

First-Time Jet Owner's Guide

Build the ownership plan before the delivery celebration.



Inside this guide

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A practical guide to the decision

Make every recurring commitment visible. Distinguish cash spent at acquisition from fixed operating costs, utilization-driven expenses, financing and retained reserves.

Use this guide with your transaction team

Mark each assumption as confirmed, provisional or unresolved. Assign a responsible person and a date to every material open item. Revisit the record when the aircraft, ownership entity, operating plan or financing structure changes.

Use this resource with qualified advisers for your transaction. Educational guidance does not replace tax, legal, technical or operational advice specific to the aircraft and facts.

Build three independent layers

Start with fixed annual operating obligations such as quoted hangar, insurance, staff and administration. Then list utilization-dependent costs using explicit units, including fuel and appropriate hourly reserves. Add financing payments separately. This layout helps an owner see the cost of flying another hour without confusing it with the cash required to keep the aircraft available. Obtain jet-specific quotes rather than transferring figures from a small-aircraft ownership example.

Classify mixed costs honestly

Some expenses have both fixed and usage components. A maintenance plan can have enrollment terms, calendar events or minimums as well as hourly billing. Training and staffing may change in steps as the mission expands. Do not force these items into an elegant but inaccurate single hourly number. Record the actual contract rule and describe when another utilization scenario would trigger a different annual cost.

Distinguish reserves from invoices

Setting aside money for a future event is different from paying for work this year. A full cost view can include reserves while a dated cash-flow view shows actual expected payments; both views must explain their treatment. If an engine program already covers an event, do not automatically add the full event estimate again. Maintain a separate line for excluded work and an appropriate contingency.

Use scenarios to expose the decision

Run low, expected and high utilization with the same aircraft and financing assumptions. Show total annual cash, operating cost per hour and incremental variable cost per hour as different outputs. Include property tax and entity administration when applicable. The resulting comparison should support an affordability discussion without implying that a lower average hourly cost makes additional flights free or that the assumptions are current market quotes.

Create the pilot and training plan

Have the responsible aviation professionals identify the crew arrangement appropriate for the aircraft and use. Do not infer staffing from the number of cabin passengers or a single-pilot marketing description. The owner needs a dependable employment or contract plan with responsibility for qualifications, scheduling and training. This resource organizes budget questions; it does not determine pilot eligibility or provide permission for an operation.

Include quoted compensation, benefits or contract charges, recruitment, travel, hotels, positioning and training expenses where applicable. Record whether a management proposal includes these costs or merely administers them. A crew line that excludes training travel and temporary coverage can understate annual cash requirements. Obtain clear assumptions for owner travel peaks, time away and provider responsibilities rather than assuming one annual figure covers every schedule.

Obtain aircraft-specific insurance

Give the aviation insurance broker the actual aircraft, ownership entities, intended uses, pilots, bases and travel plans. Mixed personal and business use, charter, leases or international travel should be disclosed as relevant. Do not copy a premium from another owner or assume a lender-required policy can be arranged at the last moment. The broker needs enough facts to obtain a meaningful indication and explain remaining conditions.

Review hull and liability limits, deductibles, exclusions, permitted operations and relevant endorsements with the broker and counsel. Confirm who is insured and how lender interests are addressed. Two premiums are not comparable if coverage or conditions differ. Use this checklist to organize the coverage discussion; the issued policy and endorsements determine the binding terms.

Understand management responsibilities

List which party handles staffing, scheduling, maintenance administration, accounting, insurance coordination and vendor procurement. Separate services performed by the manager from obligations retained by the owner or operator. Ask aviation counsel to review the proposed legal structure and operational-control allocation. A comprehensive marketing description should be translated into contract responsibilities that match the actual aircraft use and financing arrangement.

Request the management fee, markups, commissions, affiliate charges, reserve requirements and treatment of vendor discounts. Ask whether quoted costs are fixed, estimated or passed through at actual amounts. Compare invoices and reporting examples. A proposal with a low stated fee can still differ materially through purchasing arrangements or excluded staff costs. Do not assume negotiated discounts flow to the owner without a contractual explanation.

Fund maintenance exposure

Obtain the current contract, engine serial numbers, coverage level, billing history and program-provider confirmation. Manufacturer pages describe available programs, but eligibility and coverage can vary by engine and agreement. Do not apply one provider or program description to every jet. A seller listing saying engines on program is the start of a document request, not proof that all expected maintenance expenses are paid.

Have the technical adviser explain scheduled events, unscheduled work, removal, installation, transport, rental support and any excluded damage. Identify deductibles, minimums, escalation and eligibility conditions where they exist. Some coverage levels differ substantially even within one manufacturer program. A budget should use actual quoted charges and retain an explicit allowance for items outside coverage rather than treating the hourly rate as the entire engine cost.

Preserve records and review the plan

Organize airframe, engine and equipment histories alongside ownership, major work, damage and program documentation. FAA guidance emphasizes the importance of records in determining maintenance requirements and owner/operator responsibilities. Have qualified personnel identify which originals and continuing records must be retained. Have the maintenance and legal teams identify applicable retention requirements for each record category.

Index records by aircraft identity, system, event and date. Maintain clear scans, readable attachments and links between summaries and supporting documents. A database status line is

useful but should be traceable to the underlying evidence. Identify gaps explicitly and seek appropriate resolution. Do not fill missing history with an undocumented owner assertion simply because the resulting sale package appears more complete.

Your decision worksheet

Make every recurring commitment visible. Distinguish cash spent at acquisition from fixed operating costs, utilization-driven expenses, financing and retained reserves.

For each line, record the known facts, the evidence or quote supporting them, who is responsible for confirmation and the next action. Date each entry so that a later reader can distinguish a current quote from an old assumption.

Planning item	Evidence to gather	Decision to record
Mission and utilization estimate	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Qualified operator / pilot plan	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Insurance and training requirements	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Management and service providers	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Fixed and variable cost budget	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Maintenance and program reserves	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Backup travel and downtime allowance	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required
Records and annual review calendar	A dated source, quote, agreement or adviser response	Confirmed / provisional / action required

Before you commit

Resolve material unknowns with the professional responsible for that subject before taking the next irreversible step. Keep aircraft technical acceptance, lender requirements, insurance and tax advice distinct in the transaction file.

Use the related calculators to compare a base case with a less favorable case. Bring the complete inputs and assumptions into the next conversation, rather than relying only on the headline result.

Your next-step checklist

- ☐ Mission and utilization estimate
- ☐ Qualified operator / pilot plan
- ☐ Insurance and training requirements
- ☐ Management and service providers
- ☐ Fixed and variable cost budget
- ☐ Maintenance and program reserves
- ☐ Backup travel and downtime allowance
- ☐ Records and annual review calendar

Working notes & adviser questions

Make every recurring commitment visible. Distinguish cash spent at acquisition from fixed operating costs, utilization-driven expenses, financing and retained reserves.

Record a decision, the supporting evidence, the responsible adviser and the next action. Keep a copy with the dated transaction file.

Before the next commitment

What would change the decision? Which condition could delay closing? What additional cash would be needed in a less favorable case?

Sources & next steps

Operating Costs and Financing

Budgeting to Own an Aircraft

14CFR61.58 Pilot-in-command proficiency check

Insurance and Risk Management

Aircraft Management Arrangements and the Flight Department Company Trap

Understanding Owner/Mechanic Roles and Responsibilities

ESP Maintenance Program

ProAdvantage Programs

Clear Title

The complete HTML edition uses the same structured content and is available at </ownership/first-time-jet-owner/>. Primary sources support the relevant facts; original planning frameworks and examples remain illustrative.

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Submit a deal or arrange a financing call

Email an initial deal summary to jason@jakenaviation.com or call 833-264-7776. Include the aircraft, purchase price or value, financing request, available equity, intended use, California connection and timing.

Use the appropriate secure channel for sensitive supporting documents. Any lender decision requires separate review, documentation and current terms.

Request a financing call

Explore documented program information