

ORDER

U. S. Department of Transportation
Federal Aviation Administration
SOUTHERN REGION
10/17/89

SO 2400.2E

SUBJ: INSTRUCTIONS RELATING TO FINANCIAL MANAGEMENT OF THE FACILITIES AND EQUIPMENT (F&E) PROGRAM IN THE AIRWAY FACILITIES DIVISION

1. PURPOSE. These instructions describe the procedures to be followed for dissemination of F&E Program information and establish responsibilities for the financial management and control of F&E funds within the Airway Facilities Division.

2. DISTRIBUTION. This Order is distributed to the Airway Facilities Division, Section level including F&E Category IV Field Personnel.

3. CANCELLATION. Order SO 2400.2D dated August 26, 1987, is cancelled.

4. EFFECTIVE DATE. October 1, 1989.

5. ACTION. The financial management of the F&E Program will adhere to the following general parameters and concepts:

a. All requests for F&E funds will be supported by an appropriate project cost estimate. A project cost estimate will include:

(1) A narrative description defining the scope of the work to be accomplished prepared on FAA Form 2500-70.

(2) A detailed cost estimate prepared on FAA Form 2500-40.

(3) Appropriate Project Materiel Lists prepared on FAA Form 4650-1.

b. No F&E funds will be expended on project work unless authorized through appropriate budgetary process.

c. Funds will be authorized for only the specific project work which has been identified and described in project narrative and indicated by the project cost estimate. Funds will be used solely for the project work for which they have been authorized.

* d. Initial Project Authorizations are intended to cover total project requirements other than personnel, benefits, compensation and travel (PBC&T) and the amount authorized should not be exceeded until appropriate approval to do so is received. *

e. Any funds which become surplus in any phase of a project will be used for the following purposes and in the priority as listed:

(1) To cover a deficit in a separate phase of the same project.

(2) To cover a deficit in a separate project.

(3) To provide a source of funding for reprogramming for new projects.

(4) Reported through the appropriate budgetary channels as being surplus to the Region's needs.

* f. F&E charges not related to a specific F&E project will be charged against the appropriate F&E expense number. Use of F&E expense job numbers is restricted to the Resource and Planning Branch, ASO-420, and the Establishment Engineering Branch, ASO-450. Refer to Appendix 1 for listings of the F&E expense job numbers and appropriate cost, asset and function (CAF) code and a description of the activity for their intended use. *

6. PROCEDURES. After receipt of an approved Project Authorization in the Airway Facilities Division, the financial management and control of F&E funds will adhere to the following guidelines:

* a. The Manager, Resource and Planning Branch, ASO-420, will assure that: *

(1) Newly received Project Authorizations are reviewed to determine if the funding is compatible with the programming data which generated the project.

(2) F&E Program Project Assignment Sheets are prepared to indicate:

(a) The funding breakout by cost class based on the approved project cost estimate and by type of work, such as radar, communications, and NAVAID's.

(b) Detailed project scope. (Either on the Assignment Sheet or by referencing the programming document which describes the project scope in detail.)

(c) The Project Job Number(s) assigned to the project.

(d) Any restrictions, restraints, or special conditions which will affect proceeding with the work.

(3) Distribution of the approved Assignment Sheets is made as shown below:

(a) 1 copy to ASO-52

(b) 2 copies to ASO-514

(c) 6 copies to ASO-450 *

- (d) 1 copy to ASO-460
- (e) 1 copy to ASO-421
- (f) 1 copy to appropriate Airway Facilities Sector
- (g) 1 copy to appropriate Airway Facilities Sector Field Office

Note: Revised Assignment Sheets involving funding adjustments which do not change the project scope will be distributed only to the Establishment Engineering Branch, ASO-450.

- (4) The funding data is entered in the ADP Cost Accounting System.
- (5) The projects are entered in the F&E Program/Project Status Report.
- (6) Appropriate funding adjustments are made throughout the life of the project as required to maintain a balanced fiscal program.
- (7) The fiscal aspects of the projects are closed out as soon as practicable after they have been physically completed.
- (8) Appropriate disposition is made of any funds that become excess to a project in accordance with paragraph 5e, above.

b. The Manager, Establishment Engineering Branch, ASO-450, will assure that:

- (1) Each new project assignment is reviewed when received to determine the adequacy of the funding in light of current known conditions.
- (2) Each Project Engineer is assigned the basic financial management responsibility for control of expenditures against projects which fall within his functional area of responsibility.
- (3) A work schedule is established for entry in the F&E Program/Project Status Report as soon as practicable, consistent with the availability of materiel and manpower.
- (4) The project funding is revalidated prior to commencing work when there is a significant time lapse between receipt of the project assignment and the physical start of the work.
- (5) ASO-420 is provided a revised cost estimate, along with narrative comments explaining the need for additional funds, when the funding revalidation indicates that the funds presently assigned are inadequate.

(6) ASO-420 is advised immediately whenever unforeseen conditions or circumstances are encountered on a project which is underway. This advice will include a revised estimate of the cost to complete the project and a description of the problems encountered. Cases which will result in the project cost exceeding the Region's authority to adjust funds will be presented to the Manager, Airway Facilities Division, for determination as to whether the work on the project should be stopped.

(7) Within 10 days after a project has been completed, the capitalization of the project is initiated, and controls are established to assure that the project is capitalized in a timely manner.

7. RESPONSIBILITIES.

a. ASO-420 will be responsible for:

(1) Determining if the funds that are assigned are consistent with the funding requirements developed in the programming phase.

* (2) Promptly reassigning authorized funds to ASO-450. *

(3) Making necessary and timely funding adjustments between projects in accordance with appropriate budgetary procedures.

(4) Making recommendations for disposition of funds which become excess to the needs of assigned projects:

* (5) Promptly advising ASO-450 whether or not to continue work on a project if continued work will cause the project funding to run into a deficit status which exceeds the Regional authority to adjust. Such advice will be based on appropriate coordination with the Division office.

b. ASO-450 will be responsible for:

(1) Maintaining adequate control of project expenditures to assure that obligations against a project are not incurred which will exceed the amount assigned for the project work.

(2) Promptly advising ASO-420 whenever it is determined that an assigned project cannot be completed within the funds that are available.

(3) Assuring that the scope of work for an assigned project is not exceeded unless approved by appropriate reprogram action.

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(5) Promptly advising ASO-420 of any funds which have, or are expected to, become surplus to the needs of the project for which it was assigned.

A handwritten signature in cursive script, appearing to read "C. R. Pinkerton".

C. R. Pinkerton
Manager, Airway Facilities Division

APPENDIX 1. EXPENSE JOB NUMBER 11111111 FOR F&E PROGRAM

- * 1. CHANGE OF STATION. Change of station transportation charges. (Transportation of HHG's and storage only.)
2. F&E PROGRAM PLANNING (OTHER). Costs for conduct of staff studies and preliminary site surveys (other than PCB&T), and preliminary flight inspections that are required to support F&E planning.
3. DISPOSAL PROGRAM COSTS (NON-PROJECT). Disposal costs of facility decommissionings for which there is not assigned F&E project.
4. VEHICLE MAINTENANCE (TEST VANS). Covers cost of maintaining Southern Region test vans used in the F&E Program.
5. F&E TOOLS. Charges for the purchase of, or the replacement of, construction and electronic installation tools which are used by F&E personnel during the accomplishment of F&E projects. These tools do not become incorporated in the installed facility but will be utilized on various projects throughout their useful life. This description applies to most tools. For an extremely large purchase, approximately \$20,000.00 or more, see Item 11.
6. F&E COMMON USE ITEMS. Charges for the purchase of common use items such as lugs, coax connectors, splices, etc., which can be more economically purchased in large quantities and for which there is a continuing requirement.
7. F&E AS-BUILT DRAWINGS FOR CLOSED PROJECTS. Charges for the preparation of as-built drawings for F&E projects which have been physically and financially completed. (In the past F&E projects which were physically completed have been held in an open status pending as-built drawing completion. The intent of this expense job number is to accelerate the capitalization of F&E projects. All as-built drawing charges should not be made against this number. This number should be used only when undue delays are encountered in preparing the as-built drawings, and capitalization of the F&E project will be delayed. Costs are restricted to other than PCB&T).
8. TORT CLAIMS. Charges for tort claims associated with implementation of the F&E Program.
9. F&E TRAINING. Costs other than PCB&T for F&E personnel, incurred in obtaining agency and out-of-agency training such as the cost of correspondence study courses (as approved by supervisor).

The accounting classification code for all the above is as follows:

7/582.0/Cost Center/820/11111111/sub-object class

10. EMPLOYEE AWARDS. Cost of F&E employee awards.

The accounting classification code for FY-91 for Item 10 only, is as follows:

7/582.0/Cost Center/810/11111111/sub-object class.

11. F&E LARGE EQUIPMENT. Charges for a large piece of equipment, generally more than \$20,000.00, the cost may be spread directly to projects worked during the current month with costs being obligated against the approved funding for these projects (not activity "8"). The accounting classification code is:

7/582.0/8090/899/11111111/sub-object class.

Use of this code is strictly limited to ASO-420 and ASO-450 signature approval prior to submission to accounting. The appropriation code used in the above examples is to be used for N-91. Subsequent fiscal years may follow this same order with the only change being in the appropriation, i.e., FY-92 = 682.0, N-93 = 782.0, FY-94 = 882.0, etc.

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