

RAFE MANUAL SECTION 6

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Preserving and Promoting Rutan Aircraft,
the Homebuilts that led to Space!

AIRCRAFT SPONSORSHIP PROGRAM

A. Historic Importance of Sponsorship

The Rutan Aircraft Flying Experience mission is the preservation and promotion of Burt Rutan's homebuilt designs and operate them. The principal funding for these acquisitions comes from the Aircraft Sponsorship Program, which continues to be a key ingredient in the success of the RAFE.

The emphasis of acquisition is not overshadowed by restoration and maintenance of the RAFE fleet and construction of projects donated to the RAFE and deemed necessary to complete. This reflects the obligation RAFE has to the Donors of the aircraft and projects and the need to preserve and protect the investments already made by past and current Sponsors, Canard Bases and individual members.

The Aircraft Sponsor Program is intended as one means to provide capital funds for the operation, restoration, major maintenance and construction of RAFE aircraft. Sponsor funds are credited to the sponsored aircraft's account at RAFE Headquarters and disseminated to Sponsors to help maintain or restore the aircraft. The basic concept of the Sponsor Program is cost sharing.

In the simplest terms, Sponsorship is a group of men and women who have a common interest in sharing in the cost of restoring, maintaining and operating a particular RAFE aircraft. This program makes it possible for RAFE members who cannot afford to personally own and operate a Rutan design to enjoy this unique activity by sharing the costs with others. It should be emphasized that non-Pilot sponsors are both needed and welcome.

The Sponsor Program is a major foundation of RAFE aircraft operations and financial support, and it should be given top priority in Canard-base planning and activity, right along with membership recruiting and development. All members and potential members should be made aware of the opportunity available through the Sponsor Program, and all members should be encouraged to participate in both this program and other RAFE Canard-base activities.

The basic concepts and implementation of the Sponsor Program are outlined and discussed in the sections to follow. Specific questions regarding either financial or operational policies should be addressed to RAFE Headquarters Finance or Operations departments.

B. Aircraft Sponsor Program

The Sponsor Program has made the dream of the founders and members of the RAFE a reality. The program's goal is now one of completing the task of operating, maintaining, restoring or completing projects to flying condition to inspire future generations.

Members of the RAFE may participate in the Sponsor Program at one of three levels, with each level allowing participation in the

operation of their favorite aircraft. You do not have to be a Pilot or mechanic to become a sponsor or member of the aircraft team. The levels are:

- 1) Aircraft Sponsor
- 2) Pilot Sponsor
- 3) Restoration Sponsor

There are subgroups within each lever.

Aircraft Sponsor is the highest level of aircraft support, who for a donation of from \$2,500 to \$25,000 becomes a sponsor of a chosen aircraft and is eligible for selection as a Pilot-in-command or other flight crew member, if he or she is qualified. The specific costs of an Aircraft Sponsorship depend on the type aircraft, and a table of current sponsorship costs is included (Table 6-1). Many non-Pilots chose to become Aircraft Sponsors to express their support of a favorite aircraft, realizing the expense of keeping them flying. Aircraft sponsors contribute the maximum sponsorship amount for the aircraft, but have no obligation to contribute further and do not fly the aircraft.

Pilot Sponsors are Aircraft Sponsors who also contribute the maximum sponsorship amount for the aircraft, but they have obligations for additional contributions to the aircraft as currently explained in this Section of the Canard-base Manual. If they resign their Pilot privileges, they become Aircraft Sponsors. If they want to become Pilot Sponsors again, the FEB and the current Pilot Sponsors will determine if additional contributions are required to make up for assessments to the current Pilot Sponsors during the period of inactivity. Should an Aircraft or Pilot Sponsor dispute his status he may request, in writing, a review and ruling from the President of the RAFE. Pilot Sponsorships are only awarded to

those who meet all RAFE regulatory requirements to become and remain an RAFE Pilot.

Canard-base Sponsorships are groups of Pilot Sponsors that form a Canard-base. They have RAFE assigned aircraft and manage and control Pilot assignments and operations of the aircraft in accordance with the Operations Regulations, FEB procedures and under the direction of the Canard-base Staff. Canard-base Pilots are assigned by the Canard-base Staff. This does not eliminate the need for Sponsor Pilot approval for aircraft by the President of the RAFE.

Restoration Sponsor is the second level of support, who for a minimum donation of \$250 (or 10% of aircraft sponsorship) shows their significant support for the restoration or continuing maintenance of a RAFE aircraft, and may participate in its operation in a crew position. A Restoration Sponsorship may be upgraded to an Aircraft or Pilot Sponsorship, thus making it possible for some sponsors to help restore aircraft and then fly them, if qualified.

Supporting Sponsor is the third level in the Sponsor Program, and allows members to support an aircraft with donations from \$100 and up, again depending on the specific aircraft type. Supporting sponsors may be eligible to serve in non-Pilot crew positions and Mechanic or Support Crew on all types, depending on their training and qualifications and the need for additional crewmembers. Supporting Sponsorships may be upgraded to a Restoration, Aircraft or Pilot Sponsorship.

Note: Supporting and/or Restoration Sponsorships may be upgraded to Restoration, Aircraft or Pilot Sponsorships provided the request to upgrade is within a two-year time period from the date of the initial donation.

Each new Pilot Sponsor who wishes to actively participate in the operation of a specific aircraft should review all the requirements outlined in this section of the Canard-base Manual. Questions should be clarified with the Canard-base, Sponsor Group, and /or Headquarters prior to making your sponsorship commitment.

The following is a review of the major points and concepts of Aircraft Sponsorship:

1. Basic Principles of Sponsorship

- The men and women who are Aircraft, Pilot, Restoration and Supporting Sponsors make possible the restoration, maintenance and operation of an aircraft by sharing the costs, thus allowing as many persons as possible to participate as members of the Canard Base as an *Aircraft Support Team* on an aircraft valued at many tens of thousands of dollars if not more.
- Sponsorship donations may be a one-time gift toward the capital funds for a specific aircraft and are not transferable to another aircraft's account. These donations indicate the sponsor's interest in seeing a specific aircraft preserved in flying condition and, perhaps, their interest in playing an active role in its operation.
- Pilot Sponsors actual financial commitment or responsibility to the aircraft each year may vary due to many factors.
- If you are an active member of an Aircraft Sponsor Group made up of a small number of sponsors (usually 2-10) your responsibility could be very significant. If you are a Pilot Sponsor of an aircraft and it needs an engine rebuild or replacement your fair share of the repair could be much more than your original sponsorship donation, if you want to continue as a "Pilot Sponsor" of that aircraft. (See Para. 2 Continued Participation as a Sponsor)
- If you are a sponsoring an aircraft that is assigned to a large Canard-base and you are one of many sponsors your individual

responsibility could be much different than if you belonged to a small sponsor group. Your “fair share” will vary based on the Canard-base of assignment’s capability to support the aircraft at the time of need. Many larger Canard-bases are able to use funds from Canard-base events, (airshows), hangar dances and other fundraisers) to support the aircraft. Additionally, some aircraft are able to generate significant funds making appearances and Airshows and other events each year. Ideally, each aircraft could generate enough income each year to take care of all its needs. However, as you might expect there may be circumstances when the sponsors are asked to step forward and contribute to the needs of a specific aircraft based on circumstances beyond anyone’s direct control.

Special note regarding operation of RAFE aircraft assigned to Canard-bases. Each aircraft in the RAFE that is assigned to a RAFE Canard-base falls under the direction and control of the Canard-base Staff. The Canard-base Staff is ultimately held responsible for the safe operation, maintenance and financial support of its assigned aircraft. To accomplish this Canard-base Staff Officers, particularly the Maintenance, Operations, Safety and Finance Officer with the direction of the Canard-base Leader must ensure all maintenance, operational, safety and financial issues are addressed and managed in compliance with RAFE policies. When disputes arise, the Canard-base Staff along with the aircraft’s Pilot Sponsors often must come to a compromise to ensure the continued safe operation, maintenance and financial issues are handled in a way that recognizes the support of the sponsors while meeting RAFE policy and the operational requirements for the Canard-base. The ultimate decision making authority and responsibility however, rests with the Canard-base Staff.

Optional officers may be appointed in Canard-bases with Canard-base assigned aircraft to perform duties as delegated by the Canard-base staff, to facilitate coordination among the Pilot Sponsors for scheduling, training and operational purposes. These optional officers already exist in some Canard-bases often called Aircraft Liaisons, Aircraft Captains, Assistant Operations officers or Aircraft Coordinators.

In special circumstances, i.e. the CozyJet, operational, maintenance and financial responsibility have been transferred directly to the sponsor (s) with prior coordination and approval of the President of the RAFE.

Aircraft that are assigned to Canard-base are managed by the Canard-base within the limits of current RAFE policies.

Pilot Sponsors who wish to continue to participate year after year as flying crew members, must continue to help share the expenses, as explained below.

2. Continued Participation as a Sponsor

Any sponsor may make additional donations to an aircraft at any time and as often as he wishes. However, to continue to participate as a Pilot Sponsor of an aircraft, Pilot Sponsors must continue to share the actual costs of operating the aircraft.

3. Operational Limits on Sponsorship

The number of active Pilots of RAFE aircraft, especially twin and jet aircraft may be limited due to operational requirements for maintenance of Pilot proficiency. These RAFE aircraft, and some others, are often called on to perform in aerobatics and formation

display. No all Sponsor Pilots are required to perform these maneuvers but some of the Sponsor Pilots must maintain an adequate level of currency and competency in the aircraft to perform these routines safely.

Due to the relatively limited amount of flight time put on many RAFE aircraft each year, too many active Pilots could prevent each one from keeping current in the aircraft. Thus, RAFE Headquarters Operations may restrict the number of Pilots or other flight crews as required for safety of flight operations. Questions regarding the need for or capability to support additional Pilots or aircrews on a specific aircraft should be addressed to the Canard-base Staff, the Aircraft Coordinator and the Pilot Sponsors of the aircraft in question. The addition of new Pilots or crewmembers requires the approval of the Canard-base FEB and review and approval of the RAFE's Vice President of Safety, Maintenance and Operations.

Sponsor Pilots and aircrews are encouraged to ensure that the aircraft can always meet its mission requirements. In a few instances, however, an aircraft's unusual flight characteristics or other uncommon support requirements may justify only one active Pilot or crew be authorized until other qualified persons are available as Pilot Sponsors.

Aircraft Support Teams

The maintenance costs of all historic aircraft are usually too great for complete sponsorship by just one or a few individuals. The Pilot Sponsors may themselves not be qualified mechanics, machinists, composite or sheet metal workers or any of the other specialties required to restore and maintain the aircraft, thus the importance of the Aircraft Support Team concept.

The team is made up of both sponsors and other members who are willing to give up their time and talents to either make the aircraft fly again or keep it flying. When appropriate to the aircraft type and mission, the team members may also serve as additional crewmembers or passengers in that or other RAFE aircraft.

The team concept is implemented at the RAFE Canard-base level. If a Canard-base already has one or more aircraft assigned and a good maintenance team already assembled, it is often more efficient for the Canard-base's maintenance team to be responsible for all the assigned aircraft. The assignment of Crew Chiefs and their assistants is one way of recognizing team members who have been particularly devoted to an aircraft's maintenance and general care.

Canard-bases and individuals who are assigned RAFE aircraft should encourage the participation of all members in the preservation, maintenance and operation of the aircraft. Even getting up close to the aircraft and performing such simple tasks as helping to wipe it down and wash it can keep up a member's interest and excitement, and should not be overlooked.

Questions and Answers about the Sponsorship Program

The exact implementation and operation of the Sponsorship Program is spelled out in the various regulations and policies of the RAFE. Overall guidance for the program comes from the President of the RAFE, while the implementation is done by the RAFE Headquarters Administrative Staff, especially Finance and Operations. If you have any specific questions regarding aircraft sponsorship, ask the advice of the RAFE HQ Staff.

The following are examples of some of the more frequently asked questions about aircraft sponsorships:

1) If I am a Sponsor, can I fly?

Yes, provided that you meet the stringent requirements for a RAFE Pilot or crew rating in the aircraft, with the appropriate qualifications for experience, knowledge and skill, and if there is a need for additional active Pilots or aircrews on the aircraft.

2) Suppose I cannot qualify as a Pilot or co-Pilot? Can I still be involved with the aircraft?

Yes, non-Pilot sponsors are given priority for crew assignments and can become part of the aircraft's support team, as much as their individual time and experience permits.

3) Can I make time payments on an Aircraft, Pilot or Restoration Sponsorship?

Yes, provided that you make an initial donation of at least ten percent (10%) of the cost of the sponsorship and indicate a schedule for the balance of the payments, not to exceed two (2) years. Your sponsor status, plaque and any privileges will be awarded upon

completion of the payment schedule. (See Sponsorship checklist attached to the end of this Section.)

4) *Can I make time payments on a Supporting Sponsorship?*

No. This level of support, which is normally ten percent (10%) of the cost of a full Aircraft Sponsorship, must be paid in full in a single amount.

5) *Can I trade my labor for a Sponsorship?*

No. The intent of the Sponsor Program is to raise the necessary funds for the continued restoration and maintenance of the aircraft. This is becoming more expensive every year and takes money. It is hoped that those sponsors with the necessary skill to help with restoration and maintenance will become members of the aircraft support team and give freely of their time and experience in our common goal to "keep them flying."

6) *Can I trade goods for a Sponsorship?*

No. Sponsorships require a funds transfer into the aircraft's account to be valid, and to provide adequate documentation of the sponsor's donation for tax purposes. However, the sponsorship funds deposited in the aircraft account are immediately available to purchase those items needed to maintain or restore the aircraft. If a sponsor has an engine or other item that is needed by the aircraft that item may be purchased from him, with the agreement and approval of the Aircraft Coordinator and other Active Aircraft Sponsors.

7) Must I send the money to RAFE Headquarters or can I just send the amount of the sponsorship for items needed by the aircraft in question?

All sponsorship funds must be sent to RAFE Headquarters clearly marked as being for a specific level of sponsorship for a specific aircraft. There are several reasons for this:

- a) First, it is important that an "audit trail" be established to validate your donation for income tax credit. If you are audited by the IRS, and the donation questioned, the RAFE Headquarters records will substantiate your donation. This is for your protection.
- b) Second, in some instances, RAFE Headquarters or another RAFE Canard-base may have available the part or components needed, and available at a fraction of the commercial cost. In such a case, your money may go much further toward restoring or repairing the aircraft, if it is placed in the aircraft's account. The cost of the plaque, a processing fee and credit card fees (if applicable) will be deducted from the Sponsorship donation.

8) Is there anyone at RAFE Headquarters who can advise me regarding the effect of my donation on my income tax?

No. Only your CPA or tax attorney can do that.

9) Can a corporation Sponsor an aircraft?

Yes, Such Sponsorships are encouraged as part of the continuing plan to endow the RAFE fleet with adequate funds for restoration and maintenance in the future. All inquiries or other leads regarding potential Corporate Sponsors must be referred to RAFE

Headquarters, Vice President of Development, or the President of the RAFE.

10) Does becoming an Aircraft Sponsor and having the appropriate flight experience guarantee that I can fly the aircraft?

No. Some RAFE aircraft may currently have as many Pilots or flight crewmembers as can be kept current, competent and safe for flight in the airshow environment. RAFE Headquarters Operations can provide information about those RAFE aircraft that may need additional Pilots Sponsors and air crews.

11) Is my Sponsorship a "one time only" contribution?

It is if you wish to simply provide funds to support the aircraft and not participate actively with the aircraft. However, those Pilot Sponsors who act as Pilots must continue to share the costs of the maintenance, restoration and operation of the aircraft each year, in order to remain qualified as an Active Pilot Sponsor.

12) May I sponsor more than one aircraft?

Yes. Many RAFE members sponsor more than one aircraft.

13) Can a RAFE Canard-base sponsor an aircraft?

Yes. Although the Sponsor Program is intended primarily for individuals, some RAFE Canard-bases have donated sponsorships on various RAFE aircraft. Caution is urged, however, in the case of an Canard-base sponsoring an aircraft assigned to that Canard-base and then allowing a number of members to fly or act as crewmembers on the aircraft. This can preclude other individual

sponsorships, and is not in the true spirit and intent of the Sponsorship Program. For further information and guidelines on Canard-base sponsorships, contact RAFE Headquarters Operations.

14) In terms of promoting the aircraft, would you consider young eagles a form of promotion? This is something that I've wanted to do since becoming a pilot and it would be neat to have the "spaceship" plane at the events.

Young Eagles is a great program and RAFE participation is highly encouraged.

15) How large of a commitment to going to events would be required? Although I love to fly and would love to go to events, I am a father to one girl and a foster parent to two kids and being gone every weekend would be an issue.

RAFE doesn't expect you to fly to an event every weekend. If your sponsor group has multiple pilots than the aircraft could easily fly every weekend. What's required is the mission be supported. Each Sponsor or Group will have a Program Letter approved and will be expected to comply with the events scheduled in the program letter.

16) Does every flight need to be a RAFE event or is there time allowed to practice, sight-see, or go on trips? Obviously, while at an airport I can always promote the group.

The aircrafts purpose is to support the RAFE mission. That requires pilot proficiency. There is no requirement that each flight be to an event but each flight can be an event in that each time the pilot takes the airplane out he promotes the experience,

maintains his proficiency, not just at local flights but proficiency in cross country flying.

17) Along the lines of the previous question, would I be able to fly myself in the plane if I need to go somewhere for work? I occasionally go from Salt Lake to Boise and it would be nice to fly myself there. Now, I know several people that would be interested in seeing the craft, going for a ride, so there would be promotional opportunities, but I wanted to be clear on what was allowed.

Utilization of the aircraft for personal business is not in support of the RAFE mission. If the mission is primarily to promote the experience, then other things that would be secondary to supporting the mission would be incidental and not in conflict with the mission would be allowed.

18) I understand the need for funds to keep the plane going, but what I don't know is how much I should expect to spend. I need to keep an inflow of funds for my Cozy project, but I have funds that normally go to aircraft rental which is what I would fund the project off of. However, if it's crazy expensive, then I need to move to plan B which is get a light sport weight shift craft that will be cheaper to operate. Just trying to get a realistic picture of what's going on.

The operational expenses of a Rutan Design are minimal. These are extremely efficient aircraft with airframes that don't require the typical maintenance costs associated with aluminum airframes. The only really expensive part might involve the engine. Any engine can develop issues that could be a burden to the sponsor group. That is why it's highly desirable to have

several Sponsor Pilots in the group, to help defray unexpected maintenance costs. If the group focuses on generating Sponsors, donations and other activities that help generate funding then out of pocket expenses to the Sponsors should be minimal.

Donations of Aircraft

a. General Guidelines

Donations of aircraft to the Rutan Aircraft Flying Experience have allowed the organization to grow. This growth has brought with it an increased burden for sponsors of all levels to care for these aircraft. The current policy of the RAFE emphasizes the operation, restoration and maintenance of the aircraft in our existing inventory as a primary goal. This policy does provide for controlled growth of the fleet, and the acceptance of donated aircraft is therefore under the guidance and authorization of the Administrative Staff as directed by the President of the RAFE and the board of directors of the Rutan Aircraft Flying Experience.

b. Questions and Answers about Aircraft Donations. The following are examples of some of the more frequently asked questions about donations of aircraft:

c. Can I donate my aircraft to a RAFE Canard-base?

No. RAFE Canard bases are not separate tax exempt entities but rather branches of the Rutan Aircraft Flying Experience, and thus, cannot own the aircraft or other properties. Under certain circumstances, the donated aircraft may, at the discretion of the President of the RAFE, be assigned to a RAFE Canard-base. Under IRS rules, however, the donor cannot attach conditions to the donation, nor can he specify the manner in which donated property can be used.

d. If I donate my aircraft, can I still fly it?

Again, under IRS rules, there can be no special benefits inuring to the donor. If the donor of the aircraft qualifies under appropriate RAFE regulations as a Pilot on the aircraft, along with others of the same type in the RAFE fleet, and if he is only one of a number of Pilots assigned to that type aircraft, he may be authorized and assigned to fly the aircraft in question. The aircraft must be under the control of RAFE Headquarters Operations, on an approved flight movement or mission, and the donor must receive no special treatment or consideration that could be construed as a benefit or privilege not received by other Active Aircraft Sponsor Pilots in the RAFE for that aircraft.

Non-Sponsor Pilot Privileges

For the most part there are NO EXCEPTIONS to anyone flying an RAFE aircraft without being an approved Pilot Sponsor. In some extreme circumstances a non-Sponsor Pilot could be authorized. Non-Sponsor Pilots are Pilots that, for some operational purpose are authorized to fly an RAFE aircraft without participating in the conventional RAFE Sponsor program. A good example of this is if we had the opportunity to have Dick Rutan fly with us in an airshow. The following policy will be followed when request for non-sponsor Pilot privileges are submitted.

1. All requests for non-sponsor Pilot privileges must be accompanied by a signed statement from the current Pilot Sponsors of that aircraft that there are no objections and that the sponsors do indeed endorse the request.
2. The applicant for non-sponsor Pilot privileges must serve a need that cannot be met by current Pilot Sponsors of other RAFE aircraft of the same type.

3. Only in unusual circumstances should non-sponsor Pilot privileges be granted to any RAFE Pilot who does not sponsor at least one aircraft of type.

Headquarters Assigned Aircraft

The following general policy statements will apply to all aircraft assigned to Headquarters. These aircraft are open to sponsorship however; all new sponsors must understand that these policies will be mandatory. Although the sponsors will generally maintain all the privileges enjoyed by other sponsors of RAFE aircraft, operational scheduling and maintenance will be controlled by Headquarters Operations Department.

The Director of Operations and Chief Check Pilot shall be the Aircraft Coordinator for all Headquarters assigned aircraft.

End of Section see Table 6-1 attached and the Aircraft Sponsorship. Sponsorship Checklist form.

RAFE Table 6-1

- Varieze, LongEZ, Quickie, Solitaire: \$2500
- VariViggen and Defiant: \$3500
- CozyJet: \$15,000
- Project completion: \$2500.
- One time, tax-deductible Sponsorship contribution. You become Sponsor for life.
- Sponsor Pilot Annual Recurring Sponsorship contribution: 10% of Sponsorship contribution.

END