, HQ AMC/A8PD, AMCFSS/A8BI, and AMCFSS/A8BT within the previous publication are changed to HQ AMC/A88, HQ AMC/A87, HQ AMC/A87D, AMCFSS/A88I, and AMCFSS/A88T respectively throughout the publication. Also changed is the TWCF Capital Purchase Program (CPP)/Capital Investment Program (CIP) threshold from \$250 thousand back to \$100 thousand in accordance with USD(C) memorandum dated 22 Sep 2003, Subject: *Capitalization Threshold* (paragraphs [2.4.6.2.](#), [4.6.1.](#), [6.3.1.6.](#), [6.3.1.6.3.](#), [6.3.1.6.4.](#), [6.3.1.7.13.5.](#), [6.3.1.7.16.](#), [6.3.1.7.17.](#), [8.2.6.](#), [8.3.1.7.](#), [8.4.1.](#), [8.4.2.](#), [8.4.4.](#), [8.4.6.1.1.](#), [8.5.6.2.4.](#), [8.5.7.1.](#), [8.5.7.4.](#), [8.6.5.1.](#), [8.6.5.2.](#), [8.6.6.](#), [8.6.8.1.](#), [8.7.1.3.1.](#), [8.7.1.3.2.](#), [8.7.1.3.3.2.](#), and [9.2.1.1.](#)). Deleted paragraph 8.1.4. that discussed the previously mentioned CIP threshold change. A copy of IC 04-1 is located at [Attachment 9](#) of this publication. **A star (\*) indicates a change from the previous edition.**

1.2.3. Revenue (or reimbursement for airlift services) is received by the TWCF from authorized airlift customers by charging tariff rates based on the type of airlift services provided. These tariff rates are developed by HQ AMC/A88, reviewed by USTRANSCOM/TCJ8, and approved by USD(C) through the President's Budget cycle. (See AFI 65-601, Volume 1, chapter 18, paragraphs 18.3.1., 18.3.4.2., and DoD-FMR 7000.14, Volume 2B, chapter 9, paragraph 090104.C.) Per AFI 65-601, Volume 1, chapter 18, paragraph 18.2.1., revenue earned by TWCF recoups direct and indirect costs, general and administrative support provided by others, depreciation, and amortization costs incurred by AMC in providing airlift services. TWCF tariffs include:

1.2.3.1. Rates for airlift furnished to authorized customers are chargeable to DoD funds, other federal funds, or allied air forces when a cooperative military airlift agreement exists. The annually published AMC rate guide, *US Government Airlift Rates and Non-US Government Airlift Rates* (see [Chapter 6](#), paragraph [6.2.3.](#) for web site address) provides the appropriate rates for the specific channel route (passenger/cargo service) or if chartering an entire aircraft (Special Assignment Airlift Mission (SAAM)). Additionally, tariff rates for these same airlift services applicable to the non-DoD federal users recover a portion of the unfunded cost. HQ AMC/A88 is responsible for the publication of these tariff rates in an annual publication (generally published in October of each fiscal year), as well as specific instructions and examples relating to their use. See [Chapter 3](#), paragraph [3.2.2.](#) of this instruction for the web site address to access the TWCF tariff rate publication.

1.3.1. USTRANSCOM/TCJ8 provides HQ AMC/A88 with fiscal guidance that shows approved operating budget and budget estimates to include the TWCF funding floor by category of service.

1.3.2. HQ AMC/A88 issues approved operating expense authority (to include facility maintenance and repair projects) and capital program authority to its subordinate funding points through the Command Budget Automated System (CBAS). All TWCF funding authority changes are provided to the bases/fund-

ing points telephonically by the AMCFSS/A88T base analyst prior to issuance of a CBAS funding document.

1.3.4. The authority to incur obligations and accrue expenditures for the TWCF is the right of local management under the direction and supervision of HQ AMC/A8/A88.

**1.7. Updates.** HQ AMC/A88 will provide changes by page replacements and inserts or interim message changes, and will also make them available on the HQ AMC/A8 web site. You may submit suggestions for updates to AMCFSS/A88I, Attn: Budget Policy and Procedures, 402 Scott Drive, Unit 1K1, Scott AFB IL 62225-5311. Please use the Air Force Form 847, **Recommendation for Change of Publication** and be specific as to the purpose of your suggestion. Provide as much information as possible to include the benefits derived from your proposed change.

2.2.1.1. 101 (or 10100) – All Operating (except for Military Augmentation, Commercial Augmentation, and Maintenance and Repair). AMCFSS/A88T assigns an additional 2-digit shred to identify each AMC centrally funded ADP system program under this BPAC, managed by HQ AMC/A65R.

2.2.1.4. 21XXX – Capital, Minor Construction. **NOTE:** HQ AMC/A78 establishes the 3<sup>rd</sup> through 5th positions of this BPAC, as follows:

2.2.1.4.3. The 5th position represents the sequential assignment of an alphabetic character by HQ AMC/A78 unique to each project.

2.2.1.5. 220 – Capital, ADPE and Telecommunications Equipment (hardware). AMCFSS/A88T establishes an additional 2-digit shred to identify each AMC centrally funded ADP system program under this BPAC, managed by HQ AMC/A65R.

2.2.1.6. 230 – Capital, Equipment, Other than ADPE and Telecommunications. A 2-digit shred may be established by AMCFSS/A88T, as appropriate.

2.2.1.7. 240 – Capital, Software Development and Modernization. AMCFSS/A88T establishes an additional 2-digit shred to identify each AMC centrally funded ADP system program under this BPAC, managed by HQ AMC/A65R.

2.2.1.8. 3XXXX – Operating, Maintenance and Repair (MR). **NOTE:** HQ AMC/A78 establishes the 2nd through 5th positions of this BPAC, as follows:

2.2.1.8.2. The 3rd through 5th positions represent a sequentially assigned number or number-alpha combination by HQ AMC/A78 unique to each project.

2.3.1. EEICs identify the various cost elements in the base level operating budgets that finance TWCF operations. See DFAS-DE 7010.1-R, *General Accounting and Finance Systems at Base Level*, chapter 2, paragraph 2-1.f., for the definition of an EEIC. AMCFSS/A88I establishes a command list of EEICs to include additional shreds of the basic EEIC structure for those command-unique transactions that require additional cost identification. This list can be found at the web site address provided in **Chapter 1**, paragraph **1.6.** of this instruction.

2.3.3. The use of correct TWCF PEs when establishing obligations or expenses in the accounting system is extremely critical when AMCFSS/A88T personnel analyze expense execution to determine the appropriate budgetary aircraft hourly tariffs to charge TWCF customers who utilize AMC strategic aircraft to move their oversize cargo requirements or group travel passengers. If TWCF costs are incorrectly PE coded (e.g., using an incorrect O&M-assigned PE in lieu of the correct TWCF PE) or the PE field is blank in the accounting records, the AMCFSS/A88T tariff analysts must speculate as to where these costs

belong by prorating them to the various weapon systems based on actual TWCF PE coded expenses or some other artificial means. The end result is that aircraft hourly tariffs may be erroneously overstated or understated in our TWCF budget submissions to USTRANSCOM, thereby incorrectly charging airlift customers for requested airlift services. Base FMAs should work with their respective Defense Finance and Accounting Service (DFAS) Field Site/RAFO and resource advisors to ensure validity of the PE code for all TWCF-related accounting transactions.

2.4.4.1. Instructions in the DFAS-DE *Interim Guidance on Procedures for Travel Accounting Operations*, govern recording accrued expense for TDY and PCS costs. Travel advances for authorized TDY or PCS require additional accounting actions. See AMCI 24-101, *Military Airlift Transportation*, Volume 14, *Military Airlift Passenger Service*, section C, paragraph 25, for policy governing use of mission route support (MRS), mobility mission observer (MMO), mission essential ground personnel (MEGP), and additional crewmember (ACM) customer identification codes (CIC) that identify non-billable OCONUS travel for authorized personnel on AMC organic aircraft. Contact AMCFSS/A87D, Scott AFB IL, E-mail: <mailto:AMCTWCFISSUES@scott.af.mil> for guidance on constructing billable CIC codes or consult DoD 4500.9-R, *Defense Transportation Regulation, Part I, Passenger Movement*, chapter 103, section J, paragraph 3.d for the appropriate military department CIC web site address.

2.4.5.9. Central Billed Account (CBA). TWCF flying units may utilize a CBA government travel card program for the purposes of establishing aircrew lodging reservations while flying airlift missions. Each CBA will be established under a unit name with an individual assigned to the account. The CBA will have no credit limit but will be restricted to lodging cancellation charges only. The cost of the rooms when occupied by the aircrew members will not be charged to this account. CBA accounts will be established with Bank of America and will be maintained by HQ AMC/A87F.

**NOTE:** Use EEIC 59271 to record these costs in the accounting system.

2.4.6.2. In-House Maintenance and Repair (MR) (EEIC 527) and Minor Construction (MC) (EEIC 528). Charge the TWCF for in-house costs relative to minor construction and maintenance or repair of real property facilities used solely or partially by TWCF. See paragraph 2.4.6.1.1. above for the definition of TWCF facilities. Refer to **Table 6.1.** of this instruction for a list of TWCF eligible facilities. The TWCF will also reimburse the O&M appropriation in total for all funded costs of MR/MC projects for TWCF facilities when done with in-house capability. Charge in-house MC costs (less than \$100 thousand of funded cost) against MR funding issued in EEIC 527. Charge in-house MC costs (\$100 thousand - \$750 thousand of funded costs) against the Capital MC account funding issued for the work in EEIC 528. Direct cite TWCF funds when work is performed by contract.

2.4.8. Prior Year Funding. The TWCF does not utilize prior year funds as is done for O&M 3400 funds. TWCF funding for any prior year obligations or expenses incurred come from current year funding authority, regardless of when the actual transaction took place unless an accrual or estimate was established in the accounting records prior to the end of the fiscal year in question. While it may appear from an accounting perspective that prior year TWCF uncommitted funds are available in the accounting system to pay prior year bills not previously established as accruals or payables (AEU) for the Operating Budget, or set up as obligations (UOO) for the Capital Budget, the fact is you cannot use these "available" balances to pay prior year bills. There is no prior year funding management in the TWCF in either the Operating or Capital Budgets. Before you approve/submit a prior year bill for payment from prior year TWCF funds, first establish that a corresponding payable (AEU-Operating) or obligation (UOO-Capital) still exists in the prior year accounting records. Any payments for prior year bills previously not accrued (Operating) or obligated (Capital) is payable against current year expense (Operating) or obligation (Cap-

ital) authority only. The Funds Control section at AMCFSS/A88I will pull all available TWCF FC 68 available uncommitted balances after accomplishing the end-of-fiscal-year processing. **NOTE:** In the event DFAS-OM erroneously deobligates AEU (Operating) or UOO (Capital) transactions in the accounting system at the end of the fiscal year, HQ AMC/A88 will work with DFAS-OM to reestablish them in the appropriate prior year, on a case-by-case basis.

2.4.9. UOO and Contingent Liability Rollovers. At the end of the fiscal year, TWCF BPAC 101 and 3XX records in UOO or commitment (contingent liabilities only) in the accounting system roll into the new fiscal year during the DFAS End of Fiscal Year Conversion process. These records do not retain fiscal year integrity in the accounting system – only those TWCF BPAC 101 or 3XX records in AEU will maintain fiscal year integrity until liquidated. Since UOO records are reestablished in the current fiscal year after the End of Fiscal Year Conversion process, there should not be any TWCF UOO records in the accounting system. Any subsequent line item amounts in prior year UOO should be reviewed and moved into prior year AEU if goods or services have been received, moved to current year UOO if goods or services have not been received, or deobligated if no longer valid. HQ AMC/A78/A88 will determine the appropriate amount of Architect-Engineering (A-E) and MR UOO rollover funding by project and AMCFSS/A88I (Funds Control) will issue additional TWCF authority, usually in the October-November timeframe. Other TWCF BPAC 101 rollover commodity funding will be determined by AMCFSS/A88T, as appropriate.

**3.1. Sale of Airlift Services (Traffic Revenue).** AMCI 24-101, Volume 6, *Transportation Documentation, Data, Records, and Reports*, describes the integrated management and accounting system for airlift of passengers, cargo, and mail on TWCF controlled aircraft. No revenue billing/accounting for sales of airlift services (i.e., charging for passenger, cargo, and other airlift movements) are done at base level except for occasional space required passenger reimbursement. HQ AMC/A88 and Defense Finance and Accounting Service-Omaha (DFAS-OM) accounts for all other sales of airlift revenue.

**3.2. Sale of Services Other than Airlift.** TWCF organizations may provide services other than transportation airlift to customers as required. Common examples of chargeable non-airlift services include but are not necessarily limited to servicing foreign commercial/military aircraft (unless exempted by existing treaties or cooperative agreements) and loading/unloading passengers and cargo on/off foreign aircraft. HQ AMC/A88 does not issue TWCF Reimbursement Authority to AMC funding points to allow TWCF organizations to retain revenue received for miscellaneous services provided to customers for further expenditure.

3.2.3. For all other miscellaneous non-transportation airlift services other than described above, TWCF units should follow accounting and revenue collection procedures outlined in paragraph 3.2.1. above, if feasible. **NOTE:** If you receive revenue from the sale of non-transportation airlift services and it is collected into an OAC/OBAN and ADSN at your base or supporting DFAS Field Site other than 525700 above, process a Standard Form (SF) 1081, **Voucher and Schedule of Withdrawals and Credits**, to transfer the amount to OAC/OBAN 6594, ADSN 525700 in order to establish as a for-others collection. Ensure that you use the correct sales code and ESP code (DH) to properly record the revenue transaction into the accounting system. Do not use sales code 90 to record revenue collections unrelated to servicing or processing passengers and cargo relating to foreign commercial/military aircraft. HQ AMC/A88 will issue additional expense authority, upon request, to AMC TWCF funding points based on revenue recorded against ESP code DH in the accounting system.

4.3.4.1.1.1. Undelivered Orders Outstanding (UOO). During first month of each quarter, establish a UOO for the total of all contracts for that quarter, plus applicable cancellation penalties for the fixed buy con-

tracts for all remaining quarters. Each month, increase UOO for service orders and change orders. Use data from the commercial augmentation financial management subsystem and from AMCFSS/A88T support entries.

4.3.4.2. Military Augmentation. This includes flying hour reimbursements for: PACAF and USAFE C-130 and KC-135 aircraft; AETC KC-135, C-5, C-130, and C-17 aircraft; AFRC KC-10, KC-135, C-5, C-130, and C-141 aircraft; ANG KC-135, C-5, C-130, and C-141 aircraft; and AMC KC-10, KC-135, and C-130 aircraft operating in the airlift transportation system (EEICs 58920-58939). Refer to the respective comptroller addendums or the basic Command to Command Memorandum of Agreements (MOA) for specific terms provided. Reimbursement rates are contained in AFI 65-503, *US Air Force Cost and Planning Factors*, Section C, Table A15-1. For all MAJCOM's reimbursement aircraft hourly rates, AMCFSS/A88T includes an additional 3 percent overhead factor to cover other miscellaneous non-AFCAIG mission-related aircraft costs (e.g., landing fees, border clearances, etc.).

4.3.4.2.1. Accruals. Each month, AMCFSS/A88T provides DFAS-OM an expense accrual based on Reliability and Maintainability Information System (REMIS) Flying Hour Report for military airlift augmentation.

4.3.4.2.2. Payments. HQ AMC/A37T verifies flying hour billings from AETC, PACAF, USAFE, and AMC (KC-10, KC-135, and C-130 aircraft); AMCFSS/A88T approves payments; DFAS-OM remits payment, adjusts expense accruals, and liquidates liabilities accordingly.

4.6.1. Develop depreciation schedules for all TWCF assets with a value equal to or greater than \$100 thousand with a useful life of 2 years or more. Use residual values and life expectancies shown in **Chapter 8**, paragraph **8.6.9**, of this instruction.

4.6.2. Since there are no accounting systems currently in place to track assets for depreciation purposes, estimated depreciation amounts are used. EEICs 705 through 709 apply, depending on the type of capital asset depreciated. DFAS-OM records monthly depreciation estimates as an expense to TWCF based on one-twelfth of the budgeted amounts, as provided by AMCFSS/A88T. See DoDFMR 7000.14, Volume 11B, chapters 12 and 58, and **Chapter 8** of this instruction for additional guidance concerning depreciation criteria and schedules.

5.2.1. Channel Traffic (Passenger, Cargo, Mail). Airlift services provided to the users are in accordance with those rates specified in the AMCFSS/A88T annual rate guide, *US Government Airlift Rates and Non-US Government Airlift Rates*. The AMC channel revenue data subsystem accumulates accounting and billing information for all traffic moved on TWCF channels. AMCI 24-101, Volume 6, provides data collection and processing requirements.

5.2.2.1.1. SAAM charges for airlift missions are provided by HQ AMC/A87DB, DSN779-2291. HQ AMC/A87DB gathers mission information upon completion of the SAAM mission and the billing is submitted to DFAS-OM for disbursing to the appropriate paying agency.

5.2.2.1.2. If there is a variance in any mission flow from the planned mission, HQ AMC/A87DB works with USTRANSCOM/TCJ3-ODJ and TACC/XOO to resolve the variances. Organic missions are calculated by multiplying the aircraft tariff rate by the flying hours, plus any minimum activity rate (MAR), less any discount incentives.

5.2.2.4.1. DFAS-OM management support accountants download GDSS and match what has been billed to all missions. HQ AMC/A87D establishes a revenue accrual from the billed SAAM missions versus all SAAM missions.

5.2.3.1. AMC publishes an operations plan for each identified CJCS Exercise, for distribution to all offices of responsibility, to include HQ AMC/A88.

5.2.3.2. CJCS airlift billings are computed on the exercise flying hours reported in REMIS multiplied by the approved flying hour rate. The cost of commercial augmentation in support of CJCS Exercises is computed using the rate tables in the annual airlift tariff rate guide. AMCFSS/A88T furnishes DFAS-OM preliminary billing information based on the REMIS monthly flying hour report. Any adjustment to the current month flying hours will be included in the subsequent month's billing. Process monthly billings against the Joint Chiefs of Staff MIPR.

5.2.5.1. JA/ATT Revenue. The JA/ATT missions are flown to support aerial delivery and static loader training requirements between AMC and military airborne units. Airlift provided for JA/ATT is an Air Force mission responsibility and charged to AMC O&M funds. AMCFSS/A88T provides DFAS-OM the JA/ATT hours flown and charges calculated at the approved flying hour rates. DFAS-OM monthly bills the AMC O&M account managed by HQ AMC/A88O, based on the hours provided.

5.2.5.2. Active Force Crew Proficiency Training, Test, and Ferry (TTF). AMCFSS/A88T develops for DFAS-OM the amounts of reimbursement TWCF earns from AMC O&M for costs associated with TTF flying hours required for active force aircrew proficiency training. DFAS-OM receives monthly from AMCFSS/A88T the amount of TTF hours flown and bills these costs monthly to HQ AMC/A8BO at the approved flying hour rates.

5.2.5.3. HQ AMC/A44QA provides the REMIS Flying Hour Report to HQ AMC/A37T/A88T identifying each month's flying hours flown by category.

5.2.8.1. Associate Reserve Program. AMCFSS/A88T develops for DFAS-OM the amount to be billed to the Air Force Reserve (HQ AFRC/FM) for the cost of aviation fuel and depot maintenance relating to applicable flying hours for AMC TWCF aircraft training. Billing is based on a percentage (determined by HQ USAF) of the Approved Reserve Associate Flying Hour Program, multiplied by the hourly rate in the USD(C) approved budget for the current year. DFAS-OM bills each month and collects revenue using cross-disbursement procedures.

5.2.8.2. Readiness Costs. AMCFSS/A88T develops for DFAS-OM the amounts of reimbursement TWCF earns from AMC O&M, managed by HQ AMC/A8BO, for readiness costs not covered by customer revenues. See paragraph [5.1.2.10](#). above.

5.2.8.4. Unused and Unoffered Capability. AMCFSS/A88T develops for DFAS-OM the amounts of reimbursement for costs associated with unused and unoffered airlift capability, if applicable.

5.2.8.5. Other Revenue. AMCFSS/A88T develops for DFAS-OM the amounts of other non-tariff revenue for direct reimbursement, as required.

5.3.7. DFAS-OM collects and records the differences between TWCF DoD-established rates and the TWCF rates charged to non-DoD US Government or non-US Government and Foreign Military Sales (FMS) customers in accordance with DoDFMR 7000.14, Volume 5. These collections are not retained in the TWCF. The AMC annual rate guide, specifically the SAAM rate section, shows amounts to be returned to Air Force appropriations and US Treasury receipt accounts 573041.\*\*\*\* (asterisks indicate the applicable appropriation limit). AMCFSS/A88T develops appropriate ratios and coordinates them with DFAS/DE, Denver CO, for distributing the difference in revenue collected between the TWCF DoD and non-DoD rates to the applicable appropriations. AMCFSS/A88T annually reviews the ratios to ensure validity.

5.3.8. Mission Cancellation Fees. If a transportation customer cancels an organic airlift mission (e.g., SAAM) within 24 hours of operation, HQ AMC/A87D checks with the SAAM directors or barrel masters in the TACC to determine if an aircrew was placed in crew rest. If so, the customer is charged the applicable MAR (4 hours for C-17 aircraft; 2 hours for all other AMC TWCF aircraft). If the mission is launched from home station prior to cancellation, the customer is charged all the hours logged in the AHS SAAM Departure Report, subject to the applicable MAR. No MAR is assessed for organic airlift mission cancellations greater than 24 hours notice. For commercial mission cancellations, the airlift customer is charged if the commercial airline assesses HQ AMC a cancellation fee.

6.2.3. AMC/CC approves the TWCF expense and revenue budget submission based on the recommendations of the HQ AMC Budget Advisory Board (BAB), to include the recommended airlift tariff rates. The TWCF budget is then submitted to USTRANSCOM/TCJ8-T, who reviews and makes necessary changes (budget marks), and then forwards it to USD(C) for final approval and inclusion in the AFWCF justification material sent to Congress. HQ AMC/A88 publishes the OSD-approved airlift tariff rates in the annual rate guide, *Non-US Government Airlift Rates and US Government Airlift Rates*, available at <https://www.amcfm.scott.af.mil/FMB.htm>.

6.3.1.6. Facility Maintenance and Repair. All MR projects and those MC projects with funded costs less than \$100 thousand accomplished on TWCF facilities are chargeable to the operations portion of TWCF against the MR account whether done by contract or by the BCE. Reimbursement for work accomplished by the BCE includes the cost of direct materials used plus the predetermined shop rate less the military factor. Facilities occupied by TWCF-funded organizations include airlift aerial port facilities, mobility aerial port facilities, airlift operations centers, squadron operations facilities, and aircraft maintenance facilities at AMC bases and overseas en route locations that receive TWCF funding to support the global transportation airlift mission (reference paragraph 2.3.2. of this publication for the PE codes applicable to TWCF-funded organizations). See [Table 6.1.](#) for the real property category codes that qualify for TWCF funding on those installations that have TWCF-assigned organizations.

6.3.1.6.3. TWCF MC over \$100 thousand per project, use Capital Budget (BPAC 21X) funds.

6.3.1.6.4. All TWCF MR projects, regardless of the dollar amount, and TWCF MC projects under \$100 thousand funded costs must use Operating Budget funds under BPAC 3XXXX. See [Chapter 9](#) of this instruction for additional guidance concerning MR funding.

6.3.1.7.8.4. Transportation of Aircraft Parts from ANG/AFRC Bases to MRTs Supporting NMC Aircraft Flying AMC TWCF Missions. There may be circumstances where the closest aircraft parts required to repair a NMC aircraft flying a TWCF mission reside at an AFRC/ANG base, as determined by HQ AMC/A45C. In this event, the resource advisor of the tasked TWCF AMC MRT unit will contact the appropriate ANG/AFRC base transportation office and obtain an estimated cost of transportation and will, in turn, provide them with a certified fund cite or AF Form 616 to pay for any shipping costs to move aircraft parts from the AFRC/ANG base to the MRT location. Use command ESP code CS (Charlie Sierra) with the appropriate transportation EEIC to track these costs in the accounting system.

6.3.1.7.9.7. AFRC or ANG Augmentation. AFRC and ANG personnel or units are frequently called upon by the TACC to augment active AMC units or to backfill a mission that an active AMC unit cannot accomplish, at the local or command level. HQ AMC/A1R issues Military Personnel Appropriation (MPA) Man-days to the tasked AFRC or ANG unit to support the AMC requirement. Whenever AFRC or ANG assets tasked to augment an active AMC unit, MPA Man-days are requested through the appropriate AMC functional manager for approval.

6.3.1.7.9.7.2. AFRC Augmentation Funding. HQ AMC/A88 issues TWCF funding to HQ AFRC/FMA through OAC/OBAN 6510. HQ AFRC/FMA sub-allocates these funds to their unit-equipped locations through established AMC sub-OBANs whenever MPA Man-day taskings are received. Associate Reserve units (e.g., strategic aircraft operations and maintenance) will obtain the appropriate TWCF fund cite from their parent wing organization. The AFRC units direct cite TWCF funds on the individual travel orders in accordance with the assigned sub-OBAN. AFRC O&M funds (57\*3740, Fund Code 54) are not used to support MPA Man-day taskings. HQ AFRC/FMA establishes and distributes official funding procedures (called Procedural Information Messages, or PIMs) to their units regarding the use of AMC TWCF funds for TDY costs relating to MPA Man-day requirements. See AMCS1 to AFI 65-601, Volume 1, paragraphs 10.2.1.1. and 10.2.1.2. (et seqq.) for additional detailed guidance concerning TDY funding for AFRC augmentation relating to Individual Mobilization Augmentee (IMA) personnel, MPA Mandays (voluntary call-up to active duty), and non-voluntary partial/full mobilization.

6.3.1.7.9.7.3. ANG Augmentation Funding. HQ AMC/A88 issues TWCF funding to HQ ANG/FMA through OAC/OBAN 6515. ANG units direct cite their O&M funds on the travel orders and reports the costs to HQ ANG/FMA through FM channels. HQ ANG/FMA reimburses their units by charging the AMC OBAN and collecting the reimbursement as a negative direct into their headquarters account. HQ ANG/FMA will then issue their O&M funds (57\*3840, Fund Code 58) to ANG units based on the validated costs incurred. See AMCS1 to AFI 65-601, Volume 1, *Budget Guidance and Procedures*, paragraphs 10.2.1.1. and 10.2.1.2. (et seqq.) for additional detailed guidance concerning TDY funding for ANG augmentation relating to MPA Mandays.

6.3.1.7.9.9. Maintenance Recovery Team (MRT) Support for Not Mission Capable (NMC) Aircraft (AMC, Other Air Force/DoD, or Austere Locations). These MRT taskings to AMC TWCF units are command directed through HQ AMC/A45C and will be funded by the tasked unit (TDY costs for the MRT and surface/air transportation costs to ship required aircraft parts and support equipment, if necessary), even when the NMC aircraft being supported is not assigned to the base of the tasked unit. Use AMC ESP code CS (Charlie Sierra) to track these costs in the accounting system. **EXCEPTION:** If the TWCF-assigned MRT is tasked to provide support to another command's NMC aircraft flying their mission requirements on their flying time, the unit who owns the NMC aircraft will provide a TDY fund cite to the tasked TWCF MRT, through HQ/AMC/A45C.

6.3.1.7.9.9.1. When AMC TWCF NMC aircraft are supported by another command's MRT, the base to which the aircraft is assigned will provide HQ AMC/A45C, upon request, a TDY fund cite and if required, a surface/air transportation fund cite, with applicable ESP code to forward on to the tasked MRT unit. Where the base elects to source TWCF funding within the wing/group is their discretion.

6.3.1.7.9.9.3. AMC will reimburse PACAF/USAFE for any additional flying hour support required to transport an MRT along with any required parts/support equipment to repair a PACAF/USAFE NMC aircraft flying a TWCF mission. These missions will be TWCF-coded and billed to AMCFSS/A88T as per paragraph 6.3.2.4. below.

(**NOTE:** This guidance is also reflected in the Financial Management and Comptroller section (H) of the AMC/PACAF CCA, June 2002, paragraph 1.a.(1)(d)3, and the AMC/USAFE CCA, September 2003, same paragraph.)

6.3.1.7.13.4. When installing carpet as part of a MC project, accomplished with in-house or self-help labor, with funded costs of \$100 thousand or more, use TWCF MC in-house funds, BPAC 21X, EEIC

528. When funded costs are less than \$100 thousand, fund the project with TWCF MR in-house funds, BPAC 3XX, EEIC 527.

6.3.1.7.13.5. When installing carpet as part of a MC project by contract, with funded costs of \$100 thousand or more, use TWCF MC funds, BPAC 21X, EEIC 529. When funded costs are less than \$100 thousand, use TWCF MR funds, BPAC 3XX, EEIC 529MR.

6.3.1.7.16. Architect-Engineering (A-E) Services. The TWCF funds A-E services (contract – EEIC 532, or in-house - EEIC 527ZE or 528ZE) for TWCF-funded MR/MC projects. You must fund MC A-E design costs from the Capital Budget, BPAC 21CXX and consider it a Capital Budget cost if the total funded cost of the MC project (excluding the A-E costs) is \$100 thousand or greater. Exclude A-E costs for MC capital projects from the total project cost determination to comply with the \$750 thousand statutory ceiling. However, you should include A-E costs in the depreciation of the MC capital project in accordance with USD(C) policy. Fund A-E costs associated with MC projects under \$100 thousand funded costs and MR projects, regardless of the dollar amount, from the Operating Budget, BPAC 101.

6.3.1.7.17. Operating Equipment. This primarily consists of tools and other accountable or expense equipment, as determined by base supply, having a unit cost of less than \$100 thousand and locally purchased (EEIC 63X) or issued from the AFWCF (EEIC 62X) to a TWCF organization. Also included are replacement issues for mobility bags and mobility equipment listed on the organization's Unit Tasking Code (UTC) and closed circuit television (CCTV) systems specifically unique to TWCF security requirements only. Exclusions to this policy are:

6.3.2.2.3. General and Administrative (G&A) Cost. The TWCF reimburses AMC O&M for their fair share of common base support costs. This reimbursement occurs at the command level and does not include incremental support costs. Common base support costs include costs incurred in the daily operations of groups and above, as well as O&M funded squadrons. The base-level TWCF accounts do not fund these common support costs. HQ AMC/A88 programs and reimburses AMC O&M, managed by HQ AMC/A88O, for G&A expenses at the command level. Daily operation costs for TWCF squadrons and below (aerial port, aircraft maintenance, flying squadrons, and mobility squadrons) are directly funded by TWCF at base level. See [Chapter 10](#) of this instruction for additional information relating to G&A.

6.3.2.2.5. Utilities. The TWCF reimburses AMC O&M for utilities (electricity, gas, water, sewage disposal, steam heat) consumed by TWCF facilities (AFI 32-1061). It does not include cable TV (a communications expense). The TWCF facilities are primarily limited to those occupied by TWCF functions and assigned a qualifying category code reflected in [Table 6.1](#). **NOTE:** TWCF utility funding is centrally funded. These funds cannot be moved out of the TWCF utility account (EEIC 480XX) without HQ AMC/A78/A88 approval.

6.3.2.3.2. AMC is authorized to negotiate and sign agreements with the Departments of the Army and Navy. HQ AMC/A45 retains copies of these agreements.

6.3.2.4. Military Augmentation. AMCFSS/A88T, through DFAS-OM, records flying hour costs of Channel, SAAM, and CJCS Exercise Missions flown by other commands (AFRC, ANG, USAFE, PACAF, AETC), as well as AMC O&M aircraft, as a military augmentation expense. TWCF reimbursement to these commands is based upon the annual AFCAIG flying hour rates published in AFI 65-503 (see [Chapter 4](#), paragraph [4.3.4.2](#), of this instruction). Use EEIC 589XX with the appropriate shred that identifies the applicable command. Specific negotiated command-to-command agreements provide the flying hour reimbursement requirements for each command that augments AMC's organic capacity. AMC will coor-

dinate all TWCF flying hours and reimbursement costs with the other commands. These expenses are programmed and executed only at the command level.

6.3.3.2. Expansions will only proceed after HQ AMC/A43/A87 have coordinated them through GATES and the Airlift Service Industrial Fund Integrated Computer System.

6.3.3.4. Other surface conveyance requests for TWCF reimbursement will be worked on a case-by-case basis through HQ AMC/A43/A87.

**6.4. Non-Operating Costs.** Some TWCF costs are non-operating costs. Examples of these costs include depreciation of TWCF Capital equipment, facilities, ADP hardware or software capital development projects, and management improvement initiatives. Bad debt (non-US Government uncollectable revenue only) is another non-operating TWCF expense. HQ AMC/A88 maintains the funding and execution of these costs at the command level.

6.6.5.13. Rental of GSA base-wide general-purpose vehicles at AMC bases or the maintenance thereof, unless they exceed the authorized level determined by the transportation squadron and are specifically requested to fulfill an exclusive TWCF requirement. **NOTE:** Prior written approval from HQ AMC/A88 and the base transportation squadron is required before entering into a TWCF-funded general-purpose vehicle lease agreement. Requests for such leases should contain explicit justification as to the purpose of the lease and why the authorized level of leased general purpose vehicles at the AMC base does not cover the requirement.

6.9.2. It is HQ AMC/A88 policy to reimburse the AMC funding points for validated CJCS ESP coded expenses reflected in the applicable CJCS RC/CCs on a quarterly basis. See AMCPAM 65-603, chapter 21, for additional guidance on CJCS Exercise support funding.

6.10.2. Normally, the appropriate CONUS AMOG (615 AMOG/FMA, Travis AFB CA or 621 AMOG/FMA, McGuire AFB NJ) will provide the Air Force Form 616 or DD Form 448, as appropriate, since it is one of their primary missions to deploy in support of contingencies. Reconcile the Air Force Form 616/DD Form 448 at least on a weekly basis and ensure proper close-out prior to returning to home station. Return all funding documents to the issuing AMOG upon redeployment. The 615/621 AMOG will then submit them along with the supporting documentation to DFAS-Omaha (DFAS-OM) to update the obligations or expenses in the accounting records. Use the applicable Air Force/command ESP code to properly track expenses in the accounting system to support any unfunded requirements submitted to HQ AMC/A88.

**7.1. HQ AMC Preparation of Budget Estimates.** HQ AMC/A88 prepares the TWCF President's Budget (PB) estimates and submits it to USTRANSCOM/TCJ8 for review.

7.2.1. General Information. Each TWCF funding point sends an estimate of anticipated new requirements for the budget years along with one-time unique requirements spent on the prior and current years for all of the TWCF organizations under its control. Submit the general statements, schedules, and exhibits in accordance with the command budget call instructions issued by HQ AMC/A88. Instead of a comprehensive submission with numerous exhibits, base level TWCF estimates are limited to the following, by EEIC, PE, and fiscal year:

8.1.4. DELETED.

8.2.6. Projects that cost \$100 thousand or greater with a useful life of 2 years or more, must be:

8.3.1.7. It meets or exceeds the DoD capitalization criteria of \$100 thousand and a useful life of 2 years or more.

8.3.5.2. The approved CIP requirements and associated dollar amounts are reflected in the funding document. Substitutions and additions of capital projects must comply with the requirements in paragraph **8.3.1.** of this instruction. All cancelled, postponed CIP requirements, as well as those out-of-cycle CIP requirements, adjustments to estimates of approved projects, and projects selected as substitutions or replacements for canceled or postponed projects must be identified in CIP budget requests to HQ AMC/A88.

8.3.5.5.1. HQ AMC/A78/A88 must approve the MC changes.

8.3.5.5.2. HQ AMC/A88 must approve all other capital requirement changes.

8.4.1. Capital Equipment, Other Than ADPE and Telecommunications. This includes the development, manufacture, transfer, and acquisition of all capital equipment assets, along with any standard warranties offered by the contractor, that cost \$100 thousand or more with a useful life of 2 or more years. **NOTE:** Extended warranties are not an integral part of the equipment purchase and are considered as options to the standard warranty and purchased with TWCF Operating funds.

8.4.2. ADPE and Telecommunications Equipment (Hardware). As defined in the Office of Management and Budget (OMB) Circular A-11, *Preparation and Submission of Budget Estimates*, ADPE and telecommunications equipment is equipment or an interconnected system or subsystem of equipment used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information collectively costing \$100 thousand or more with a useful life of 2 or more years. Also included in this category is computer software integrated into hardware, that is necessary to operate the hardware rather than to perform an application, capitalized and funded as hardware, along with any standard warranties offered by the contractor (see paragraph **8.4.1.** above for funding of extended warranties). This applies to software exclusively owned by the Air Force as well as software with limited data rights to its use, application, distribution, or disposition.

8.4.4. Minor Construction (MC). The MC projects include all work and funded costs necessary to construct or improve (including contract or in-house A-E design) a complete and usable building, structure, or other real property. **NOTE:** A-E design costs are not considered as a part of the \$750 thousand dollar ceiling for MC projects. This includes in-house and contracted projects with funded costs \$100 thousand or more up through \$750 thousand. **NOTE:** MC projects intended solely to correct a deficiency that is life, health, or safety threatening may exceed the \$750 thousand threshold up to and including \$1.5 million, in accordance with AFI 32-1032, paragraphs 5.1.2.1 and 6.6. Such projects must have prior SAF/MII approval along with prior congressional notification; failure to comply is an Anti-Deficiency Act violation. See paragraph **6.3.1.7.16.** of this instruction for A-E design application to MC projects. See **Table 6.1.** for a complete list of TWCF-eligible facilities at AMC CONUS and en route locations that have TWCF-assigned organizations.

8.4.6.1.1. Acquisition cost, book value, or, when applicable, the estimated fair market value equals or exceeds the \$100 thousand investment threshold. Transfers of capital assets shall comply with DoDFMR 7000.14, Volume 11B, paragraph E.6.c., and an estimated benefit period or useful life to the DoD of 2 years or more.

8.4.7.1.2. Depreciation Cost Classification. Depreciation expense is classified as either indirect or G&A depending upon the organizational location of the asset and its use. However, you may charge it as a direct

expense only if depreciation costs of all like assets used for similar purposes are chargeable in the same manner. HQ AMC/A88 and DFAS-OM will jointly make these determinations.

8.5.6.2.4. When the share of the cost of a capital asset distributed and installed at a business area fails to meet the investment capitalization criteria continue to capitalize and depreciate its share of the asset if the aggregate initial cost of the asset distributed to business areas satisfies the investment \$100 thousand threshold.

8.5.7.1. Improvements and upgrades that increase the capacity or operating efficiency of an existing capital asset, and for which the cost is equal to or greater than the \$100 thousand threshold, are capitalized even though the improvement or upgrade may not extend the useful life of the asset. Revise the depreciation schedule of existing capital assets to include the acquisition cost of a capitalized improvement or upgrade. Apply the criteria in paragraphs 8.5.7.2. through 8.5.7.4. below to determine if the useful life of the original asset required revision. Regardless of the application, measure and account for the revision of depreciation expense or expected useful life in the current and future periods. Do not make any adjustment to prior depreciation.

8.5.7.4. Record all improvements and upgrades costing less than \$100 thousand as an operating expense in lieu of a CIP purchase even though the improvement or upgrade could extend the useful life of the asset.

8.6.4.4. Analysis Documentation. The analysis documentation for the CIP project is equal to the executive summary and impact paper. Each organization that has a CIP project must submit analysis documentation, along with the source EA/CA to AMCFSS/A88IC, 402 Scott Drive, Unit 1K1, Scott AFB IL 62225-5311, for review and forwarding to USTRANSCOM. Retain a copy for your files. The basic analysis is the source document for analysis documentation.

8.6.4.6.1. New Starts. Exhibit Fund 9b entitled *Business Area Capital Purchases Justification*, must accompany any CIP project anticipated for the POM years. HQ AMC/A88 will submit the Exhibit Fund 9b, along with the analysis documentation to USTRANSCOM/TCJ8. This does not mean to include a formal EA/CA as described in DoDFMR 7000.14, Volume 11B, chapter 58 paragraph F. However, it does require a comprehensive analysis to justify placing a project in the POM. The result of that analysis is summarized in the analysis documentation described in paragraph 8.6.4.4. above. **NOTE:** With regard to automated information systems and functional program evaluations within the DoD, Major Automated Information System Review Council (MAISRC) Systems, FEAs, COEAs, etc., are acceptable forms of analysis. However, AMCFSS/A88IC still requires documentation based on these types of analyses.

8.6.5.1. Initial Threshold. Capital projects begin at \$100 thousand investment cost with an estimated useful life of 2 years or more.

8.6.5.2. Economic Analysis/Cost Analysis (EA/CA). The WCF capital projects equal to or greater than \$100 thousand generally require either an EA or CA. For CIP projects with a cost of \$1 million or greater, use an EA; for CIP projects under \$1 million, use a CA. Prepare the EA/CA in accordance with guidance contained in this instruction, DoDFMR 7000.14, Volume 2B, chapter 9, paragraph 090103.C.10., and per the USTRANSCOM Capital Assets Supplemental Guidance to chapter 58. HQ AMC/A78 will submit an annual EA/CA for all Capital MC projects. Any project not identified in the annual EA/CA must have a separate EA/CA prepared and submitted by the base in accordance with this paragraph.

8.6.6. Exemptions. Not all WCF capital investment projects over \$100 thousand will require an EA or CA. There are two instances for which DoD instruction (with approval through HQ AMC/A8) waives the requirement to perform a pre-investment analysis. The exemptions are:

8.6.7. Exemption Justification Statement. Prepare the exemption justification statement documenting the requirement or authority for the exemption claimed, validate as you would a pre-investment analysis, and obtain approval from AMCFSS/A88IC. Continue to use the Certificate In Lieu of EA as the exception justification statement.

8.6.8.1. Investment Categories. Investment categories (\$100 thousand or greater):

8.6.11. Post-Investment Analysis. HQ AMC submits post-investment analysis annually to USTRANSCOM. AMCFSS/A88IC identifies CIP funded actions that require a post-investment analysis and tasks the appropriate base FMA office to submit accordingly. The post-investment analysis must follow the same format and techniques as the pre-investment analysis. Use historical costs for the first year of execution throughout the total life cycle for comparison of projected costs and actual expenditures. Retain the post-investment analysis for ready review for 5 years; however, a post-investment analysis does not require an Impact Paper.

8.7.1. Budget and submit CIP projects to USTRANSCOM/TCJ8, through HQ AMC/A88, in accordance with DoDFMR 7000.14, Volume 2B, chapter 9, and the HQ AMC/A88 and USTRANSCOM/TCJ8 TWCF BES "call" guidance

8.7.1.3.1. Equipment, Other Than ADP and Telecommunications Resources (BPAC 23XXX). Equipment requirements are stratified by costs greater than \$500 thousand and those costing \$100 thousand through \$500 thousand. Additionally, categorize capital non-ADP equipment by the primary reason justifying the purchases: (1) Improved efficiency (savings) or effectiveness, (2) required new capability or capacity, (3) replacement, and (4) mandated environmental, hazard waste reduction, or regulatory agency requirement (see paragraph 8.3.1.6. above). Consider any alternative that satisfies the requirement in the most cost effective manner, supported by the EA.

8.7.1.3.2. Minor Construction (MC) (BPAC 21XXX). Budget MC CIP projects (to include related contract or in-house A-E design, as per paragraph 6.3.1.7.16. of this instruction) in the TWCF BES/BR submission on a facility category basis. An EA/CA is required for MC projects as defined in paragraph 8.6. above. Budget and fund all MR projects for facilities that maintain the capability of an existing facility from the TWCF Operating budget under BPAC 3XXXX. Additionally, budget and fund MC projects that are less than \$100 thousand funded costs from the TWCF Operating budget, under BPAC 3XXXX.

8.7.1.3.3.2. TWCF Capital budgeting is also required for any local area network (LAN) acquisition, modifications, LAN software, and system upgrades, exclusive to TWCF organizations. Submit ancillary equipment requirements (i.e., individual computers, printers, etc.) in the TWCF Operating budget, whose primary purpose is to operate independently from the LAN and individually cost less than \$100 thousand. Also, include in the TWCF Operating budget the purchase of repair parts, components, spares, and computer requirements (individually costing less than \$100 thousand) to replace failed components that must be functionally equivalent to the unit replaced. We recommend you prepare separate requirements documents (i.e., CSRDs) for those items integral to the LAN operation and for all other items not integral to the LAN operation.

9.2.1.1. Fund and execute all TWCF MR costs in BPAC 3XX, to include all MC projects with total funded costs less than \$100 thousand.

9.2.2. MR projects \$2 million or more require an approved EA before issuing funds. MR projects \$3 million and up to \$5 million requires HQ AMC/A75 approval with an information copy to SAF/MII. Additionally, MR projects \$5 million or greater requires HQ AMC/A75 and SAF/MII approval.

9.2.3. Reprogramming of TWCF MR (BPAC 3XX) funds to TWCF Operating (BPAC 101) funds or vice versa requires HQ AMC/A78/A88 approval. Commanders wishing to reprogram will submit a base FMA/CER request with the proper justification and dollar amount. HQ AMC/A78/A88 will consider each request on its own merit and overall command impacts. If approved, AMCFSS/A88I (Funds Control) will issue funding documents to reflect the changes.

10.2.1. USTRANSCOM. USTRANSCOM is considered TWCF management oversight and the TWCF funds for its daily operations (excluding support costs provided to USTRANSCOM funded from AMC O&M) under fund code 6F. USTRANSCOM passes these costs along to the individual TWCF components (AMC, MTMC, and MSC) in the form of USTRANSCOM G&A costs. HQ AMC/A88 retains the programming and execution of these costs at command level.

10.2.2. AMC. This headquarters is funded from the DoD component's (Air Force) O&M 3400 funds, with the exception of those HQ AMC organizations that provide direct administrative support to the TWCF. The TWCF reimburses O&M at the command level for HQ AMC G&A costs based on a pro rata share of support costs in the program element (PE) codes listed below. The pro rata share is based on the primary AMC TWCF bases (Charleston, Dover, McGuire, Pope, Travis, Scott and McChord). HQ AMC/A88 budgets for future year G&A costs by determining the amount of O&M funding in the PB/POM, in the following PEs, multiplied by the percent of TWCF personnel residing at each location.

10.2.3. DFAS. The TWCF reimburses DFAS for accounting support as a G&A cost. DFAS determines the requirements based on actual work counts at USD(C) approved rates. HQ AMC/A88 retains the budgeting and execution of DFAS G&A costs at command level.

### Attachment 1

## GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

### *References:*

10 USC, Section 2208, *Working Capital Funds*

10 USC, Section 2642, *Reimbursement Rate for Airlift Services Provided to Central Intelligence Agency*

31 USC, Section 1301, *Application*

31 USC, Section 1341, *Limitations on Expending and Obligation Amounts*

31 USC, Section 1517, *Prohibited Expenditures and Obligations*

DoDI 4000.19, *Interservice and Intragovernmental Support*

DoD 4500.9-R, *Defense Transportation Regulation, Part I, Passenger Movement*

DoDD 4500.54, *Official Temporary Duty Travel Abroad*

DoD 4515.13-R, *Air Transportation Eligibility*

DoDFMR 7000.14, Volume 2B, *Budget Formulation and Presentation*

DoDFMR 7000.14, Volume 3, *Budget Execution—Availability and Use of Budgetary Resources*

DoDFMR 7000.14, Volume 4, *Accounting Policy and Procedures*

DoDFMR 7000.14, Volume 5, *Disbursing Policy and Procedures*

DoDFMR 7000.14, Volume 11B, *Reimbursable Operations, Policy and Procedures – Working Capital Funds (WCF)*

DoDFMR 7000.14, Volume 14, *Administrative Control of Funds and Antideficiency Act Violations*

DoDFMR 7000.14, Volume 15, *Security Assistance Policy and Procedures*

DoDI 7041.3, *Economic Analysis for Decision Making*

AFI 11-2C-5, Volume 3, *C-5 Operations Procedures*

AFI 11-2C-17, Volume 3, *C-17 Operations Procedures*

AFI 16-101, *International Affairs and Security Assistance Management*

AFI 21-110, *Engineering and Technical Services*

AFI 25-101, *War Readiness Material (WRM) Program Guidance and Procedures*

AFI 25-201, *Support Agreement Procedures*

AFI 32-1032, *Planning and Programming Real Property Maintenance Projects Using Appropriated Funds (APF)*

AFI 32-1061, *Providing Utilities to US Air Force Installations*

AFI 33-110, *Data Administration Program*

AFI 36-3014, *Clothing Allowance for Air Force Personnel*

AFI 38-203, *Commercial Activities Program*

AFI 48-123, *Medical Examinations and Standards*

AFI 64-117, *Air Force Government-Wide Purchase Card Program*

AFI 65-503, *US Air Force Cost and Planning Factors,*

AFI 65-601, Volume 1, *Budget Guidance and Procedures*

AFI 65-601, Volume 3, *The Air Force Budget Corporate Process*

AFI 65-604, *Appropriation Symbols and Budget Codes*

AFI 91-213, *Operational Risk Management (ORM) Program*

AFMAN 37-139, *Records Disposition Schedule*

AFM 67-1, Volume 7, Part 1, *Mechanized Materials Handling Systems and Storage Aids System*

AMCI 24-101, Volume 6, *Military Airlift Transportation – Transportation Documentation, Data, Records, and Reports*

AMCI 24-101, Volume 9, *Military Airlift Air Terminal Operations Center*

AMCI 24-101, Volume 14, *Military Airlift Passenger Service*

AMCI 65-601, *AMC Headquarters Financial Management for Operations*

AMCS1 to AFI 65-601, Volume 1, *Budget Guidance and Procedures*

AMCPAM 65-603, *Budget Operating Guidance*

DFAS-DE 7000.1-R, *Responsibility Center/Cost Center Codes*

DFAS-DE 7010.1-R, *General Accounting and Finance Systems at Base Level*

GAO, Volume 1, *Principles of Federal Appropriations Law*

GAO, Volume 2, *Principles of Federal Appropriations Law*

OMB Circular A-11, *Preparation and Submission of Budget Estimates and Strategic Plans or Planning, Budgeting, and Acquisition of Fixed Assets*

OMB Circular A-94, *Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs*

DFAS-DE, *Interim Guidance on Procedures for Travel Accounting Operations*

AMC Tariff Rate Guide, *US Government Airlift Rates and Non-US Government Airlift Rates* (see [Chapter 6](#), paragraph [6.2.3](#) for web site address)

***Abbreviations and Acronyms:***

**A8**—Financial Management and Comptroller (A-Staff)

**A8B**—Financial Management and Comptroller – Budget

**A8BI**—Financial Management and Comptroller – Budget - Integration

**A8BIC**—Financial Management and Comptroller – Budget – Integration - Cost

**A8BT**—Financial Management and Comptroller – Budget - Transportation Working Capital Fund

**A8P**—Financial Management and Comptroller – Programs and Analysis

**A8PD**—Financial Management and Comptroller – Programs and Analysis – Transportation Working Capital Fund Billing and Accounting Reconciliation

**A-E**—Architect-Engineering

**ACM**—Additional Crewmember

**ADP**—Automated Data Processing

**ADPE**—Automatic Data Processing Equipment

**ADSN**—Accounting and Disbursing Station Number

**AE**—Aeromedical Evacuation

**AEF**—Air Expeditionary Force

**AEP**—Accrued Expenditures Paid

**AEU**—Accrued Expenditures Unpaid

**AFCAIG**—Air Force Cost Analysis Improvement Group

**AFMC**—Air Force Material Command

**AFRC**—Air Force Reserve Command

**AFSF**—Air Force Stock Fund

**AFWCF**—Air Force Working Capital Fund

**AHS**—AMC Historical System  
**ALOC**—Air Line of Communications  
**AMC**—Air Mobility Command  
**AMCFSS**—Air Mobility Command Financial Support Squadron  
**AMOCC**—Air Mobility Operations Control Center  
**AMOG**—Airlift Mobility Operations Group  
**ANG**—Air National Guard  
**APF**—Appropriated Funds  
**APOE**—Aerial Port of Embarkation  
**ASECNA**—Agency for Air Navigation Safety in Africa and Madagascar  
**ASIF**—Airlift Service Industrial Fund  
**ASIFICS**—Airlift Service Industrial Fund Integrated Computer System  
**ATCBT**—Air Transportation Computer Based Training  
**AVPOL**—Aviation Petroleum Oil and Lubricants  
**BASH**—Bird Aircraft Strike Hazard  
**BCE**—Base Civil Engineer  
**BIR**—Benefit to Investment Ratio  
**BPAC**—Budget Project Account Code  
**BRAC**—Base Realignment and Closure  
**CA**—Cost Analysis  
**CBA**—Central Billed Account  
**CBAS**—Command Budget Automated System  
**CCA**—Command-to-Command Agreement  
**CDA**—Central Design Activity  
**CIC**—Customer Identification Code  
**CIP**—Capital Investment Program  
**CJCS**—Chairman, Joint Chiefs of Staff  
**COMM**—Commitment  
**CRAF**—Civil Reserve Airlift Fleet  
**DAPS**—Defense Automated Printing Service  
**DBOF**—Defense Business Operations Fund  
**DBOF-T**—Defense Business Operations Fund-Transportation (see paragraph [1.1.4.](#))

**DCS**—Defense Courier Service  
**DESC**—Defense Energy Support Center  
**DFAS**—Defense Finance and Accounting Service  
**DFAS-OM**—Defense Finance and Accounting Service-Omaha  
**DITCO**—Defense Information Technology Contracting Organization  
**DLR**—Depot Level Repairables  
**DMAG**—Depot Management Activity Group  
**DoD** —Department of Defense  
**DRU**—Direct Reporting Unit  
**DV**—Distinguished Visitor  
**EA**—Economic Analysis  
**EEIC**—Element of Expense and Investment Code  
**EPA**—Environmental Protection Agency  
**ERA**—Environmental Restoration Account  
**ESP**—Emergency and Special Program  
**FC**—Fund Code  
**FMA**—Financial Management Analysis  
**FSL**—Forward Supply Location  
**FSO**—Financial Services Office  
**FY**—Fiscal Year  
**FYDP**—Future Year Defense Program  
**G&A**—General and Administrative  
**GATES**—Global Air Transportation Execution System  
**GLAC**—General Ledger Accounting Code  
**HAZMAT**—Hazardous Material  
**HQ**—Headquarters  
**IDT**—Inactive Duty Training  
**IMA**—Individual Mobilization Augmentee  
**INMARSAT**—International Maritime Satellite  
**IWIMS**—Interim Work Information Management System  
**JA/ATT**—Joint Airborne/Air Transportability Training  
**LAN**—Local Area Network

**MAR**—Minimum Activity Rate  
**MC**—Minor Construction  
**MEDEX**—Medical Express  
**MEGP**—Mission Essential Ground Personnel  
**MILCON**—Military Construction  
**MIPR**—Military Interdepartmental Purchase Request  
**MMO**—Mobility Mission Observer  
**MOA**—Memorandum of Agreement  
**MORD**—Miscellaneous Obligation Reimbursement Document  
**MOU**—Memorandum of Understanding  
**MPA**—Military Personnel Appropriation  
**MR**—Maintenance and Repair  
**MRS**—Mission Route Support  
**MRT**—Maintenance Recovery Team  
**MSC**—Military Sealift Command  
**MTMC**—Military Traffic Management Command  
**NAF**—Numbered Air Force  
**NMC**—Not Mission Capable  
**NOR**—Net Operating Result  
**NPV**—Net Present Value  
**O&M**—Operation and Maintenance  
**O&S**—Operating and Support  
**OAC**—Operating Agency Code  
**OBAN**—Operating Budget Account Number  
**OCONUS**—Outside the Continental United States  
**OLVIMS**—On-Line Vehicle Interactive Management System  
**OMB**—Office of Management and Budget  
**ORM**—Operational Risk Management  
**OSIA**—On-Site Inspection Agency  
**OUS(D)**—Office of Undersecretary of Defense (Comptroller)  
**PAA**—Primary Assigned Aircraft  
**PB**—President’s Budget

**PCS**—Permanent Change of Station  
**PE**—Program Element  
**POC**—Point of Contact  
**POL**—Petroleum Oil and Lubricants  
**POM**—Program Objective Memorandum  
**RAFO**—Regional Accounting and Finance Office  
**RC/CC**—Responsibility Center/Cost Center  
**REMIS**—Reliability and Maintainability Information System  
**RIF**—Reduction-in-Force  
**RSP**—Readiness Spare Package  
**SAAM**—Special Assignment Airlift Mission  
**SBSS**—Standard Base Supply System  
**SD**—Strategic Distribution  
**STEM**—Systems Telecommunications Engineering Manager  
**TACC**—Tanker Airlift Control Center  
**TALCE**—Tactical Airlift Control Element  
**TCTO**—Time Compliance Technical Order  
**TDY**—Temporary Duty  
**TMO**—Transportation Management Office  
**TWCF**—Transportation Working Capital Fund  
**UCR**—Unit Cost Resourcing  
**UMD**—Unit Manning Document  
**UOO**—Undelivered Orders Outstanding  
**USC**—United States Code  
**USAF**—United States Air Force  
**USD**—Undersecretary of Defense  
**UTC**—Unit Tasking Code  
**USTRANSCOM**—United States Transportation Command  
**WCF**—Working Capital Fund  
**WRM**—War Readiness Material

## Attachment 10

IC 2004-02 TO AMCI 65-602, TRANSPORTATION WORKING CAPITAL FUND (TWCF)  
BUDGET GUIDANCE AND PROCEDURES, 1 NOVEMBER 2003

26 JULY 2004

OPR: AMCFSS/A88I (Mr. Bill Bjornstad)

Certified by: HQ AMC/A88 (Mr. Gary W. Minor)

This instruction implements AFPD 65-6, Budget, DoDFMR 7000.14, Volume 2B, Budget Presentation and Formulation, DoDFMR 7000.14, Volume 11B, Reimbursable Operations, Policy and Procedures—Defense Business Operations Fund, and AFI 65-601, Volume 1, Budget Guidance and Procedures, to provide guidance on the Transportation Working Capital Fund (TWCF) accounting and budgeting policies and procedures. It is applicable to AMC organizations that manage TWCF funds. This instruction does not apply to Air National Guard or Air Force Reserve Command with the exception of paragraphs 5.4. and 6.3.1.7.9.7. (including their subparagraphs), paragraphs 6.3.1.7.8.4., 6.3.1.7.9.9.1., 6.3.1.7.9.9.4., 6.9.3., and 6.10.3. See Attachment 1 for a glossary of references and supporting information.

**SUMMARY OF REVISIONS**

This revision incorporates Interim Change IC 04-2. Interim Change (IC) 04-2 to AMCI 65-602 provides the following revisions: Deletes the sentences, “(NOTE: DCS is a direct reporting unit (DRU) to AMC and HQ AMC/FMB consolidates the AMC and DCS TWCF budget submissions to USTRANSCOM. AMC/FMB also distributes DCS their annual expense authority received from USTRANSCOM.)” from the introductory paragraph; changes all references of “Military Traffic Management Command” and “MTMC” throughout the publication (paragraphs 1.1.3., 8.3.5.5.4., and 10.2.1.) excluding Attachment 4, to “Military Surface Deployment and Distribution Command” and “MSDDC” respectively; revises Table 2.2. by adding Spangdahlem AB and retaining Rhein-Main AB until 1 Jan 06; expands paragraph 4.3.4.2. by adding C-17 aircraft to ANG flying hour reimbursement and also clarifies what the 3 percent additive covers; clarifies paragraph 6.3.1.6.6.4. on funding for TWCF-assigned facilities; adds paragraph on PACAF/USAFE Phoenix Raven support for PACAF/USAFE-assigned aircraft flying TWCF missions (6.3.1.7.9.5.1.); revises paragraph 6.3.2.2.12. to include TWCF funding for portable fire extinguishers within TWCF-assigned facilities; revises paragraph 6.6.3. to include TWCF-assigned aircraft and provides additional clarification; amends paragraphs 6.6.3.1., 6.6.3.2., 6.6.3.5., 6.6.3.6., and 6.6.3.19; deletes paragraph 6.6.23.; revises paragraph 6.8.4. (3<sup>rd</sup> sentence) to add clarification. A copy of IC 04-2 is located at Attachment 10 of this publication. A star ( \* ) indicates a change from the previous edition.

1.1.3. Establishment of the Defense Business Operating Fund (DBOF). In FY92, the infusion of DBOF combined and incorporated all of the Services’ stock and industrial funds under one umbrella. The result was the ASIF’s consolidation along with the other Services’ transportation industrial funds (Military Sealift Command (MSC) - Navy; and Military Surface Deployment and Distribution Command (MSDDC) - Army) into the Transportation Division of the DBOF, or more commonly known as Defense Business Operations Fund-Transportation (DBOF-T). The United States Transportation Command (USTRANSCOM) is now the single manager for all DoD transportation. In FY95, DBOF-T incorporated the Defense Courier Service (DCS). Thus, the primary mission of USTRANSCOM is to provide air, land, and sea transportation for DoD, in peace and war. Within USTRANSCOM, AMC is the operating agency for common-use strategic air mobility assets.

**Table 2.2. Authorized Air Force Locations for TWCF Lodging Charge System.**

<b>CONUS LOCATIONS</b>	<b>PACIFIC LOCATIONS</b>
Charleston AFB	Andersen AFB
Dover AFB	Hickam AFB
McChord AFB	Kadena AB
McGuire AFB	Osan AB
Pope AFB	Yokota AB
Robins AFB /1	
Travis AFB	
<b>EUROPE LOCATIONS</b>	<b>ALASKA LOCATIONS</b>
Aviano AB	Elmendorf AFB
Incirlik AB	
Lajes AB	
RAF Mildenhall AB	
Ramstein AB	
Rhein-Main AB /2	
Spangdahlem AB /3	

**NOTES:**

1. 19 ARG TWCF funding only.
2. Effective until 1 Jan 06.
3. Effective when Spangdahlem officially stands up for AMC operations.
- 4.3.4.2. Military Augmentation. This includes flying hour reimbursements for: PACAF and USAFE C-130 and KC-135 aircraft; AETC KC-135, C-5, C-130, and C-17 aircraft; AFRC KC-10, KC-135, C-5, C-130, and C-141 aircraft; ANG KC-135, C-5, C-17, C-130, and C-141 aircraft; and AMC KC-10, KC-135, and C-130 aircraft operating in the airlift transportation system. TWCF costs for these reimbursements are recorded against AMC EEICs 58920 through 58939 in the accounting system. Refer to the respective comptroller addendums or the basic Command to Command Memorandum of Agreements (MOA) for specific terms provided. Flying hour reimbursement rates specific to all MAJCOM-assigned aircraft are contained in AFI 65-503, *US Air Force Cost and Planning Factors*, Section C, Table A15-1. For all MAJCOM's reimbursement aircraft hourly rates, AMCFSS/A88T includes an additional 3 percent overhead factor to cover other miscellaneous non-AFCAIG mission-related aircraft costs (e.g., landing fees, border clearances, ground services, aircrew TDY, etc.).
- 6.3.1.6.6.4. **Table 6.1.** below provides category codes for TWCF facilities, for the purpose of utilities, facility maintenance, repair, or minor construction (MC), and other CE services, specifically for those AMC Wings and AMC en route locations that have TWCF-assigned units. Do not use TWCF funds for

facilities with category codes other than those listed below for utilities, facility maintenance, repair, or MC, and other CE services. NOTE: **Table 6.1.** does not apply to unit-equipped ANG/AFRC bases.

6.3.1.7.9.5.1. For occasions where PACAF/USAFE-owned Phoenix Raven teams are tasked to support a force protection requirement for PACAF/USAFE assigned aircraft (C-130/KC-135) flying TWCF missions, a TWCF fund cite will also be provided by the 715 AMOG/FMA or 721 AMOG/FMA, as appropriate, to the tasked PACAF/USAFE Security Forces organization.

6.3.2.2.12. Refilling/recharging of Halon fire extinguishers that reside in TWCF-assigned areas or on board TWCF-assigned aircraft, **and** portable fire extinguishers placed within TWCF-assigned facilities, as directed by AFOSH 91-501, *Air Force Consolidated Occupational Safety Standard*, paragraph 6.2.4.4.

6.6.3. Catastrophes or Acts of God. The TWCF finances, up to \$750 thousand, the costs resulting from a single catastrophe that affect TWCF real or personal property. If the total cost from a single catastrophe is \$750 thousand or greater, the TWCF does not pay the first \$750 thousand, per AFI 65-601, Volume 1, chapter 18, paragraph 18.6.7. Damage to or loss to TWCF-assigned real or personal property, including AMC TWCF-assigned aircraft, may result from:

6.6.3.1. Hurricane/typhoon.

6.6.3.2. Tsunami/tidal wave.

6.6.3.5. Riots/insurrection.

6.6.3.6. Warfare/terrorist attack.

6.6.3.19. Earthquake/landslide.

6.6.23. DELETED.

6.8.4. Per Diem Entitlement While in Group Travel Status. Refer to the JFTR, Volume 1, chapter 4, part A, appendix A, for the definition of the term “group travel” and the applicability of per diem while in a group travel status. If the travel orders indicate the service members who are delayed on AMC TWCF organic aircraft, due to weather or aircraft maintenance problems, are in a group travel status and the orders indicate a dollar estimate for any authorized per diem allowance at their TDY location, payment for the lodging and the required transportation and meals are properly chargeable for the period of delay to TWCF funds at AMC locations where TWCF funds are available. Service members in a group travel status are not entitled to per diem while being transported to/from their TDY location, to include en route travel, awaiting further transportation, and any unnecessary delays incident to the mode of travel.

8.3.5.5.4. Any reprogramming efforts within the TWCF Capital program that exceed \$1 million require USD(C) approval. TWCF Capital cumulative reprogramming actions (to include all of AMC, MSDDC, MSC, and USTRANSCOM) \$1 million or less per fiscal year (and not per instance), requires only USTRANSCOM/TCJ8 approval.

10.2.1. USTRANSCOM. USTRANSCOM is considered TWCF management oversight and the TWCF funds for its daily operations (excluding support costs provided to USTRANSCOM funded from AMC O&M) under fund code 6F. USTRANSCOM passes these costs along to the individual TWCF components (AMC, MSDDC, and MSC) in the form of USTRANSCOM G&A costs. HQ AMC/A88 retains the programming and execution of these costs at command level.

## Attachment 1

### GLOSSARY OF REFERENCES AND SUPPORTING INFORMATION

**References**

10 USC, Section 2208, *Working Capital Funds*

10 USC, Section 2642, *Reimbursement Rate for Airlift Services Provided to Central Intelligence Agency*

31 USC, Section 1301, *Application*

31 USC, Section 1341, *Limitations on Expending and Obligation Amounts*

31 USC, Section 1517, *Prohibited Expenditures and Obligations*

DoDI 4000.19, *Interservice and Intragovernmental Support*

DoD 4500.9-R, *Defense Transportation Regulation, Part I, Passenger Movement*

DoDD 4500.54, *Official Temporary Duty Travel Abroad*

DoD 4515.13-R, *Air Transportation Eligibility*

DoDFMR 7000.14, Volume 2B, *Budget Formulation and Presentation*

DoDFMR 7000.14, Volume 3, *Budget Execution—Availability and Use of Budgetary Resources*

DoDFMR 7000.14, Volume 4, *Accounting Policy and Procedures*

DoDFMR 7000.14, Volume 5, *Disbursing Policy and Procedures*

DoDFMR 7000.14, Volume 11B, *Reimbursable Operations, Policy and Procedures – Working Capital Funds (WCF)*

DoDFMR 7000.14, Volume 14, *Administrative Control of Funds and Antideficiency Act Violations*

DoDFMR 7000.14, Volume 15, *Security Assistance Policy and Procedures*

DoDI 7041.3, *Economic Analysis for Decision Making*

AFI 11-2C-5, Volume 3, *C-5 Operations Procedures*

AFI 11-2C-17, Volume 3, *C-17 Operations Procedures*

AFI 16-101, *International Affairs and Security Assistance Management*

AFI 21-110, *Engineering and Technical Services*

AFI 25-101, *War Readiness Material (WRM) Program Guidance and Procedures*

AFI 25-201, *Support Agreement Procedures*

AFI 32-1032, *Planning and Programming Real Property Maintenance Projects Using Appropriated Funds (APF)*

AFI 32-1061, *Providing Utilities to US Air Force Installations*

AFI 33-110, *Data Administration Program*

AFI 36-3014, *Clothing Allowance for Air Force Personnel*

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AFI 64-117, *Air Force Government-Wide Purchase Card Program*

AFI 65-503, *US Air Force Cost and Planning Factors*,  
 AFI 65-601, Volume 1, *Budget Guidance and Procedures*  
 AFI 65-601, Volume 3, *The Air Force Budget Corporate Process*  
 AFI 65-604, *Appropriation Symbols and Budget Codes*  
 AFI 91-213, *Operational Risk Management (ORM) Program*  
 AFMAN 37-139, *Records Disposition Schedule*  
 AFOSH 91-501, *Air Force Consolidated Occupational Safety Standard*  
 AFM 67-1, Volume 7, Part 1, *Mechanized Materials Handling Systems and Storage Aids System*  
 AMCI 24-101, Volume 6, *Military Airlift Transportation – Transportation Documentation, Data, Records, and Reports*  
 AMCI 24-101, Volume 9, *Military Airlift Air Terminal Operations Center*  
 AMCI 24-101, Volume 14, *Military Airlift Passenger Service*  
 AMCI 65-601, *AMC Headquarters Financial Management for Operations*  
 AMCS1 to AFI 65-601, Volume 1, *Budget Guidance and Procedures*  
 AMCPAM 65-603, *Budget Operating Guidance*  
 DFAS-DE 7000.1-R, *Responsibility Center/Cost Center Codes*  
 DFAS-DE 7010.1-R, *General Accounting and Finance Systems at Base Level*  
 GAO, Volume 1, *Principles of Federal Appropriations Law*  
 GAO, Volume 2, *Principles of Federal Appropriations Law*  
 OMB Circular A-11, *Preparation and Submission of Budget Estimates and Strategic Plans or Planning, Budgeting, and Acquisition of Fixed Assets*  
 OMB Circular A-94, *Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs*  
 DFAS-DE, *Interim Guidance on Procedures for Travel Accounting Operations*  
 AMC Tariff Rate Guide, *US Government Airlift Rates and Non-US Government Airlift Rates* (see [Chapter 6](#), paragraph [6.2.3](#) for web site address)

***Abbreviations and Acronyms:***

**A8**—Financial Management and Comptroller (A-Staff)  
**A88**—Financial Management and Comptroller – Budget  
**A88I**—Financial Management and Comptroller – Budget - Integration  
**A88IC**—Financial Management and Comptroller – Budget – Integration - Cost  
**A88T**—Financial Management and Comptroller – Budget - Transportation Working Capital Fund  
**A87**—Financial Management and Comptroller – Programs and Analysis  
**A87D**—Financial Management and Comptroller – Programs and Analysis – Transportation Working Capital Fund Billing and Accounting Reconciliation

**A-E**—Architect-Engineering  
**ACM**—Additional Crewmember  
**ADP**—Automated Data Processing  
**ADPE**—Automatic Data Processing Equipment  
**ADSN**—Accounting and Disbursing Station Number  
**AE**—Aeromedical Evacuation  
**AEF**—Air Expeditionary Force  
**AEP**—Accrued Expenditures Paid  
**AEU**—Accrued Expenditures Unpaid  
**AFCAIG**—Air Force Cost Analysis Improvement Group  
**AFMC**—Air Force Material Command  
**AFRC**—Air Force Reserve Command  
**AFSF**—Air Force Stock Fund  
**AFWCF**—Air Force Working Capital Fund  
**AHS**—AMC Historical System  
**ALOC**—Air Line of Communications  
**AMC**—Air Mobility Command  
**AMCFSS**—Air Mobility Command Financial Support Squadron  
**AMOCC**—Air Mobility Operations Control Center  
**AMOG**—Airlift Mobility Operations Group  
**ANG**—Air National Guard  
**APF**—Appropriated Funds  
**APOE**—Aerial Port of Embarkation  
**ASECNA**—Agency for Air Navigation Safety in Africa and Madagascar  
**ASIF**—Airlift Service Industrial Fund  
**ASIFICS**—Airlift Service Industrial Fund Integrated Computer System  
**ATCBT**—Air Transportation Computer Based Training  
**AVPOL**—Aviation Petroleum Oil and Lubricants  
**BASH**—Bird Aircraft Strike Hazard  
**BCE**—Base Civil Engineer  
**BIR**—Benefit to Investment Ratio  
**BPAC**—Budget Project Account Code

**BRAC**—Base Realignment and Closure  
**CA**—Cost Analysis  
**CBA**—Central Billed Account  
**CBAS**—Command Budget Automated System  
**CCA**—Command-to-Command Agreement  
**CDA**—Central Design Activity  
**CIC**—Customer Identification Code  
**CIP**—Capital Investment Program  
**CJCS**—Chairman, Joint Chiefs of Staff  
**COMM**—Commitment  
**CRAF**—Civil Reserve Airlift Fleet  
**DAPS**—Defense Automated Printing Service  
**DBOF**—Defense Business Operations Fund  
**DBOF-T**—Defense Business Operations Fund-Transportation (see paragraph [1.1.4.](#))  
**DCS**—Defense Courier Service  
**DESC**—Defense Energy Support Center  
**DFAS**—Defense Finance and Accounting Service  
**DFAS-OM**—Defense Finance and Accounting Service-Omaha  
**DITCO**—Defense Information Technology Contracting Organization  
**DLR**—Depot Level Repairables  
**DMAG**—Depot Management Activity Group  
**DoD** —Department of Defense  
**DRU**—Direct Reporting Unit  
**DV**—Distinguished Visitor  
**EA**—Economic Analysis  
**EEIC**—Element of Expense and Investment Code  
**EPA**—Environmental Protection Agency  
**ERA**—Environmental Restoration Account  
**ESP**—Emergency and Special Program  
**FC**—Fund Code  
**FMA**—Financial Management Analysis  
**FSL**—Forward Supply Location

**FSO**—Financial Services Office

**FY**—Fiscal Year

**FYDP**—Future Year Defense Program

**G&A**—General and Administrative

**GATES**—Global Air Transportation Execution System

**GLAC**—General Ledger Accounting Code

**HAZMAT**—Hazardous Material

**HQ**—Headquarters

**IDT**—Inactive Duty Training

**IMA**—Individual Mobilization Augmentee

**INMARSAT**—International Maritime Satellite

**IWIMS**—Interim Work Information Management System

**JA/ATT**—Joint Airborne/Air Transportability Training

**LAN**—Local Area Network

**MAR**—Minimum Activity Rate

**MC**—Minor Construction

**MEDEX**—Medical Express

**MEGP**—Mission Essential Ground Personnel

**MILCON**—Military Construction

**MIPR**—Military Interdepartmental Purchase Request

**MMO**—Mobility Mission Observer

**MOA**—Memorandum of Agreement

**MORD**—Miscellaneous Obligation Reimbursement Document

**MOU**—Memorandum of Understanding

**MPA**—Military Personnel Appropriation

**MR**—Maintenance and Repair

**MRS**—Mission Route Support

**MRT**—Maintenance Recovery Team

**MSC**—Military Sealift Command

**MSDDC**—Military Surface Deployment and Distribution Command (formerly Military Traffic Management Command (MTMC))

**NAF**—Numbered Air Force

**NMC**—Not Mission Capable

**NOR**—Net Operating Result

**NPV**—Net Present Value

**O&M**—Operation and Maintenance

**O&S**—Operating and Support

**OAC**—Operating Agency Code

**OBAN**—Operating Budget Account Number

**OCONUS**—Outside the Continental United States

**OLVIMS**—On-Line Vehicle Interactive Management System

**OMB**—Office of Management and Budget

**ORM**—Operational Risk Management

**OSIA**—On-Site Inspection Agency

**OUS(D)**—Office of Undersecretary of Defense (Comptroller)

**PAA**—Primary Assigned Aircraft

**PB**—President's Budget

**PCS**—Permanent Change of Station

**PE**—Program Element

**POC**—Point of Contact

**POL**—Petroleum Oil and Lubricants

**POM**—Program Objective Memorandum

**RAFO**—Regional Accounting and Finance Office

**RC/CC**—Responsibility Center/Cost Center

**REMIS**—Reliability and Maintainability Information System

**RIF**—Reduction-in-Force

**RSP**—Readiness Spare Package

**SAAM**—Special Assignment Airlift Mission

**SBSS**—Standard Base Supply System

**SD**—Strategic Distribution

**STEM**—Systems Telecommunications Engineering Manager

**TACC**—Tanker Airlift Control Center

**TALCE**—Tactical Airlift Control Element

**TCTO**—Time Compliance Technical Order

**TDY**—Temporary Duty

**TMO**—Transportation Management Office

**TWCF**—Transportation Working Capital Fund

**UCR**—Unit Cost Resourcing

**UMD**—Unit Manning Document

**UOO**—Undelivered Orders Outstanding

**USC**—United States Code

**USAF**—United States Air Force

**USD**—Undersecretary of Defense

**UTC**—Unit Tasking Code

**USTRANSCOM**—United States Transportation Command

**WCF**—Working Capital Fund

**WRM**—War Readiness Material

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