

DEFINITIONS AND INSTRUCTIONS FOR THE 2015 REPORT OF ORGANIZATION, NC-99001

Estimates are acceptable if book figures are not readily available.

Burden Estimate - Public reporting burden for this collection of information is estimated to vary from 30 minutes for the smallest companies to 25 hours for the largest companies, with an average of 3 hours 24 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Paperwork Project 0607-0444, U.S. Census Bureau, 4600 Silver Hill Road, EMD, Room 6K064, Washington, DC 20233. You may e-mail comments to Paperwork@census.gov; use "Paperwork Project 0607-0444" as the subject. Response to this collection of information is not required unless it displays a valid approval number from the Office of Management and Budget (OMB). The OMB eight-digit number appears in the upper right corner of the form.

Discontinued Operations - If your organization discontinued operations before 2015, complete the Operational Status section of the questionnaire for each location (e.g., Closed or Sold) along with the effective date for of the status change. If your organization was in operation for any part of 2015, a completed questionnaire is required for the portion of the year 2015 in which your organization was in operation.

Census File Number (CFN) - A CFN has been assigned to your company. Always refer to the complete number in any correspondence with the U.S. Census Bureau.

Employer Identification Number (EIN) - The EIN is the nine-digit taxpayer identification number assigned by the Internal Revenue Service (IRS) and used by all business firms and other legal entities to file federal employment tax returns such as Forms 941 and 943; and federal income tax returns such as Forms 1065, 1120, and 990 series.

Company - An economic unit comprising one or more establishments under common ownership or control.

Subsidiary - A company which is owned or controlled by another firm or company. Subsidiaries include firms in which your company owns more than 50 percent of the outstanding voting stock, as well as firms in which your company has the power to direct or cause the direction of the management and policies.

Number of employees for the pay period including March 12, 2015 - Number of employees, both full- and part-time, whose payroll was reported on your organization's IRS Form(s) 941, Employer's Quarterly Federal Tax Return. Include as employees any persons on paid sick leave, paid holidays, and paid vacations; include salaried officers and executives of incorporated firms.

Exclude full- or part-time leased employees whose payroll was filed under an employee leasing company's EIN and temporary staffing obtained from a staffing service.

Payroll - Include the total of wages paid, tips reported, and other compensation paid to your employees in the calendar year, whether or not subject to income or social security taxes. Include all wages, salaries, commissions, fees, bonuses, vacation allowances, sick leave pay, severance pay, the amount of reported tips, and the value of taxable fringe benefits. Also include any employee contributions to a qualified pension plan, such as the 401(k) plan. Also include the spread on stock options that are taxable to employees as wages.

For incorporated businesses, include the salary of all officers and executives.

Exclude pensions, annuities, supplemental unemployment compensation benefits, nontaxable fringe benefits, and commissions and fees paid to independent contractors. Also, exclude employer contributions for pension plans and for health insurance and qualified benefits under a cafeteria plan. For unincorporated businesses, exclude the profit or compensation paid to proprietors or partners.

The sum of payroll reported for individual establishments for an EIN should equal the taxable Medicare wages and tips reported on your organization's IRS Form(s) 941, Employer's Quarterly Federal Tax Return plus the spread on stock options that are taxable to employees.

Establishment - An establishment is a single physical location where business is conducted or where services or industrial operations are performed. (For example: a factory, mill, store, hotel, movie theater, mine, farm, administrative office.) If distinctly separate activities are performed at the same location, and if there is significant employment in each activity, then each activity should be treated as a separate establishment, except agricultural production as explained below. (For example: construction activities operated out of the same physical location as a lumber yard.)

For firms engaged in construction, real estate management or operation, transportation, communication, electric, gas, and sanitary services, and similar types of physically dispersed activities, it is not necessary to list separately each individual "site," "project," "field," "network," "line," or "system." It is only necessary to report for main or branch offices, terminals, stations, etc., which are either (a) directly responsible for supervising such activities, or (b) the base from which personnel operate to carry out these activities.

Foreign Locations - Report a foreign location only if any of the employees at the location are reported on an IRS Form 941 for an EIN that is also used to report employees at domestic locations. You only need to report one foreign location for each such EIN. If more than one such establishment exists for an EIN, consolidate the employment and payroll data at the headquarters location, using "foreign employees" as the secondary name.

Special Instructions for Selected Industries

Banks - When checking the prelisting of your establishments in Item 5A or listing additional establishments in Item 5B, list only the EINs used to report either federal employment taxes (IRS Form 941) or income (IRS Forms 1065, 1120, and 990). DO NOT LIST EINs assigned to trust funds or estates managed by the bank and reported on IRS Form 1041, U.S. Fiduciary Income Tax Return. Report main and branch locations as separate establishments. Individual ATM outlets should not be listed as separate establishments.

Agricultural production - Establishments having any agricultural production regardless of whether it is the major activity should be listed **separately** in Items 5A and/or 5B and the employment and payroll data allocated if appropriate. Agricultural production includes the raising of/or production of crops (including horticultural products), poultry, or livestock for sale.

When using Item 5B to add establishments engaged in agricultural production, be sure to give the type of crop, livestock, etc., in column (c1).

Construction establishment - A construction establishment is a relatively permanent office, or other place of business, where the usual business activities related to construction are conducted. With some exceptions, a relatively permanent office is one which has been established for the management of more than one project or job and which is expected to be maintained on a continuing basis.

Retail departments or concessions - List as a separate establishment (including specific street address) those retail or service outlets operated by your firm as a department of a retail or service establishment, such as shoe departments or beauty salons in department stores, meat or bakery departments in grocery stores, or millinery departments in clothing stores.

Medical - Part-time offices should not be considered as separate establishments. List only the offices which are staffed on a full-time basis and include the employment and payroll for the part-time offices. Home health care services should not consider the customers' locations as separate establishments. Employment and payroll for these locations should be included with the main or branch office from which the work is supervised.

Legal - Part-time, temporary, or special offices should not be considered separate establishments for purposes of this report. Data for such locations should be included with the controlling main or branch location where the service is primarily performed.

DEFINITIONS AND INSTRUCTIONS FOR THE 2015 REPORT OF ORGANIZATION, NC-99001

Item 1A - Domestic Company Ownership or Control

If another domestic company owns more than 50 percent of the voting stock of your company or if another domestic company has the power to direct or cause the direction of your management and policies, then complete Item 1A1 by entering the name, home office address, and Employer Identification Number (EIN) of the owning or controlling company and complete Item 1A2 by marking the box which indicates the percentage of voting stock that it owns. Franchisees should not list their franchisor as a controlling company unless they own more than 50 percent of the voting stock.

Item 1B - Foreign Company Ownership or Control

If a foreign entity (company, individual, government, etc.) owns directly or indirectly 10 percent or more of the voting stock or an equivalent interest in your company, then complete Item 1B by entering the name and home office address of the owning entity, and by marking the box which indicates the percentage of voting stock that it owns.

All direct and indirect ownership interests held by the foreign entity should be summed to determine the foreign entity's percentage of ownership.

Item 1C - Foreign Affiliates

If your company owns 10 percent or more of the voting stock or other equity rights of a foreign business enterprise (including an unincorporated branch, partnership, or ownership of real estate), then mark the box labeled "Yes" in Item 1C. Otherwise, mark the box labeled "No."

Item 2 - Research and Development

Research and Development (R&D) is planned, creative work aimed at discovering new knowledge or developing new or significantly improved goods and services. This **includes**:

- activities aimed at acquiring new knowledge or understanding without specific immediate commercial applications or uses (basic research)
- activities aimed at solving a specific problem or meeting a specific commercial objective (applied research)
- systematic use of research and practical experience to produce new or significantly improved goods, services, or processes (development)

The term research and development **excludes**:

- routine product testing, quality control, and technical services unless they are an integral part of an R&D project
- market research
- efficiency surveys or management studies
- literary, artistic, or historical projects
- prospecting or exploration for natural resources

Item 3A - Employees from a Professional Employer Organization

If your company leases or co-employs more than fifty percent of its permanent full- and part-time workforce through a contractual agreement with a Professional Employer Organization, then mark the box labeled "Yes" in Item 3A. Otherwise, mark the box labeled "No." Permanent workforce excludes contractors and temporary staffing from a staffing service.

Item 3B - Operating Revenues and Net Sales

Operating revenues and net sales should **include**:

- Excise taxes (such as those on gasoline, liquor, or tobacco) paid by the manufacturer or wholesaler and included in the cost of goods purchased by this company
- Tax-exempt entities should **include** all types of revenue such as:
 - program service revenue
 - net patient revenue less contractual allowances
 - merchandise sold
 - gross contributions, gifts, appropriations, and grants regardless of restrictions
 - member dues and assessments
 - revenue from fundraising activities
 - gross interest, rents, and royalties
 - dividends
 - net gains (losses)

- For wholesalers or retailers selling on a commission basis, revenue should be reported on a gross basis (rather than only reporting commissions) plus net sales of any goods sold on your own account.
- For real estate offices and brokers, you should report the commissions and fees received for arranging the sale of real property owned by others.

Operating revenues and net sales should **exclude**:

- Sales and other taxes collected directly from customers and paid directly to a state, local, or federal tax agency
- Management fees collected from establishments of your own company (if covered by the company's reporting units)

Item 3C - Royalties and License Fees for the Use of Intellectual Property

Intellectual property **includes**:

- Industrial property, such as inventions, patents, trademarks, brand names, industrial designs, trade secrets, proprietary technology, franchises, and geographic indications of source
- Copyrights, including copyrights for literary and artistic works such as novels, poems and plays, films, musical works, drawings, paintings, photographs, sculptures, architectural designs, and other artistic works
- Rights related to copyright include those of performing artists in their performances, producers of their recordings, and those of broadcasters in their radio and television programs
- Trademark use is often included as part of the license of a patent or a franchise and should be reported on Item 3C3a. or Item 3C3d., as appropriate. If the trademark royalties are not an integral part of the use of the patent or franchise, please report the value in Item 3C3d., "Other revenues from royalties and license fees for rights to use intellectual property." Entries should include a brief description of any specifics regarding the trademark royalties.

Item 3D - Manufacturing Activities

Contract manufacturing is an arrangement wherein another company or foreign subsidiary of a company provides manufacturing services based on the contracting company's intellectual property. Manufacturing involves the mechanical, physical, or chemical transformation of materials, substances, or components into new products. The products can be prototypes, semi-finished goods, or finished goods.

The contracting company dictates the specifications, designs, or formulas that the contract manufacturer must use in the production of goods. In addition, the contracting company usually controls or limits the production of goods by performing quality control on the input materials or finished goods; reviewing the contracted company's facilities and processes; and approving the primary suppliers. The contracting company may also provide selected input materials.

The contracted manufacturer provides the facilities and labor and assembles or produces the goods. They may also purchase input materials and deliver finished products to customers under the direction of the contracting company. The manufacturer can be an unaffiliated company (either domestic or foreign) or a foreign subsidiary of the contracting company. In semiconductor companies, the term for the contracting company is a fabless manufacturer, while the contracted company is sometimes referred to as an electronics foundry. Companies involved in the manufacturing of pharmaceuticals, chemicals, minerals, metals, photographic, paper coatings, ink, or paint may use the terms toll manufacturing, toll processing, tolling, toll conversion, or custom manufacturing. Related terms for this activity include outsourcing, Electronic Manufacturing Services (EMS), Contract Manufacturing Organization (CMO), Contract Development and Manufacturing Organization (CDMO), and Original Design Manufacturer (ODM).

- **Apparel designs manufactured by third parties** – This **IS** considered a contract manufacturing activity.
- **Machine shops producing custom parts** – This **IS NOT** considered a contract manufacturing activity.