INSTRUCTIONS AND DEFINITIONS

INTRODUCTION – These instructions and definitions will assist you in completing your Quarterly Financial Report (QFR). Section 1 provides general information about the QFR survey. Section 2 provides instructions and definitions relating to the addressed side of the form. Section 3 provides item specific instructions and definitions relating to the financial side of the form. QFR information is also available at the following website: census.gov/econ/qfr.

SECTION 1 – GENERAL INFORMATION

A. Purpose of the Survey – The purpose of this survey is to provide comprehensive and timely information on business financial conditions. Each corporation’s response is an important component in the overall assessment of the health of our Nation’s economy. The information you provide will be used to prepare national measures of corporate profits and to formulate fiscal and monetary policy.

B. Survey Scope – This survey collects income statement and balance sheet data for domestic corporations that have a plurality of sales activity in manufacturing industries.

C. Survey Period and Due Date – Report data for the most recent 3-month period as indicated on the address side of the form. Companies on a 13-period year should submit a 16-week report for the third quarter of their fiscal year and a 12-week report for the other quarters. The questionnaire is due to be returned to the U.S. Census Bureau within 25 days after the end of the period requested.

D. Estimates Are Acceptable – The data requested on this form may not be available by the due date of the form or may not correspond to your company’s accounting records. In these instances, your carefully prepared estimates are an acceptable substitute for actual data. If you need assistance in completing the form or have specific questions regarding specific items, or would like to correspond with our staff, enroll in Secure Messaging Center at the following website: econhelp.census.gov/qfr/contactus. You can also call our staff at our toll-free number 1 (800) 272-4250 or (301) 763-3359.

E. Filing Instructions

1. Internet Reporting – This option is our preferred method of collecting data. Internet reporting is available for all companies. Your username and password are located on the form. Visit econhelp.census.gov/qfr to log on and report.

2. Facsimile – If you choose not to file by internet reporting, fax the completed form toll-free to 1 (800) 447-4613.

3. Mail to – U.S. Census Bureau, 1201 East 10th Street, Jeffersonville, IN 47132-0000.

PLEASE DO NOT MAIL IN YOUR SURVEY FORM – If you submit electronically or by fax, Do not mail in a form. This can create a duplicate form in our system.

Important Note – In all correspondence or additional attachments, include your 10-digit Username located on the front of the form.

File Copies – Copies retained in respondents’ files are immune from legal process. It is recommended that a copy of the completed form be retained for your company records.

F. Filing Extensions – If you cannot complete the questionnaire by the due date, request an extension by phone toll-free at 1 (800) 272-4250 or (301) 763-3359.

G. Legal Authority and Confidentiality of Data – Title 13 United States Code (U.S.C.), Section 91, authorizes this collection and requires your response. The U.S. Census Bureau is required by Section 9 of the same law to keep your information confidential and can use your responses only to produce statistics. The Census Bureau is not permitted to publicly release your responses in a way that could identify your business, organization, or institution. Per the Federal Cybersecurity Enhancement Act of 2015, your data are protected from cybersecurity risks through screening of the systems that transmit your data.

H. Burden Hour Estimate – This collection has been approved by the Office of Management and Budget (OMB). The eight-digit OMB approval number is 0607-0432 and appears at the upper right of the survey form/login screen. Without this approval, we could not conduct this survey. We estimate this survey will take an average of 1.2 hours to complete, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. You may email comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to csd.qfr@census.gov. Be sure to use “EID Survey Comments 0607-0432” as the subject.

SECTION 2 – INSTRUCTIONS FOR SELECT LINE ITEMS ON ADDRESSED SIDE OF FORM

2a. and b. Annual closing date and the Federal Employer Identification Number (FEIN) – Provide the current Annual closing date and the FEIN of the addressed, reporting corporation.

If there are changes from the prior quarter for the Annual closing date or the FEIN, attach a separate sheet noting the circumstances of the change and the current status of the former FEIN.

2c. Corporation Status – Reporting companies operating under bankruptcy protection are still required to file. The reports need to be filed on a properly consolidated basis including any subsidiary operating under bankruptcy protection. (See Consolidation Rules in (b) below.) Please note if any operations have been discontinued. If the company is unable to comply with the reporting requirements because the books of the ongoing operations are under the control of a court appointed trustee, etc., please explain on a separate sheet. (Include your 10-digit Username on all attached information.)

2d. Parent Corporation – Give the corporate name, FEIN, and address of any parent domestic company (owns more than 50 percent of voting securities). If there are multiple tiers of ownership, give the highest U.S. corporation as the parent. Note changes from previously reported parent companies giving all tiers in the ownership chain. This will help us determine the reporting level and eliminate duplication of coverage.
INSTRUCTIONS AND DEFINITIONS – Continued

SECTION 2 – INSTRUCTIONS FOR SELECT LINE ITEMS ON ADDRESSED SIDE OF FORM – Cont.

Consolidation Rules – Fully consolidate the operations of any wholly-owned subsidiary, including any U.S. corporations (that are taxable under the U.S. Internal Revenue Code and are owned more than 50 percent by your company and its majority-owned consolidated subsidiaries). For purposes of this report, domestic operations refer to operations that are within the 50 United States and the District of Columbia. Commonwealths such as Puerto Rico and territories such as the Virgin Islands are not considered domestic.

Nonconsolidated Domestic and Foreign Operations are domestic corporations primarily engaged in foreign operations (plants or workforces are located in foreign countries); foreign entities (corporate or noncorporate); foreign branch operations; foreign sales corporations; and, subsidiaries created in foreign countries to manufacture and/or sell primarily in foreign markets. These operations are to be reported using the equity method or cost method of accounting.

Do not consolidate domestic corporations primarily engaged in banking business (as defined in the North American Industry Classification System (NAICS) Sector 52, United States, 2012).


Subsidiaries. Any changes indicated in line A-3. If it is your practice to reflect changes from the prior quarter. However, in order to maintain continuity in the QFR estimates, please also include any acquisitions or disposal of nonconsolidated entities, i.e., branch divisions, business segments, etc., that have total assets greater than $50 million.

If you have questions regarding the Consolidation Rules, please consult the SEC’s Division of Corporation Finance website or our staff at our toll-free number at 1 (800) 272–4250 or 301 (763) 3650.

INSTRUCTIONS AND DEFINITIONS – Continued

SECTION 3 – INSTRUCTIONS BY LINE ITEM

LINE A – Sales, receipts, and operating revenues. Report sales net of returns and allowances and excise and sales taxes. Include all sales for the quarter derived from normal operations. Unlike General Accepted Accounting Principles (GAAP), include sales from discontinued operations through the date of their disposal. Costs should be reported on a gross basis including the commissions received.

LINE B – Depreciation, depletion, and amortization of property, plant, and equipment. Include the expense for the current quarter only. Do not include amortization of intangibles or items such as bargain on acquisition or goodwill. These items should be included in line C.

LINE C – All other operating costs and expenses. Include all costs of goods sold (net of purchase discounts), salaries, general and administrative expenses, and amortization of intangible assets. Include such expenses as keyman life insurance, provision for bad debts (net of bad debt recovery), goodwill, mining costs related to dry holes, abandonment of producing properties, and provision for impairment of producing properties.

LINE E – Interest expense. Include all interest expense. Do not net interest income with interest expense. Report interest income in line F.

LINE F – Nonoperating income and expenses. Include interest income, income (loss) of foreign branches and equity in earnings (loss) of domestic and foreign nonconsolidated subsidiaries, other equity income, dividends from investments and nonconsolidated subsidiaries carried on the "cost" basis of accounting, royalties, minority interest, and other nonoperating income (expense) items not elsewhere specified.

LINE H – Provision for current and deferred domestic income taxes. Report the provision for U.S. Federal, state, and local income tax. Accrue current payable in line C and the deferred payable in line G.

LINE K – Cash dividends charged this quarter. Include only cash dividends charged during the quarter. Include 11205 cash distributions.

SCHEDULE B1 – BALANCE SHEET ASSETS

LINE A-1 – Cash and demand deposits in the U.S. Include cash on hand (petty cash); cash, cash equivalents, and demand deposits (checking accounts) located in banks within the United States. Report checking account overdrafts in line A-1.

LINE A-2 – Time deposits in the U.S. Include all negotiable certificates of deposit, savings accounts, and other interest bearing cash deposits.

LINE B – Other short-term financial investments. Include all marketable and government securities, commercial paper, and deposits outside the U.S.

LINE C – Trade accounts and trade note receivable. Include trade receivables from commercial customers and governments, less allowances for doubtful accounts. Also include inter-company trade receivables from majority-owned subsidiaries that are not consolidated in this report in accordance with the consolidation instructions. Unlike conventional accounting, do not deduct progress payments and billings. Costs should be included in line E.

LINE D – Inventories. Report book value of all inventories. Include all raw materials, supplies, finished goods, and work-in-process inventories on the premises, in transit, or consigned to others at the end of the accounting period. Inventories may be reported on whatever valuation method is chosen provided that as long as it is reported on a consistent basis each quarter. Exclude land, buildings, and other real estate and securities held for resale; these items should be reported on line E. Unlike GAAP, do not deduct progress payments and billings. These should be included in line E.

LINE E – Other current assets. Include prepaid expenses, income tax refunds receivable, short-term deposits, and assets held for resale, which are no longer being used in the operations.

LINE F-1 – Property, plant, and equipment. Report the gross value (acquisition or original cost or basis) of all depreciable and amortizable fixed assets. Include all finance leases; improvements and new construction in progress, but not yet capitalized; leased assets held by the company; consolidated subsidiaries that are leased or rented to others; and capitalized exploration and development costs of mineral properties.

LINE F-2 – Land and mineral rights. Report the gross value (acquisition or original cost or basis) of all land, except land held for resale. Include timber and mineral rights, except capitalized exploration and development costs of mineral properties.

LINE F-3 – Accumulated depreciation, depletion, and amortization. Report the total accumulated depreciation, depletion, and amortization for the fixed assets included in line F-1. Do not include amortization of intangible assets.

LINE G – All Other noncurrent assets. Include investments in nonconsolidated entities, other long-term investments including noncurrent marketable securities, patents, copyrights, goodwill, and other amortizable intangibles, cash surrender value of life insurance, and long-term receivables, and operating leases.

LINE H – Total Assets. Report the sum of lines A-1 through E, F-1 and G. This line must be equal to line I, Total Liabilities and Stockholders’ Equity.

SCHEDULE B2 – LIABILITIES AND STOCKHOLDERS’ EQUITY

LINE A-1 – Short-term loans from banks. Report all short-term loans from banks (other than commercial banks). Do not include the current portion of long-term bank debt. This should be included in line D-1.

LINE A-2 – Other short-term loans. Report all other short-term debt, including commercial bank. Do not include the current portion of long-term debt. This should be included in line D-2.

LINE B – Trade accounts and trade note payable. Report balances outstanding of all invoices and net payable for the purchase of goods and services. Do not include payables for taxes or other accrued expenses. Report income tax refund due in line E.

LINE C – Domestic income taxes accrued, prior and current years. Include the current balance of U.S. Federal, state, and local corporate income tax or franchise tax owed, net of payments of estimated taxes. If payments exceed accruals, report it as a negative (debit) balance. If the company has applied for a refund. Report refund income tax refunds in line E. Report deferred income taxes in line G.

LINE D-1 – Current portion of long-term debt from banks. Include the current portion of long-term debt due to commercial banks only. Report the long-term portion of bank debt in line F-1.

LINE D-1 – Current portion of other long-term debt. Include the current portion of all other long-term debt, such as loans payable to shareholders, inter-company loans payable to nonconsolidated entities, bonds and debentures, loans from finance or insurance companies, and finance leases. Do not include any long-term portion of debt or the current portion of operating leases. Report the long-term portion of other long-term debt in line D-2 and the current portion of operating leases in line E.

LINE E – All other current liabilities. Report and sales taxes, withholding taxes, other accrued expenses, and the current portion of operating leases. This line item should include all current liabilities other than debt, corporate income taxes, and trade accounts and trade notes payable.

LINE F-1 – Long-term bank debt due in more than one year. Include the current portion of all other long-term debt, such as loans payable to shareholders, inter-company loans payable to nonconsolidated entities, bonds and debentures, loans from finance or insurance companies, and finance leases. Do not include any long-term portion of debt or the current portion of operating leases. Report the current portion of long-term debt in line F-1.

LINE F-2 – Other long-term debt due in more than one year. Include the current portion of all other long-term debt, such as loans payable to shareholders, inter-company loans payable to nonconsolidated entities, bonds and debentures, loans from finance or insurance companies, and finance leases. Do not include any long-term portion of debt or the current portion of operating leases. Report the current portion of long-term debt in line D-2 and the current portion of operating leases in line G.

LINE G – All other noncurrent liabilities. Include deferred taxes, other deferred credits or liabilities, and other stockholders’ interest, and the long-term portion of operating leases. Also include in line G, all outstanding issues ofredeemable preferred stock.

LINE H-1 – Capital stock and other stockholders’ interest. Include all classes of capital stock and paid-in-capital, except redeemable preferred stock, less the total cost of the company’s stock that has been reissued and held in the treasury. Report redeemable preferred stock in line G.

LINE H-2 – Retained earnings at end of quarter. Report the corporation’s accumulated net income after tax including cumulative foreign currency translation adjustments, less distributions to stockholders and transfers to the paid-in-capital accounts reported in line H-1.

LINE I – Total Liabilities and Stockholders’ Equity. Report the sum of lines A-1 through G and H-3. Line I must be equal to line H, Total Assets.