

2002 BUSINESS EXPENSES SURVEY

GENERAL INFORMATION AND INSTRUCTIONS FOR COMPLETING FORM SA-456(B)

GENERAL INFORMATION

The Business Expenses Survey (BES), conducted quinquennially in conjunction with the Nation's economic census, collects and publishes information on business operating expenses, and in conjunction with data on sales and inventories, derives measures of value produced. This information is used to measure America's economic performance.

Your response to the survey is required by law (Title 13, United States Code). This same law guarantees that the information furnished is kept **confidential**. The data you supply are used solely for developing summary statistics and cannot be used for purposes of taxation, investigation, or regulation.

We estimate that it will take an average of 2.2 hours to complete this questionnaire for multi-location companies and 1.2 hours for single-location companies. This includes time to read instructions, assemble and review information, and record answers on the questionnaire. Mail comments regarding this burden estimate or any other aspect of this collection of

information, including suggestions for reducing this burden, to Paperwork Project 0607-0901, U.S. Census Bureau, 4700 Silver Hill Road, Stop 1500, Washington, D.C. 20233-1500. You may e-mail comments to <Paperwork@census.gov>; use "Paperwork Project 0607-0901" as the subject.

If you have any questions concerning your report, or wish to obtain an extension of your filing due date, call **1-800-772-7851**. You also can FAX your request to **1-800-447-4613** or write the Bureau of the Census, Attn.: BES, 1201 East 10th Street, Jeffersonville, IN 47132-0001.

PLEASE INCLUDE FORM NUMBER **SA-456(B)** AND THE ID NUMBER ON THE FRONT OF YOUR REPORT (THE FIRST FOURTEEN DIGITS SHOWN TO THE LEFT IN THE MAILING LABEL) IN ALL CORRESPONDENCE.

Note that respondents are not required to respond to any Federal information collection unless it displays a valid approval number from the U.S. Office of Management and Budget. This 8-digit number appears at the top of the report form.

GENERAL INSTRUCTIONS

Please read all instructions and complete all items in this report to avoid costly and time-consuming correspondence.

This report should include domestic locations operated by your company and its subsidiaries, but exclude operating units for which separate reports for this survey have been received for completion. If the mailing label displays a Federal Employer Identification Number (EIN) of your firm, then this report should cover only operations conducted under this EIN.

Data should be included in this report for support facilities which you own, such as warehouses, garages, central administrative offices, and repair facilities which provide services primarily to the operating locations covered by this report.

Report expenses data for **calendar year 2002**. Except for payroll and fringe benefits, if calendar year records are not available, data for the latest fiscal year are acceptable. Please note, however, that **carefully prepared estimates for calendar year 2002 are acceptable** and preferable to book figures covering a different time period.

If you owned the location(s) for only part of calendar year 2002, report expenses only for the period that the location(s) were operated by this company or under any Federal Employer Identification Number (EIN) shown in the address label.

Data for locations operated by other companies, such as by franchise, should be excluded entirely from this report.

Please make a photocopy of your completed form and retain that copy in your files.

OPERATING EXPENSES AND REVENUE

Instructions for completing selected operating expense questions in Item 2 and revenue in Item 4

Line 2a – TOTAL ANNUAL PAYROLL IN 2002, BEFORE DEDUCTIONS

Definitions are the same as those on the Employer's Quarterly Federal Tax Return, Form 941, and as described in Circular E, Employer's Tax Guide. Report the amount of payroll actually paid during the four quarters of **calendar year 2002**.

Include – Salaries, wages, commissions (to your own employees), bonuses, and dismissal pay, before deductions for employee contributions such as Social Security (FICA), income tax withholding, group insurance premiums, union dues, and savings bonds; cash equivalent of compensation paid in kind; allowances for vacation, holiday, and sick leave paid to your own employees in 2002; and employee contributions to

qualified pension plans. For corporations, include the amount paid to officers and executives and the spread on stock options that is taxable to employees as income.

Exclude – Employer contributions to employee benefit plans required by law and any fringe benefits your company gives its employees. For unincorporated businesses, exclude profit or other compensation of proprietors or partners. Exclude full- and part-time employees whose payroll was filed under an employee leasing company's employee identification number (EIN), but for whom you maintain day to day control of their activities (such as hiring/firing decisions, determining base pay rates, and selecting benefits options). Also exclude temporary staffing obtained from a temporary help service.

CONTINUE ON REVERSE

OPERATING EXPENSES AND REVENUE (Continued)

Line 2c – CONTRACT LABOR

Include – Contractual payments made to suppliers for leased employees and temporary help such as office or warehouse workers, provided they are NOT on your payroll but ARE under your firm's supervision.

Exclude – Professional and nonprofessional services of persons supervised by the supplying firm, such as contracted legal, accounting, janitorial, and building maintenance services. These costs should be reported on other expense lines as a "purchased service."

Line 2f – INDUSTRY SPECIFIC MATERIALS, PARTS, AND SUPPLIES, FOR OWN USE

Include – Materials, parts, and supplies purchased in 2002 which are used in providing your service. Examples include parts used by transportation firms in self-repair and self-maintenance of transport; supplies used by real estate management firms in self-maintenance of grounds and buildings; and educational supplies for trade schools.

Exclude – Non-industry specific materials, parts, and supplies such as office supplies (include these on line 2g). Also exclude purchases of items for resale.

Line 2i – PURCHASED FUELS

Include – Cost of purchased fuels for heating, power, or generation of electricity.

Exclude – Cost of gasoline and other fuel purchased for transport vehicles (include these on line 2y), and any costs which were part of normal lease or rental payments.

Line 2l – PURCHASED REPAIR AND MAINTENANCE SERVICES

Include – All noncapitalized repairs to buildings, structures, offices, machinery, and equipment; for example, vehicle repairs, painting, and roof repairs. Also, include the cost of repairs to equipment and fixtures that are integral or permanent parts of a building or structure, such as elevators, furnaces, and central air conditioners. Purchased janitorial services and building and grounds maintenance should be included on this line.

Exclude – Repair and maintenance costs included in normal lease or rental payments, improvements for which depreciation accounts are maintained, and repairs and maintenance performed by employees of your company and its subsidiaries.

Line 2v – COST OF INSURANCE

Include – Payments made on insurance policies. Examples include property insurance, fire insurance, medical malpractice insurance, credit insurance, product liability insurance and vehicle insurance.

Exclude – Insurance costs incurred on behalf of employees and reported on line 2b, fringe benefits, such as workman's compensation insurance, disability insurance, life insurance, and insurance premiums on hospital and medical plans.

Line 2w – TAXES AND LICENSE FEES

Include – Business license fees, liquor and tobacco stamps, business real and personal property taxes (such as taxes on real estate, motor vehicles, machinery, equipment, and inventories), and special assessments paid to government agencies.

Exclude – Income, sales, payroll, excise taxes (other than for liquor and tobacco stamps), and other taxes collected from customers and paid to local, state, or federal government agencies. Also exclude the cost of computer software purchased under licensing agreements, and license fees paid to other than government agencies.

Line 2y – OTHER OPERATING EXPENSES

Include – Items such as gasoline and other fuel purchased for transport vehicles; damage not covered by insurance; losses by theft; bad debt; and grants paid out by tax-exempt organizations. Also on line 2y, describe and report the amount for the largest type of other operating expenses.

Exclude – Cost of goods sold items, interest on loans, income taxes, and local sales and excise taxes collected from customers.

If records are not available for other operating expenses, report the amount of total operating expenses from your financial statement on line 2z, total operating expenses. Subtract from this amount the total of the right-most column of Item 2, lines a through x, and enter the difference on line 2y.

Line 2z – TOTAL OPERATING EXPENSES

Report the sum of expenses in the right-most column of Item 2, lines a through y.

Item 4 – OPERATING REVENUE/RECEIPTS

Include – Revenue or receipts for all services rendered and any sales of merchandise for the year even though payment may have been received at a later date. Firms operating on a commission basis should report commissions, fees, and other operating income, not gross billings or sales. Insurance carriers also should include the amount of insurance premiums collected.

Real estate firms should include gross rents from properties owned and leased to others; gross sales of real property subdivided; and investment income.

Nonprofit entities such as tax-exempt schools should include income from contributions, grants, and investments.

Exclude sales or other taxes collected directly from customers or clients and paid directly to a local, state or federal tax agency; revenue of foreign subsidiaries; and non-operating revenue of for-profit businesses except real estate firms, such as income from investments, income from real estate sales and rents, loans, contributions, royalties, or grants.