

ANNUAL CAPITAL EXPENDITURES SURVEY

FROM THE DIRECTOR
U.S. CENSUS BUREAU

We are conducting the Annual Capital Expenditures Survey, and would like your help by completing the enclosed survey form.

The U.S. Census Bureau's Annual Capital Expenditures Survey is a key source of information about our country's economic performance. Business investment in structures and equipment is an important component of the gross domestic product. Investment data also are useful for identifying business opportunities, product development, and strategic planning.

Title 13 of the United States Code requires you to answer this survey; it also requires us to keep your response confidential and use the information you provide for statistical purposes only. Your responses are immune from legal process.

In order to provide current and useful statistics for small, cyclical, and changing businesses, we need your information, whether or not you made capital expenditures in calendar year 2004.

We realize that completing this survey is a burden for you. However, your response is important in providing accurate data about our Nation's economic performance. We have limited the survey sample to the fewest possible number of representative firms, and we accept estimates if book figures are not available.

Please review the instructions, complete the form, and return it within 30 days. The instructions can assist you on how to report for each item. Returning your form promptly helps us keep follow-up costs down. If you have any questions or comments, please call us toll-free at **1-800-528-3049**.

Thank you in advance for your cooperation.

Sincerely,



Charles Louis Kincannon

Enclosure

2004 INSTRUCTIONS AND DEFINITIONS

BURDEN HOUR ESTIMATE

Public reporting burden for this collection of information is estimated to range from less than 1 hour to about 2 hours, averaging 1 hour per response, including 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 0607-0782, U.S. Census Bureau, 4700 Silver Hill Road, Stop 1500, Washington, DC 20233-1500. You may e-mail comments to Paperwork@census.gov; use "Paperwork Project 0607-0782" as the subject.

SURVEY SCOPE – This survey collects capital expenditures data for nonfarm businesses, organizations, and associations operating within the United States. This survey also includes self-employed individuals. Report capital expenditures for all of your operations that are located in the 50 States and the District of Columbia. Information for agricultural production operations should be excluded.

Survey Period – Report data for the calendar year 2004. If your fiscal year ends between October 31 and February 28, fiscal year figures are acceptable. If calendar year book figures are not available except at considerable cost, reasonable estimates are acceptable. If the data reported are for a period other than the calendar year, indicate the exact period covered on page 2 of the survey form.

Estimates are Acceptable – The data requested on this report may not correspond to your accounting records. If you cannot answer a question from your records, please estimate the answer. Report in thousands of dollars. If your business did not make any capital expenditures for the 2004 reporting period, enter "0" on the appropriate line(s).

Filing the Report – Return your completed report in the pre-addressed envelope. If you are not using the pre-addressed envelope, return your report form to the **U.S. Census Bureau, 1201 East 10th Street, Jeffersonville, IN 47132-0001** or fax to **1-800-438-8040**. Make a copy of the completed report form for your company records.

Filing Extensions – If you cannot complete the survey by the date shown on the front of the form, request an extension of time by writing to the **U.S. Census Bureau, 1201 East 10th Street, Jeffersonville, IN 47132-0001 or by calling 1-800-528-3049**. Please reference your Census ID Number located on the top line of the mailing address.

Legal Authority and Confidentiality of Data – Your response is required by law. Title 13, United States Code, requires businesses and other organizations that receive this questionnaire to answer the questions and return the report to the U.S. Census Bureau. By the same law, **YOUR REPORT IS CONFIDENTIAL**. It may be seen only by persons sworn to uphold the confidentiality of Census Bureau information and may be used only for statistical purposes. Further, copies retained in respondents' files are immune from legal process.

Direct any **QUESTIONS** regarding this report form to the **U.S. Census Bureau, ATTN: Company Statistics Division, Business Investment Branch, Washington, DC 20233-6400**, or call **1-800-528-3049**.

HOW TO REPORT

Report capital expenditures in dollar values rounded to thousands.

| | | |
|---|-------|------|
| Example: If figure is \$600.00, report | Thou. | Dol. |
| | 1 | |

| | | |
|---|-------|------|
| Example: If figure is \$2,600.00, report | Thou. | Dol. |
| | 3 | |

Enter zero if expenditures are less than one thousand dollars after rounding.

Item 1

CAPITAL EXPENDITURES – Report expenditures made during the year to purchase structures and equipment for use in your business. Records are ordinarily maintained for these expenditures since they are required to be depreciated for tax purposes. Include the estimated cost of assets acquired as the lessee under capital lease arrangements entered into during the year. See Item 2 instructions below for additional information on capital leases. Assets which your company expensed as permitted under Section 179 of the U.S. Internal Revenue Code should be reported as capital expenditures for purposes of this survey. The requested information may be available from your tax return, accountant, or tax advisor.

Exclude land and items charged as current operating expenses such as cost of maintenance (including maintenance contracts), normal and ordinary repairs, supplies, and rental payments.

If expenditures are made for both business and personal use, report only those for business use.

NEW STRUCTURES – Report capital expenditures for new buildings, offices, and other structures, as well as structures that have been previously owned but not used or occupied.

Include:

- Cost of buildings and all necessary expenditures to acquire, construct, and prepare the structure for its intended use.
- Cost of major additions, alterations, and capitalized repairs to existing structures whether performed by a contractor or completed in-house.
- Cost of any machinery and equipment which is an integral or built-in feature of the structure.

NEW EQUIPMENT – Report capital expenditures for new machinery and equipment.

Include:

- Capital expenditures for new equipment such as machinery, furniture and fixtures, cash registers, fax machines, copy machines, computers, computer software, and cars and trucks used in the production and distribution of goods and services and in office functions.
- Expenditures for machinery and equipment which are housed in structures and can be removed or replaced without significantly altering the structure.

USED STRUCTURES AND USED EQUIPMENT – Report capital expenditures for offices, buildings, and other structures previously owned and occupied by others. Also include second hand equipment and machinery previously owned by others.

If you have any questions about what to report or how to classify specific fixed assets, please call **1-800-528-3049**.

Item 2

CAPITAL LEASES – Report the estimated cost of new structures and equipment acquired as the lessee under capital lease arrangements entered into during the year. Only the person or business to whom a lease is granted (lessee) from others should report here. This value should also be included as a capital expenditure in Item 1 since the purchase of a structure and/or equipment has essentially taken place.

Exclude the value of structures and equipment which you rent (operating leases); and periodic payments made for leased structures and equipment.

If you did not have capital expenditures during 2004, enter zeroes in the appropriate lines of ITEM 1 and complete the back of the form. Please sign and return your form in the enclosed envelope or FAX to 1-800-438-8040.