



DEPARTMENT OF THE NAVY

COMMANDER NAVAL AIR FORCE
UNITED STATES ATLANTIC FLEET
1279 FRANKLIN ST
NORFOLK, VA 23511-2494

COMNAVAIRLANTINST 7310.5P
N422D

MAR 24 1998

COMNAVAIRLANT INSTRUCTION 7310.5P

Subj: FINANCIAL REGULATIONS CONCERNING MANAGEMENT OF AIRCRAFT OPERATIONS
MAINTENANCE (AOM) FUNDS

Ref: (a) COMNAVAIRLANTINST 7310.1
(b) NAVSO P-3013
(c) OPNAVINST 7310.1
(d) NAVSUP P-567
(e) OPNAVINST 4790.2
(f) COMNAVAIRLANTINST 7310.6
(g) NAVSO P-3006
(h) NAVCOMPT Manual
(i) NAVCOMPTINST 7000.38
(j) COMNAVAIRLANTINST 7300.4
(k) COMNAVAIRLANTINST 4440.1

1. Purpose. To promulgate instructions concerning the administration of Aircraft Operations Maintenance (AOM) funds. Due to extensive revision, paragraph markings have been omitted. This instruction should be read in its entirety.

2. Cancellation. COMNAVAIRLANTINST 7310.5N

3. Scope. This instruction is applicable to all activities to which Aircraft Operations Maintenance (AOM) (Aviation Fleet Maintenance (AFM) and Aviation Depot Level Repairable (AVDLR)) funds are allocated by Commander, Naval Air Force, U.S. Atlantic Fleet, and to those activities receiving maintenance support from subject funds.

4. Background. COMNAVAIRLANT receives Flying Hour Program (FHP) funds for flight operations and aircraft maintenance. Flying hour funds are allocated to user activities for costs incurred in the operation and maintenance of aircraft in the reporting custody of NAVAIRLANT activities. Regulations and procedures regarding flight operation funds are provided in reference (a). Generally, AOM funds pay for the costs of chargeable material used in the performance of organizational and intermediate levels of aircraft maintenance. References (b) through (k) provide additional guidance and instructions. Exhibits 1 through 3 provide standard formats for reporting AOM obligations and requesting additional funding.

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5. Action. Commanding officers to whom funds are granted by COMNAVAIRLANT shall ensure compliance with these regulations.



T. R. MORANDI
By direction

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CHAPTER I

GENERAL FINANCIAL REGULATIONS

101. Financial Responsibility. Each commanding officer issued an AOM Operating Target (OPTAR), NAVCOMPT 2168-1 or Work Request (NAVCOMPT 2275) is responsible for:

- a. Ensuring efficient and effective financial management.
- b. Utilizing funds and material economically.
- c. Establishing and maintaining records as required herein and as required by directives from higher authority.
- d. Ensuring obligations incurred do not exceed funds granted, except when specifically authorized by COMNAVAILANT.
- e. Periodically reviewing outstanding requisitions to ensure validity of requirements.
- f. Assigning the proper Type Equipment Code (TEC) to each requisition; accumulating and reporting costs under the most appropriate TEC.
- g. Establishing the proper Job Order Number (JON) (shore activities only) to operating units for accumulation and reporting of costs under the correct TEC.
- h. Ensuring the propriety of charges established against COMNAVAILANT funds; i.e., no obligation will be incurred for material or services except as authorized by this instruction, unless prior written approval is obtained from COMNAVAILANT.
- i. Meeting all financial management requirements and goals as promulgated by reference (j).

102. Commander Marine Force, Atlantic. The instructions and regulations contained herein, as applicable to COMMARFORLANT aviation activities, are directed to COMMARFORLANT and to subordinate commands and units.

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CHAPTER II

APPLICATION OF AOM FUNDS

201. Purpose of Funds. AFM funds are to be used for the purchase of field level repairables, consumable aviation repair parts and maintenance materials consumed in the performance of organizational and intermediate levels of aviation maintenance. AVDLR funds are expended for the purchase of 7R cognizance aviation repairable components. AOM (AFM and AVDLR combined) obligations are a direct result of requisitions submitted for these materials, which are subsequently delivered from inventory or received on a Direct Turn Over (DTO) basis from a supplying agency.

202. Supported Activities. AOM obligations are legitimately incurred by NAVAIRLANT activities in support of:

- a. Aircraft in reporting custody of any NAVAIRLANT unit.
- b. Aircraft components used in the training of NAVAIRLANT units by Naval Air Maintenance Training Group Detachment or Fleet Aviation Specialized Operational Training Group, Atlantic Fleet.
- c. Naval Air Force, U.S. Pacific Fleet units assigned to NAVAIRLANT carriers or stations.
- d. MARFORLANT units assigned to NAVAIRLANT carriers or stations, or LANTFLT LPH/LHA/LHDs.
- e. Aircraft Support Equipment (SE) in the custody of and maintained by Naval Surface Force, U.S. Atlantic Fleet ships in support of embarked aircraft detachments.
- f. Component repair/replacement costs and costs of consumable materials expended as a result of inter-Aircraft Intermediate Maintenance Department (AIMD) support agreements between NAVAIRLANT activities only. All such costs incurred must be reported citing the correct organization code of the supported activity and the appropriate TEC of the equipment repaired.
- g. Non-NAVAIRLANT transient aircraft of seven days or less at shore stations. Organizational and intermediate level costs for transient Navy/Marine Corps aircraft must be reported by organization code, fund code and TEC. Detachments of non-NAVAIRLANT Navy/Marine Corps aircraft require receipt of a NAVCOMPT Form 2275 (shore only) from the detachment's parent activity/station.

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h. Non-NAVAIRLANT aircraft aboard NAVAIRLANT carriers. Obligations incurred in support of these aircraft should be reported to COMNAVAIRLANT (N422D) as soon as possible to support claims for reimbursement from the aircraft's parent activity.

203. Authorized AFM Expenditures. AFM funds will finance the cost of the following:

Material or Services

Use

Freon Recovery Unit

Replacement and maintenance of unit. Unit is considered an Individual Material Readiness List (IMRL) item and will follow all guidelines as such.

Paints, wiping rags, towel service, cleaning agents, preservatives and cutting compounds

Used in preventive maintenance and corrosion control of aircraft, aircraft engines, aircraft components, aircraft armament equipment and aviation support equipment (SE).

Consumable repair parts, field level repairables (IRD), DLRs managed by Ships Parts Control Center (SPCC) under 7 cognizance symbols other than 7R, and miscellaneous material

Chargeable material used in maintenance of: aircraft, aircraft armament equipment, aircraft engines, repair of aviation SE, and liquid oxygen (LOX) plant requirements; procurement and replenishment of General Purpose Electronic Test Equipment (GPETE).

Maintenance Assist Modules (MAMs) and Test Bench Installations (TBIs)

Initial issue and replacement of depot level repairables (except 7R cog), field level repairables and consumable MAMs/TBIs that are on authorized allowance lists promulgated by Naval Inventory Control Point.

General Purpose Electronic Test Equipment (GPETE)

Replacement of general purpose GPETE allowance list items which are missing or unserviceable (cog 7Z).

Repairable material (other than 7R cog)

Repairable material used in direct maintenance of aircraft, drones, targets, component repair, or related SE.

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Aircraft loose equipment	Maintenance or replacement of aircraft loose equipment listed in the aircraft inventory records.
Hand tools	Consumable hand tools used in the readiness and maintenance of aircraft, aircraft engines and aviation SE.
Safety/flight deck shoes	Safety/flight deck shoes are chargeable to AFM when used for organizational and intermediate level maintenance personnel (not Air Operations) working in areas where maintenance is being performed (maintenance shops, hangars, flight deck).
Shoes (Molders)	For use by LOX and liquid nitrogen handlers. Commanding officers <u>may</u> authorize for use by personnel performing welding. <u>Not</u> authorized to be used as a replacement for safety shoes.
Repair and Maintenance of Aviators Life Support (ALSS) IMA only	Repair, replacement and maintenance of flight clothing and pilots/crew systems equipment (helmet, G-suit, torso harness, oxygen mask). <u>Initial</u> procurement of ALSS is not a legitimate AFM expenditure.
Training Support Material	Replacement and maintenance of pendants, slings and associated equipment utilized in helicopter lifting and training exercises.
IMRL	<u>Replacement</u> of IMRL allowance list items. Initial issue and reoutfitting requisitions will utilize IMRL funds per reference (f).
Packing and preservation material	Items consumed in <u>interim</u> packaging/preservation of Aviation Depot Level Repairables (AVDLRs) for protection during <u>on-station</u> movement.

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Forms (Cog II)

Visual Information Display/Maintenance Action Forms (VIDS/MAFs), MAF bags, equipment condition tags, publications, etc., used in direct support of maintenance of aircraft, aircraft engines, aircraft components or aviation SE.

Naval Aviation Depot (NAVAVNDEPOT) Customer Service

The repair, modification, or (NAVAVNDEPOT) fabrication of aircraft components and aviation SE components through a NAVAVNDEPOT Customer Service Department as authorized by current NAVAVNDEPOT customer service directives.

Pre-X bin material

Pre-expended, consumable maintenance material meeting requirements of NAVSUP P-567, used in maintenance of aircraft, aircraft engines, aircraft components, and SE.

Fuels

Fuel used in intermediate level maintenance of aircraft, aircraft engines and aircraft components. Authorized for use in SE (excluding forklifts) aboard ship only.

Fuel additives, oil and lubricants

Used in aircraft (consumed in flight or during maintenance) and in SE (ship or shore).

Nitrogen

When consumed during maintenance.

Allowance list items 0035QH series

Only items used strictly for NAVAIR maintenance, such as aprons, impermeables, coveralls, explosive handler's face shields, industrial gloves, gas welder's goggles and industrial, non-prescription safety glasses.

Visual Information Display System (VIDS)

For support of maintenance functions only.

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Special Clothing

Authorized special purpose clothing for unusually dirty work while performing maintenance on aircraft, aircraft systems, aircraft components and aviation SE. Also special clothing used in LOX servicing and maintenance of LOX converters and SE. Not authorized for purchase of green fatigue trousers.

Naval Air Logistics
Command Managed
Information System
(NALCOMIS) Support

All consumable materials (screen dump paper, continuous flatfold tabulating paper, consumable 1348's and printer ribbon) used directly in support of aircraft maintenance (not for information systems (IS) equipment).

Civilian labor

Civilian labor only when used in direct support of aviation fleet maintenance. Type Commander (TYCOM) approval required prior to utilization.

204. Authorized AVDLR Expenditures.
following:

AVDLR funds will finance the cost of the

MaterialUse

Depot level repairables managed by NAVICP under the cognizance symbol 7R

Chargeable material used in direct support of maintenance of aircraft, aircraft engines, aviation SE, ALSS, including the replenishment of inventories in support of the above functions.

Maintenance Assist Modules (MAMs) and Test Bench Installations (TBIs)

Cog 7R (only) MAMs/TBIs shortage and replacement items will be purchased with AVDLR funds. AVCAL/SHORCAL allowance increases should be ordered using QZ fund code (contact COMNAVAIRLANT (N412B)).

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205. Unauthorized AOM Expenditures. AOM funds shall not finance the following:

a. Aircraft component repair/replacement costs and/or costs of consumable materials expended in support of non-Navy/Marine Corps transient or detachment aircraft. Reference (h) provides instructions for funding of work performed for other U.S. government agencies and foreign governments. COMNAVAIRLANT funds are not to be used.

b. Aircraft component repair/replacement costs and costs of consumable materials expended as a result of inter-AIMD support agreements between NAVAIRLANT support sites and activities under the sponsorship of other financial claimants (e.g., Chief of Naval Reserve; Commander, Naval Air Systems Command; or other government agencies). This does not preclude the establishment of such agreements. However, NAVAIRLANT support sites must be funded in advance by support customers or their claimants for costs incurred.

c. Housekeeping, office supplies, or habitability items (i.e., furniture, cabinets, etc., including consumable supplies for maintenance spaces).

d. Services such as printing.

e. Materials and repair parts utilized in the maintenance of drones and target tow reels (except designated activities authorized to expend AOM funds in support of these items).

f. General station collateral equipment, including labor-saving devices (TYCOM Section "C" allowance list items) which include, but are not limited to, adding machines, copiers, duplicating machines, typewriters, word processing equipment and maintenance of same.

g. Packing, crating and preservation for storage or off-station shipment.

h. Purchasing and maintenance of ADP equipment and supplies, including personal computers, computer software, computer parts or accessories, floppy diskettes or drives, and CD ROM diskettes or drives.

i. Operating costs of vehicular and mobile SE (other than shipboard aircraft SE).

j. Non-aviation miscellaneous equipment, even though repair may be performed in the ship's/Marine Aviation Logistics Squadron's (MAL's) AIMD; e.g., automotive vehicles, deck scrubbers, forklifts.

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k. Modifications of airframes or equipment. Technical directives requiring the local requisitioning of significant chargeable materials for the purpose of modifying or improving assigned airframes or equipment will be funded by COMNAVAIRSYSCOM upon submission of a request citing technical directive number, aircraft type, or the system application and total funds required. This request should be forwarded to ship's supply officer/station comptroller for forwarding to COMNAVAIRLANT. COMNAVAIRLANT will request reimbursement from COMNAVAIRSYSCOM. Significant charges are considered to be those in excess of \$1,500 per squadron per directive.

l. Initial outfitting or reoutfitting of IMRL allowance list items. Replacement of IMRL items due to attrition, loss, or crossdeck is a proper charge to AFM funds.

m. Initial issue of 7R cog MAMs/TBIs. Initial issue of those items will be furnished to requiring activities per existing NAVICP procedures.

n. Clothing, including foul weather, extreme cold weather, thermal undergarments, cranial helmets and flight deck I.D. jerseys, are chargeable to flight operations funds when requisitioned for squadron personnel and S&E funds when requisitioned for ship's force personnel. Flight deck vests are to be provided by ships (using S&E funds) to embarked aviation units on a subcustody basis per reference (k). Replacement of flight deck vests due to wear or loss will be funded by aviation units' flight operations fund.

o. Civilian labor, unless specifically authorized by COMNAVAIRLANT

p. Intercommunication systems (including hand-held maintenance radios)

q. Common shop furnishings, fueling trucks and equipment, permanently installed starting and air conditioning systems, and any items of SE not included in the Aircraft Maintenance Material Readiness (AMMRL) program

r. Weapons parts (other than those parts used to support weapons systems installed in the aircraft)

s. Uniforms of other services, including camouflage/battle dress fatigues (BDFs)

t. Padlocks (keyless or key)

206. Policy Guidance and Questions. Contact COMNAVAIRLANT (N422D) for any requirements not listed in references (b), (e) or this instruction.

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CHAPTER III

BUDGETING AND REPORTING OF AOM FUNDS

301. Background. COMNAVAIRLANT receives annual Operations and Maintenance, Navy (O&M,N) funds to support flight operations and aircraft operations maintenance. Funds are managed in part based on the Flying Hour Projection System, known as the OP-20 report. The OP-20 program funding by Type/Model/Series (T/M/S) based on projected flight hours is required to maintain an acceptable level of readiness. Funding is computed by Cost Per Hour (CPH) for: fuel, AVDLR, maintenance (AFM/administration). CPHs multiplied by the projected flight hours yields funds available to support LANTFLT flight operations. OP-20 CPHs are updated annually based on a moving three year average (adjusted for inflation/deflation) of reported historical cost information. Costs reported on Flying Hour Cost Reports (FHCRs) and Budget OPTAR Reports (BORs) by TEC are direct inputs into the Flying Hour Projection System. Reported non-aircraft charges (e.g., Y, G, D and S series TECs) are apportioned by COMNAVAIRLANT over all LANTFLT aircraft to ensure all AOM costs are accommodated in the funding process. Although non-aircraft charges are accounted for in this manner, it is important AOM charges are reported directly against specific aircraft TECs whenever a direct relationship to a particular TEC can be established. Budget data relating expenses to specific aircraft/systems as specifically as possible is the basis for innumerable aircraft support and funding decisions. NAVAIRLANT activities contribute to the OP-20 process through careful management of AOM funds and accurate cost reporting.

302. Procedures. Unlike fuel, AOM costs do not exhibit a clear and direct relationship to flight hours. Therefore, AOM grants for individual units (NAS, CV, MALS, LPH, etc.) are not calculated on that basis. AOM funds are distributed based on historical obligations adjusted for inflation/deflation and any significant changes (baseloading, repair capability, etc.). Accurate cost reporting is the major contributor to the effectiveness of this process. The following procedures are used to grant AOM funds:

a. NAVAIRLANT ships, selected NAVSURFLANT ships (LPH, LHA, LHD) and MARFORLANT shall be funded by a quarterly AOM OPTAR. AOM funds cannot be carried forward into a new fiscal year.

b. NAVAIRLANT Technical Operating Budget (TOB) holders will be provided AOM funds quarterly on a NAVCOMPT Form 2168-1. The NAVCOMPT 2168-1 is normally preceded by message notification. The NAVCOMPT 2168-1 will be amended as aircraft maintenance responsibilities vary from plan throughout the fiscal year.

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c. Non-NAVAIRLANT shore activities, not assigned a TOB, hosting permanently assigned or deployed aircraft within COMNAVAIRLANT funding responsibility, will be provided AOM funds quarterly by work request (NAVCOMPT 2275) for the acquisition of the necessary AOM materials to support NAVAIRLANT detachments.

d. Shore stations designated as points of entry for requisitions from COMNAVSURFLANT ships with embarked Light Airborne Multi-Purpose System (LAMPS) MK-I, LAMPS MK-III and Vertical Replenishment (VERTREP) helicopter detachments will be funded to support these operations. Naval Air Station, Norfolk; U.S. Naval Air Station, Sigonella; and Naval Station, Mayport are currently so designated.

303. General Policy. The annual justification of OP-20 projections, adequacy of the process of AOM funds allocation to individual activities and the management of funds throughout the year depend upon the accuracy of reported AOM expenditures. Accordingly, all AOM consumers will adhere to the following:

a. General Guidelines. AOM costs will be reported against the appropriate TEC of the final consumer (reporting custodian). At all levels, every effort will be made to identify maintenance costs with a specific aircraft application and benefiting organization. Specific guidelines for cost reporting by TEC are provided below.

b. Organizational Level. All AOM obligations at the organizational level are in direct support of, and will be reported against, a specific aircraft TEC. In addition to aircraft components and repair parts, this includes obligations for:

- (1) Repair of SE
- (2) Repair of aviators' equipment
- (3) Pre-expended material
- (4) Indirect support materials

c. Intermediate Level. All obligations directly chargeable to a specific aircraft TEC will be so charged. In addition to aircraft components/repair parts, this includes obligations for:

- (1) All B, J, R and T series TEC equipment costs
- (2) All D, G, H, M and S series TEC equipment maintenance costs when the applicable aircraft TEC can be determined

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d. Intermediate Level Non-Aircraft Direct Costs. It is recognized intermediate level maintenance activities will experience some costs not directly attributable to a specific aircraft TEC. When a direct aircraft TEC relationship cannot be made, indirect costs will be reported as follows:

(1) D series TECs will be reported as DAAA.

(2) G series TECs will be reported as GAAA.

(3) S series TECs will be reported as SAAA unless the S-series TEC is only used for one specific T/M/S. If the TEC is used to support one T/M/S aircraft, Uniform Automatic Data Processing System (UADPS) activities should establish a Job Order Number (JON) for the appropriate aircraft (e.g., 2A9BFU). Shipboard Uniform Automatic Data Processing System (SUADPS) activities should link the maintenance TEC to the appropriate supply TEC (e.g., STDA-AFWA).

(4) YAAA through YZAA series TECs will be reported as YAAA, as well as other TECs or miscellaneous charges not otherwise covered. YAAA will be used only if a specific A, D, G or S series TEC cannot be determined (which should be rare). It is emphasized intended application, not the type of material, determines TEC assignment. For example, corrosion control items, lubricants and rags are by nature miscellaneous materials, but should carry the TEC or TEC series of the intended application, if known, rather than YAAA.

e. Inventory Management TECs. Under end-use financing, AVDLR obligations occur at the time of stock replenishment. Under stock funding, the AVDLR obligation occurred at the time of Beyond Capability of Maintenance (BCM) action. For most transactions, stock replenishment quickly follows BCM action; and there is no net financial impact resulting from the change to end-use financing. The AVDLR obligation timing for DTO requirements is unchanged by end-use. However, because inventory transactions now involve AFM and AVDLR funds, new TEC cost categories are required as follows:

(1) AZZE - TEC used to record AFM or AVDLR charges for the replenishment of end-use inventories due to losses by inventory or replacement of damaged stock items. Charges due to the replacement of items lost in shipment (Financial Inventory Reporting (FIR) Code M5) utilize the TEC of the original requisition.

(2) AZZG - AVDLR or AFM (USMC only) - TEC used to record obligations for materials requisitioned to replenish materials shipped to another activity as a result of an Inventory Control Point (ICP) referral. See paragraph 304 for additional information.

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(3) AZZH - TEC used to record AFM or AVDLR credits for Material Turned In to Store (MTIS). Applies to TOB holders only. OPTAR holders (operating forces) will not report TEC AZZH.

Note: Standard JONs corresponding to the above TEC/inventory conditions have been established for shore station processing (see paragraph 404).

f. Notes on FHCR/BOR. Include a note on the BOR/FHCR to clarify any data that is not self-explanatory. It is essential accurate costing information by TEC be provided to enable COMNAVAIRLANT to accurately project future funds requirements/obligations and to ensure validity of Chief of Naval Operations (CNO) budget base. Use the "remarks" paragraph on the BOR/FHCR to identify significant future events/obligations.

g. Funding Questions. Questions regarding funding of maintenance related items not covered in this instruction should be addressed to COMNAVAIRLANT (N422D), DSN 564-2743; FAX 565-1231.

h. Policy Questions. Questions regarding TEC, ORG code, Permanent Unit Code (PUC), Naval Aviation Maintenance Program (NAMP) policy should be addressed to COMNAVAIRLANT (N422CO), DSN 564-2039.

304. Afloat (OPTAR Holders) Policy/Reporting. A message report of monthly AOM budget OPTAR data, prepared per reference (b), will be submitted to Defense Accounting Office, Cleveland Center (DAO-CL) with a copy to COMNAVAIRLANT (N02F/N422D). It is essential all AOM costs are charged or allocated to the proper TECs. Reports are required to be transmitted to DAO-CL no later than the first working day of the month following the end of the report month. Utilize priority precedence for both action and information addressees. This report is exempt from MINIMIZE criteria. COMNAVAIRLANT electronically archives BOR messages. Accordingly, all estimated, actual, and corrected BRs must be transmitted as messages. Handcarried hard copy reports are only accepted under exceptional circumstances. Exhibit 1 provides the standard AOM BOR format.

305. Ashore Policy/Reporting. The primary report providing necessary AOM funds obligation data is the shore FHCR. Chapter IV provides guidance on the establishment of financial JONs in support of AOM cost reporting. These procedures pertain to all funds received from COMNAVAIRLANT, including those received for support of non-NAVAIRLANT Navy/Marine Corps detachments. Obligations against funds received directly from a non-NAVAIRLANT Navy/Marine Corps detachment's home station or TYCOM (vice from COMNAVAIRLANT) for AOM costs in support of that detachment shall not be reported via the FHCR. Such obligations shall be reported monthly against the funding document through which the funds were received. Care should be taken to ensure over-obligation of such funds does not occur.

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a. Memorandum Records. AOM funds management will be effected through maintenance of full memorandum OPTAR records. The memorandum records will be maintained by a central point for all users.

(1) AVDLR memorandum OPTAR records will be maintained at the station or Intermediate Maintenance Activity (IMA). Although most AVDLR repair/replacement actions originate from squadron material demands, 7R OPTAR charges occur only in the event of asset replacement due to BCM actions or replacement of lost/missing/surveyed components. As the IMA (includes ASD) has primary control of transactions that result in AVDLR charges, the resultant memorandum accounting responsibilities will be retained at that level.

(2) Memorandum AOM records will be periodically reconciled with official records upon receipt of reports/listing from the station comptroller per existing OPTAR procedures. As a minimum, the following reports should be provided for reconciliation purposes:

- (a) Weekly Fund Status Report
- (b) Job Order Status Report
- (c) Weekly Outstanding Transaction Journal
- (d) Local programs for cost accounting

306. Activity Budget Submissions. To participate in the development of AOM budget plans and ensure changing factors are known, each activity will submit estimated AOM requirements, by program/fund code, for the upcoming quarter to COMNAVAIRLANT (N422D) not later than 15 days prior to the beginning of the quarter.

307. Augment Requests. In the event additional AFM or AVDLR funds are required, requests will be submitted on a timely basis in the format prescribed in Exhibit 3. Requests should be submitted before entering a deficit situation and should list the activity's contingency plan if funds are not available. If additional funds are required in the fourth quarter of a fiscal year, ensure augment request reaches COMNAVAIRLANT not later than 25 September. If excess funds are anticipated, it should be reported not later than 15 September to allow sufficient time for redistribution of funds to other activities. COMNAVAIRLANT can redistribute AFM funds to AVDLR, or vice versa, as required, for the activity. COMNAVAIRLANT should combine data submitted by MALS and HMX 1 into a single request, retaining Exhibit 3 format for submission to COMNAVAIRLANT (N02F).

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CHAPTER IV

JOB ORDER NUMBER SYSTEM

401. Introduction. Shore station accounting procedures require the use of JONs. General procedures are provided by references (b) and (c). In order to ensure reporting uniformity across all NAVAIRLANT shore stations and support cost collection policies, specific guidelines on the establishment of JONs are required.

a. Standard JON System. The standard JON structure utilizes a six character alphanumeric code to identify cost accumulation for maintenance action to a specific organization (ORG code) and related TEC.

(1) First character: Represents the fiscal year

(2) Second through fourth characters: Designate the ORG code of the benefiting activity, AIMD, or supply department

(3) Fifth and sixth characters: At the organizational level, the last two characters of the JON identify the specific TEC by utilization of Weapons System Designator Codes (WSDCs). At the intermediate level, the last two characters of the JON identify either the WSDC or the division within the IMA that performs the maintenance action and the applicable TEC indicator.

Note: ORG codes are contained in NAMS0 4790.A7065-01.

WSDCs are contained in NAVSUP P-485, Appendix A17.AA.

TEC Indicators (TECIs) are locally assigned.

The basic objective of the JON is to identify the cost of each maintenance action and relate it to a specific organization and type equipment.

b. For NAVAIRLANT activities, use of the AOM JONs as indicated below, is mandatory. All activities will ensure locally developed JON systems accommodate the AOM cost collection policy as depicted in this chapter.

402. Organizational ("O") Level JONs

a. Organizational level activities will utilize aircraft direct JONs only. Requirements for IMRL, tools, organizational level SE, aviators equipment repair items, and other aviation maintenance miscellaneous materials and supplies will cite an applicable direct JON.

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b. Organizational Level JON Examples

(1) Tenant squadron ordering a part for an assigned aircraft:

JON: 4AF1FU
 4 - FY94
 AF1 - FITRON 74
 FU - F-14B WSDC

(2) Operations Maintenance Department (OMD) Norfolk orders a part for a transient aircraft assigned to USS SAIPAN:

JON: 4C9NEH
 4 - FY94
 C9N - USS SAIPAN
 KD - HH-46D WSDC

403. Intermediate ("I") Level JONs. The main deciding factor which determines the ORG code of intermediate level JONs is whether the benefiting organization is known or not. If the benefiting activity is known, the second through fourth characters of the JON should identify that activity. If the benefiting activity is not known, the ORG code placed in the JON should be for either the IMA or supply department (determined locally).

a. Non-Aircraft Direct Support. Intermediate level non-aircraft direct materials are those that may not be directly applied to a specific aircraft TEC. The following TECs will be used for non-aircraft direct support materials:

<u>TEC Series</u>	<u>TECI</u>
Precision Measuring Equipment (D series)	D
Common Support Equipment (G series)	G
Aircraft Peculiar Support Equipment (S series)	S
Aeronautical Equipment not otherwise coded (Y series)	Y

b. Intermediate Level JON Examples

(1) An avionics component turn-in, originally ordered by Attack Squadron 35 for an A-6E aircraft at its home station requires sub-components while undergoing repair at AIMD:

JON: FY ORG WSDC
 (X) (XXX) (XX)

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(2) A pre-X in support of four F-14B squadrons is replenished by Supply. On this base, pre-X expenditures are charged to the Supply Department:

JON: 4A8_FU

4 - FY94

A8 - NAS Supply Department

FU - F-14B WSDC

404. Inventory Management JONs. Standard JONs were established to accommodate inventory management cost reporting and system billing requirements resulting from the end-use financing of DLRs. Inventory management JONs correspond to general purpose TECs established for the same purpose. The following JONs are established as defined below:

<u>Standard JON</u>	<u>TEC</u>	<u>Purpose</u>
X09984	AZZH	TEC used to record AOM credits for MTIS.
X09985	AZZE	TEC used to record AOM charges for the replenishment of end-use inventories due to losses by inventory or replacement of damaged stock items. Charges due to the replacement of items lost in shipment utilize the TEC of the original requisition.
X09986	AZZG	TEC used to record obligations for materials requisitioned to replenish materials shipped to another activity as a result of an ICP referral. (JC credit).

Note: First position of inventory management JONs is fiscal year.

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CHAPTER V

FINANCIAL MANAGEMENT

501. General Financial Management. Each ship issued an AOM OPTAR and shore station issued a TOB, NAVCOMPT 2168-1 or NAVCOMPT 2275 is tasked with efficient and effective financial management of funds. Responsibility for local AOM fund management will be specifically designated in writing. Normally, the supply officer (afloat) or comptroller (ashore) is the primary official designated the responsibility to manage AOM funds. Based on historical performance, the specific functional areas requiring aggressive management attention include:

a. Cost Recording. Assignment of the proper TEC to requisitions and resultant accumulation and report of such costs under the most correct TEC as discussed in Chapter III of this instruction.

b. Validity of Material Requirements. Execution of an effective Material Obligation Validation (MOV) program to ensure all requisitions entered in financial records are valid, unfilled aircraft maintenance material requirements. An audit program should be established to measure effectiveness of the MOV program.

c. Excessive Financial Adjustments are a result of:

(1) Failure to obligate requisitions when submitted

(2) AOM funds being charged at time of local issue, rather than at time of BCM action/replenishment for field level repairables (Cog/MCC IRD)

(3) Credit for MTIS not processed to financial records per existing instructions (ashore only)

(4) Price changes, cancellations, duplications and other adjustments not posted to financial records in an accurate and timely manner

(5) Improper assignment of internal AOM fund codes vice SAC-207 fund codes to external requisitions passed off-ship

(6) Carcass charges

d. Proper Use of Funds. Obligation of funds only on items/material authorized for purchase with AOM funds as detailed in Chapter III of this instruction and references (a) through (i).

e. Memorandum Accounting. Complete and accurate memorandum records will be maintained by activities charged with the responsibility to manage AOM funds.

f. Desktop Procedures. Internal instructions, desktop procedures and responsibilities for the recording of obligations, cancellations, adjustments and credits are viable, effective and in existence. Periodic "briefs" should be conducted to ensure personnel are aware of and are following proper financial procedures. The status of AOM funds is reviewed in a timely manner; (i.e., at least weekly) and action taken to control obligations and/or request additional funds.

g. Over-Obligation of Authorized Funds. This is an extremely serious matter and, for TOB holders, is subject to mandatory statutory regulation (31 United States Code 1517). If AOM fund forecasts indicate a potential overobligation, the responsible individual(s) must take actions to remain within obligational authority. Due to the reality of continually dwindling resources available to meet requirements, additional funding from COMNAVAIRLANT cannot be "assumed" and should not be pursued as the only solution to a potential overobligated situation. Every effort must be taken at the local level to live within budget prior to requesting a funding augment.

h. Reporting Deficiencies. Review and take corrective action(s) on all cost reporting deficiencies reported by COMNAVAIRLANT.

i. Training. Establish local training programs to acquaint all key supervisory personnel with AOM cost reporting policies and the reasons for those policies.

502. Management of AVDLR Funds. Stock funding/end-use funding of AVDLRs added a new dimension to aviation logistics management by creating negative local financial ramifications in the event of mismanagement. Adverse aircraft support conditions are created by poor management of aviation repairables. The following specific items are briefly mentioned here due to their clear cut potential financial impact.

a. One-for-One Exchange. Failure to enforce a one-for-one exchange policy for normal replacement of repairable components will result in the unnecessary accrual of standard price charges when no charge or a net charge should be experienced.

b. Retrograde Handling and Documentation. Failure to process retrogrades per the MRIL and failure to submit correctly prepared inventory source documents or respond to system carcass inquiries (BK1 documents) will result in unnecessary "carcass charges" to ship/station AVDLR funds.

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Management attention is required to ensure prompt action is taken on proposed carcass charges. End-of-year corrections for charges from months earlier is a sign of poor management and is unacceptable in the current financial environment.

c. IMA Productivity. BCM actions made as a result of the following conditions needlessly deplete AVDLR resources and may materially degrade aircraft support/readiness:

(1) Improper component induction screening that fails to induct obviously repairable components regardless of repair capability code.

(2) Erroneous repair capability codes listed in Individual Component Repair Lists (ICRLs), resulting in non-valid automatic BCM actions (BCM-1).

(3) BCM actions utilizing codes BCM-2, 3, 4, 6, 7, 8 that are either incorrect or not the result of a proper aircraft support decision.

(4) BCM action taken solely to improve Awaiting Parts (AWP) statistics when piece parts are available in the supply system. ASD/AIMD officers ashore should monitor/approve all BCM-4 decisions. CVs continue to request BCM-4 authorization from COMNAVAIRLANT (N412).

d. Duplicating Requisitions. Careless expediting of urgent requirements or premature off-line requisitioning of items in work (Expeditious Repair (EXREP)) results in duplicate charges to O&M,N funds.

503. Financial Management Improvement Program. AOM funds represent the largest portion of the NAVAIRLANT budget, but are not unlimited or "free." The amount of funding granted to COMNAVAIRLANT cannot, by statute, be exceeded. Traditional avenues to gain additional funding have dwindled or been eliminated altogether in recent years. In light of the continuing decline in the defense budget and high level of tasking, it is imperative increased emphasis be placed on the efficient and effective expenditure of AOM funds. The following are some avenues to pursue to achieve greater efficiency and effectiveness with available funds:

a. Improve repair capability when economically feasible or the potential exists for significant savings of AOM funds.

b. View maintenance expenditures by the amount of AOM funds, vice AFM or AVDLR individually, that are required to get a Ready For Issue (RFI) item back on an aircraft/shelf and make the smart decision for AOM as a whole.

c. Utilize available programs (i.e., Productivity Enhancing Incentive Fund (reference (i))) to fund cost saving initiatives.

COMNAVAILANTINST 7310.5P

d. "Spread the news" of your activities' successes and failures at saving AOM funds.

e. Conduct regular interval MOVs to identify invalid requisitions which may be canceled through normal supply procedures.

STANDARD AOM BUDGET OPTAR REPORT

FM OPTAR HOLDER NAME
 TO DFAS OPLOC NORFOLK VA//AOFA/BOR//
 INFO COMNAVAIRLANT NORFOLK VA//N02F/N422D//
 OTHERS AS REQUIRED
 UNCLAS //N07310//
 SUBJ: FY-- AOM BUDGET OPTAR REPORT
 MSGID/GENADMIN/USS NEVERSAIL//
 RMKS/

1. CALENDAR MONTH/UNIT'S UIC/60AE/57012/FY (2 POSITION)/OFC50

A. OBLIGATION DATA

(21)	(22)	(23)	(24)	(25)
7L	0.0	0.0	0.0	AAEG
9S	0.0	0.0	0.0	AAEG
7L	0.0	0.0	0.0	AZZE
9S	0.0	0.0	0.0	AZZE
9S	0.0	0.0	0.0	AZZG
7L	0.0	0.0	0.0	DAAA
9S	0.0	0.0	0.0	DAAA
7L	0.0	0.0	0.0	YAAA
9S	0.0	0.0	0.0	YAAA
TOTAL	0.0	0.0	0.0	

FUND CODE OBLIGATION SUMMARY BY COLS:

	(22)	(23)	(24)
7L	0.0	0.0	0.0
9S	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0 DATA:

B. TRANSMITTAL DATA:

TL NUMBER:

TL AMOUNT:

C. OPTAR GRANTS FYTD:

7L	0.0
9S	0.0
TOTAL	0.0

BALANCE AVAILABLE:

7L

9S

D. SFOEDL RECEIVED/PROCESSED: MON/MON

E. AUOL RECEIVED/PROCESSED: MON/MON

MAR 24 1995

PRIOR YEAR AOM BUDGET OPTAR REPORT

FM OPTAR HOLDER NAME
 TO DFAS OPLOC NORFOLK VA//AOFA/BOR//
 INFO COMNAVAIRLANT NORFOLK VA//N02F/N422D//
 OTHERS AS REQUIRED

UNCLAS //N07310//

SUBJ: FY-- AOM BUDGET OPTAR REPORT

MSGID/GENADMIN/USS NEVERSAIL//

RMKS/

1. CALENDAR MONTH/UNIT'S UIC/60AE/57012/FY (2 POSITION)/OFC50

A. OBLIGATION DATA

(21)	(22)	(23)	(24)
7L	0.0	0.0	0.0
9S	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0

B. TRANSMITTAL DATA:

TL NUMBER:

TL AMOUNT:

C. OPTAR GRANTS FYTD:

7L	0.0
9S	0.0
TOTAL	0.0
JC CREDITS FYTD (9S)	0.0
GRANT FYTD AND JC CR FYTD	0.0

BALANCE AVAILABLE:

7L

9S

D. SFOEDL RECEIVED/PROCESSED: MON/MON

E. AUOL RECEIVED/PROCESSED: MON/MON

F. TYCOM INFO: (REQUIRED IF ACCOUNT IS OVER-OBLIGATED OR IF SFOEDL
 DIFFERENCES EXCEED 1% OF GROSS ADJUSTED OBLIGATIONS)

MAR 24 1991

STANDARD AOM AUGMENT REQUEST FORMAT

FM ACTIVITY REQUESTING REPORT
 TO COMNAVAIRLANT NORFOLK VA//N02F/N422D//
 INFO AS REQUIRED
 UNCLAS //N07310//
 SUBJ: FY-- AFM/AVDLR (AS APPLICABLE) ... QTR AUGMENT REQUEST
 MSGID/GENADMIN/ //
 RMKS/

1. AFM AUGMENT REQUEST FUND CODE: 7L

- (1) UIC:
 (2) AMOUNT REQUESTED:
 (3) GRANT FYTD: AS OF: (MM/DD/YY)
 (4) OBS FYTD: AS OF: (MM/DD/YY)
 (5) BALANCE AVAILABLE:
 (6) LAST MOV PERFORMED (MM/DD/YY):
 (7) AVDLR DOLS AVAIL FOR REDISTRIBUTION AS AFM DOLS:
 (8) AUGMENT JUSTIFICATION:

(A) AFM/AVDLR PRODUCTION DATA:

DATA MAY BE OBTAINED FROM NALCOMIS REPORTS.

	PRIOR PERIOD (MO-QTR)	CURRENT PERIOD (MO-QTR)
TOTAL INDUCTIONS		
TOTAL ITEMS PROCESSED		
TOTAL RFI'S		
TOTAL BCM'S		

(B) TREND ANALYSIS BY PERIOD:

	INDUCTIONS	PROCESSED
CURRENT PERIOD		
PRIOR PERIOD		
VARIANCE %		

VARIANCE % EQUALS CURRENT DIVIDED BY PRIOR.

(C) BCM COMPARISON:

	CURRENT	PRIOR	VARIANCE %
TYPE AIRCRAFT			
TYPE ENGINE			

(D) AVERAGE COST COMPARISON:

	CURRENT	AFM PRIOR	VARIANCE %
TYPE AIRCRAFT			
TYPE AIRCRAFT		AVDLR PRIOR	VARIANCE %

(E) HIGH COST BCM'D REQUIREMENTS (>20K):

	CURRENT	AVDLR PRIOR	VARIANCE %
TYPE AIRCRAFT			

(F) HIGH COST AFM REQUIREMENTS:

	CURRENT	PRIOR	VARIANCE %
TYPE AIRCRAFT			

(G) SPECIAL INTEREST ITEMS:
 THOSE ITEMS THAT ARE CONSIDERED A SPIKE RATHER THAN THE NORMAL DAILY BUSINESS,
 OR A BULLETIN REQUIRING A SPECIFIC CHANGE, ETC.

AIRCRAFT	NOMENCLATURE	QTY	UNIT \$	TOTAL \$
				GRAND TOTAL

(H) HIGH TIME (ZA9) COMPARISON:	AIRCRAFT	CURRENT QTY	CURRENT \$	PRIOR QTY	PRIOR \$	VARIANCE %
(I) MISCELLANEOUS:						AMOUNT \$

- ERRONEOUS CHARGES \$ _____
- ERRONEOUS CREDITS \$ _____
- BACKLOG - NOT PROCESSED \$ _____
- PENDING BCM-4 ACTIONS \$ _____
- UPCOMING ZA9 REQMTS \$ _____
- PENDING STOCK DEF-TO-RO \$ _____
- PENDING PACKUP REQMTS \$ _____
- CHANGE IN BASE PERSONNEL ASSIGNMENTS
- HARDWARE/SOFTWARE PROBLEMS

- (J) CHANGES IN BASE DECK LOAD:
- SUPPORTED DETS (FALLON, CVN'S, LAMPS, ETC.)
- AIR WINGS HOME (SLOW PERIOD FOR DEPLOYMENTS/DETS)
- INVENTORY INCREASED
- MAJOR AVIONICS/AIRFRAMES DIFFERENCES BETWEEN BUNO'S
- AVCAL ALLOWANCE CHANGES
- AIMD IMRL SHORTAGES CONTRIBUTING TO SHORTFALL
 - BROAD ARROW RQMTS
 - CHANGES IN REPAIR CAPABILITIES

(K) REMARKS/AMPLIFICATIONS/COMMENTS:

(9) ACTIVITY POC/PHONE NUMBER/FAX NUMBER:
 2. AVDLR AUGMENT REQUEST FUND CODE: 9S

- (1) UIC:
- (2) AMOUNT REQUESTED:
- (3) GRANT FYTD (INCLUDE JC CREDITS): AS OF: (MM/DD/YY)
- (4) OBS FYTD (INCLUDE AZZG OBS): AS OF: (MM/DD/YY)
- (5) BALANCE AVAILABLE:
- (6) LAST MOV PERFORMED (MM/DD/YY):
- (7) VALUE OF REDISTRIBUTABLE ASSETS ON ORDER (RAO): (FOR SUADPS ACTIVITIES, THIS VALUE IS TAKEN FROM THE MOST RECENT SAMMA/SAL REPORT (INDICATE DATE OF REPORT USED); SHORE STATIONS TAKE FROM MONTHLY EXCESS REPORT)
- (8) AFM DOLS AVAIL FOR REDISTRIBUTION AS AVDLR DOLS:
- (9) AUGMENT JUSTIFICATION: (SAME AS FOR AFM REQUEST)
- (10) ACTIVITY POC/PHONE NUMBER/FAX NUMBER

Note: Both paragraphs (1) and (2) are not required on augment requests for only one type of funds (AFM or AVDLR).