

2007 ECONOMIC CENSUS Wholesale Trade Sector

INFORMATION SHEET

The 2007 Economic Census covering the Wholesale Trade sector includes establishments primarily engaged in selling or arranging the purchase or sale of goods, selling goods for resale, selling capital or durable nonconsumer goods, and selling raw and intermediate materials and supplies used in production.

Most wholesale establishments exhibit the following characteristics:

- Wholesalers usually operate from a warehouse or office. These warehouses and offices are characterized by having little or no display of merchandise. In addition, neither the design nor the location of the premises is intended to solicit walk-in traffic.
- Wholesalers do not usually use advertising directed to the general public. Customers are generally reached initially via telephone, in-person marketing, or by specialized advertising.

If an establishment is **NOT** engaged in this kind of business, **DESCRIBE** its business or activity in item **19A** and **COMPLETE** the report form as accurately as possible.

DEFINITION OF ESTABLISHMENT

An establishment is generally a single physical location where business is conducted or where services or industrial operations are performed. This includes all selling and service locations and any other facilities, such as warehouses or administrative offices, that were in operation at any time during 2007. Locations with no employees (such as unmanned warehouses) are not considered separate establishments. Report separate data for each establishment.

GENERAL INSTRUCTIONS

- This report form should cover calendar year 2007. If book figures are not available, **estimates are acceptable**. However, if the accounting fiscal year is different from the calendar year, fiscal year figures will be acceptable for all items except payroll (calendar year figures for payroll should be available from your Internal Revenue Service (IRS) Form 941, Employer's Quarterly Federal Tax Return, or Form 944, Employer's Annual Federal Tax Return). Indicate in item **30** the exact dates covered.
- If this establishment stopped operating before January 1, 2007, mark (X) the box to indicate "None" in item **4**, indicate action and date in item **3**, and return the report form.

- If this establishment was closed, sold, or leased to another company or organization during 2007, complete the report form for the portion of 2007 that this establishment was operating.
- Sales and payroll data should be rounded to the nearest thousand dollars as illustrated on the report form.
- If there are any questions or if any communication regarding this report form is necessary, reference the 11-digit Census File Number (CFN) shown in the mailing address.
- Please photocopy this report form for your records and return the original.
- Public reporting burden for this collection of information is estimated to vary from 30 minutes to 3 hours per response, with an average of 1 hour and 30 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 0607-0929, U.S. Census Bureau, 4600 Silver Hill Road, AMSD - 3K138, Washington, D.C. 20233. You may e-mail comments to Paperwork@census.gov; use "Paperwork Project 0607-0929" 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 eight-digit OMB number appears in the upper right corner of the report form.

INSTRUCTIONS FOR SELECTED ITEMS

2. PHYSICAL LOCATION

Answer all sections (**A** through **C**) of item **2** even if the mailing address shown is correct.

3. OPERATIONAL STATUS

Mark (X) the **one** box that best describes the operational status of this establishment at the **end of 2007**.

- **In operation** — This establishment was open and actively conducting business on December 31, 2007.
- **Temporarily or seasonally inactive** — Although not conducting business at the end of 2007, this establishment will eventually reopen and conduct business under the

same EIN. Examples include businesses selling seasonal merchandise that close during the "off-season" or establishments that temporarily close for remodeling.

- **Ceased operation** — This establishment has gone out of business or closed and does not plan to reopen. Provide the **month, day, and year** that this establishment ceased operation. Complete all items for the portion of 2007 during which this establishment was in operation.
- **Sold or leased to another operator** — This establishment was sold or leased to another company or organization. Provide the **month, day, and year** that the change occurred and indicate the name, address and EIN of the new owner or operator. Complete all items for the portion of 2007 prior to the change in operator.
- **Other** — This establishment's operational status at the end of 2007 is not accurately described above. Please specify a description of this establishment's operational status in the space provided.

5. SALES, SHIPMENTS, RECEIPTS, OR REVENUE

A. Report total sales of merchandise and other operating receipts in thousands of dollars for the calendar year 2007.

Include:

- Cash and credit sales of merchandise, whether or not payment was received in 2007.
- Receipts for delivery, installation, maintenance, repair, alteration, storage, and other services provided in 2007, whether or not payment was received in 2007.
- The gross selling value of goods that this establishment sold or purchased on a commission, brokerage, consignment, or agency basis for others.
- The actual value of trade-ins taken as partial payment for other merchandise.
- Sales to foreign subsidiaries and affiliates and to this establishment's Foreign Sales Corporations (FSCs).
- Receipts from the rental and leasing of merchandise.
- Excise taxes (such as those on **gasoline, liquor, and tobacco**) which are paid by the manufacturer and included in the cost of goods purchased.
- Liquor and tobacco tax stamps, taxes, and licenses sold.
- Fees received for the arrangement of the foreign sale of goods which never entered the United States or its Foreign Trade Zones.
- Shipping and handling receipts collected from customers.
- The value of transfers (billings) to the firm's own retail service stations, retail fuel oil dealers, and retail liquefied petroleum (LP) gas dealers.

- The value of transfers (billings) of farm products to other establishments in the company.

Exclude:

- Sales and other taxes (including Hawaii's General Excise Tax) collected directly from customers and paid directly to a federal, state, or local tax agency.
- Receipts from carrying and other credit charges.
- Nonoperating income from sources such as investments, rental or sale of real estate, and interest.
- Commissions received for selling and buying goods (unless the goods never entered the United States).
- Foreign sale of goods which never entered the United States or its Foreign Trade Zones.
- Refunds or allowances for returned merchandise.
- Transfers (billings) to other establishments in the company, except those in the firm's own retail service stations, retail fuel oil dealers, retail liquefied petroleum (LP) gas dealers and those made by establishments selling farm products.
- Sales of petroleum products to another bulk facility.

B. Answer "Yes" if this establishment earned a commission or brokerage fee for transactions negotiated for others.

C. Report the market value of products bought or sold by others on which this establishment earned a commission or fee.

If actual sales are unavailable from firm records, estimate the value by dividing actual commissions received by the average percentage charged for sales activity.

For example, if commissions received totaled \$200,000 and the average commission is estimated as 5 percent, then the gross selling value is \$4,000,000 ($\$200,000/.05$).

D. Report the amount of commissions, brokerage, or agency fees received for transactions reported in item **5C**.

E. Answer "Yes" if this is the only establishment of the firm and continue with item **I**.

F. Respond only if this establishment is part of a multi-establishment firm.

G. E-commerce sales and operating receipts are sales of goods and services where an order is placed by the buyer, or price and terms of sale are negotiated over an Internet, Extranet, Electronic Data Interchange (EDI) network, electronic mail, or other online system. Payment may or may not be made online. (This is item **I** on report form WH-42425.)

7. EMPLOYMENT AND PAYROLL

Definitions are the same as those used on the Internal Revenue Service (IRS) Forms 941 and 944, and as described in Circular E, Employer's Tax Guide.

A. Employment

Include:

- All full- and part-time employees on the payroll during the pay period including March 12, 2007.
- Salaried officers and executives of a corporation.
- Salaried members of a professional service organization or association (operating under state professional corporation statutes and filing a federal corporate income tax return).
- Employees on paid sick leave, paid vacations, and paid holidays.

Exclude:

- Proprietors or partners of an unincorporated company.
- Employees of departments or concessions operated by other companies at this establishment.
- Full- and part-time leased employees whose payroll was filed under an employee leasing company's federal Employer Identification Number (EIN).
- Temporary staffing obtained from a staffing service.

B. Payroll before deductions

Include:

- Wages, salaries, tips, vacation allowances, bonuses, commissions, and other compensation paid to employees during 2007 and reported on IRS Forms 941 or 944 as taxable Medicare Wages and tips (even if not subject to income or FICA tax).
- Salaries of officers and executives of a corporation.
- Salaries of members of a professional service organization or association (operating under state professional corporation statutes and filing a federal corporate income tax return).
- Employee contributions to qualified pension plans.
- The spread on stock options that is taxable to employees as income.

Exclude:

- Payments to or withdrawals by proprietors or partners of an unincorporated company.
- Annuities or supplemental unemployment compensation benefits, even if income tax was withheld.
- Payrolls of departments or concessions operated by other companies at the establishment.

9. VALUE OF INVENTORIES

Report the total value of inventories owned by this establishment on December 31, 2007, and December 31, 2006, regardless of where held. Exclude the value of inventories held by this establishment but owned by others.

- A.** Answer "Yes" if this establishment had inventories on the last day of either 2007 or 2006. Answer "No" if the establishment had no inventories, or had inventories during either year but not on the last day of the year.
- B.** Report the value of inventories owned by this establishment on December 31, 2007, and December 31, 2006:
- 1.** Report the total value of inventories owned by this establishment for each year. If any part of the inventory is valued using the Last-in, First-out (LIFO) method, report the value of inventories before any adjustment for LIFO reserve.
 - 2.** Report the value of LIFO reserve or allowance applicable to any amount on line **B1** that is valued using the LIFO method. Establishments that do not use the LIFO method of inventory valuation should mark (X) the box to indicate "None."
 - 3.** Report the total value of inventories after any LIFO adjustment for reserves. This should equal line **B1** minus line **B2**. Establishments that do not use the LIFO method of valuation will report the same value on lines **B1** and **B3**.

10. INVENTORIES BY VALUATION METHOD

Report the value of inventories reported in item **9**, line **B1**, for each of the following valuation methods:

- A.** Last-in, First-out (LIFO), before adjustment
B. First-in, First-out (FIFO)
C. Average cost
D. Standard cost
E. Other valuation method - Specify other method of valuation (including actual, market, or specific cost) in the space provided
F. Total of lines **10A** through **10B** should equal item **9**, line **B1**.

16. SELECTED EXPENSES

A. Operating Expenses

Report total operating expenses for 2007.

Include:

- Total annual payroll reported in item **7**.
- Fringe benefits and supplements to wages and salaries.
- Liquor and tobacco stamps, taxes, and license fees.

- Depreciation and amortization charges in 2007, including depreciation charges on equipment obtained through a capital or full payout lease, or on equipment rented to others through an operating lease.
- Lease and rental payments made in 2007 for equipment leased under an operating lease.
- Advertising services and expenses.
- Commissions paid to others.
- Office supplies, postage, and shipping and packaging materials and expenses.
- Cost of legal services, data processing, and other contract work performed by others.
- Telephone and other purchased communications services.
- Other expenses such as insurance, storage, repairs, theft, and damage losses.

Exclude:

- Purchase of goods for resale.
- Income taxes.
- Sales and other taxes collected directly from customers and paid directly to a federal, state, or local tax agency.
- Interest expenses, bad debt, and impairment costs.
- Payments to or withdrawals by proprietors and partners of an unincorporated firm.
- Lease payments for merchandise obtained through capital, finance, or full payout leases.

B. Purchase of merchandise for resale

Report the total cost of all merchandise purchased for resale (net of returns, allowances, and trade and cash discounts, but including amounts allowed for trade-ins) to which this establishment took title in 2007 whether or not payment was made in 2007. If possible, exclude purchases of containers, wrapping, packaging and selling supplies

Include:

- Merchandise to which this establishment took title in 2007, whether or not payment was made in 2007.
- Raw and finished goods.
- Cash and credit purchases.
- Merchandise in transit to this establishment or to a customer to which this establishment has taken title.
- Amounts allowed for trade-ins.
- Freight, delivery, and other transportation costs.

- Import duties (if paid separately).
- The cost of purchased services that were resold.
- Parts and supplies used in repair work or other service type activities.

Exclude:

- Expenditures for supplies, equipment, and parts purchased for the company's own use.
- Purchases of liquor and tobacco tax stamps.
- Merchandise to which this establishment never took title.
- Sales and other taxes collected directly from customers and paid directly to a federal, state, or local agency.

19A. KIND OF BUSINESS

Choose the **one** kind of business that best describes this establishment in 2007. If none of the provided selections seem appropriate, mark (X) the box next to "Other kind of business" and provide a specific description of the primary business activity.

19B. TYPE OF OPERATION

Mark (X) only one principal type of operation for this establishment.

Merchant wholesaler — A company or establishment engaged in buying merchandise on its own account produced by other firms and selling them using the wholesale method.

- Importer — Purchasing and selling foreign-made merchandise that does not bear the importer's own brand name for delivery in the United States.
- Exporter — Purchasing goods in the United States from unrelated firms and selling them for delivery outside the United States, excluding grain elevators.
- Farm products assembler — Report forms WH-42413, 42415, 42419, 42421, and 42429 only — A firm or establishment, except a grain elevator, purchasing farm products directly from farmers.
- Country grain elevator — Report forms WH-42421 and 42429 only — Grain elevator receiving grain directly from farmers.
- Terminal grain elevator — Report forms WH-42421 and 42429 only — Grain elevator receiving grain from sources other than directly from farmers.
- Merchant wholesale distributor or jobber — Buying merchandise from unrelated domestic manufacturers and selling the goods to customers in the United States.
- Own-brand importer and marketer — A company or establishment that deals primarily or exclusively in the parent company's own branded products manufactured outside the United States. The products are either imported into the United States and then sold or they are sold and

then drop-shipped directly from a foreign location to the customer in the United States.

Note: When the products are drop-shipped from a foreign location, the customer will have already taken title to the goods before they enter the United States.

Manufacturers' sales branch or office — Establishments owned by firms or corporately affiliated with a manufacturer primarily engaged in selling goods mined or manufactured by the parent in the United States or its Foreign Trade Zones.

Agent, broker, or commission merchant — A company or establishment primarily engaged in buying and selling merchandise on a commission, brokerage, or agency basis for others, rather than dealing primarily on its own account.

- **Auction company —** Selling merchandise for the account of others at wholesale from a permanent location by the auction method.
- **Broker, representing buyers and sellers —** Buying and selling merchandise on a brokerage basis for others in the United States market, but not receiving goods on consignment.
- **Commission merchant —** Receiving goods on consignment and selling them on a commission basis in the United States market.
- **Import agent —** Representing, on an agency basis, domestic firms selling foreign merchandise for delivery inside the United States or its possessions and collecting a commission for the sale of goods.
- **Export agent —** Representing on an agency basis, domestic firms selling United States merchandise for delivery outside the United States or its possessions and collecting a commission for the sale of goods.
- **Manufacturers' agent —** Selling merchandise on a commission basis for a limited number of manufacturers on a continuing agency basis.

Electronic market — Business-to-business marketplace that facilitates the sale of goods via the Internet or other electronic means, and operates on a commission or fee basis.

Other broker or agent such as real estate, mortgage, or loan. Please specify type in space provided.

20. CLASS OF CUSTOMER

D. Report percentage of sales and receipts as reported in item **5A** to each customer class.

1. Household consumers and individual users —

Include sales to:

- Those buying for personal consumption.
- Employees buying for personal consumption.

2. Export Sales —

Include sales to buyers in foreign countries or to Foreign Sales Corporations (FSCs).

Exclude sales to establishments in United States possessions that are not FSCs.

3. Retailers for resale —

Include sales to all types of retailers (that is, retail chain organizations, independent stores, or department stores) that normally buy for resale to household consumers.

4. Wholesale establishments for resale —

In addition to sales to merchant wholesalers, include sales that were made through agents, brokers, and commission merchants.

5. Repair shops for use in repair work —

Include sales to all types of repair facilities.

6. Manufacturing and mining industrial users for use as input goods in production —

Include sales to mines and manufacturers located in the United States or Puerto Rico.

7. Restaurants, hotels, food services, and contract feeding —

Include sales to caterers, contract feeders, and all eating and drinking establishments.

8. Businesses for end use in their own operation, not for resale or production —

Include sales to laboratories, institutions, public utilities, service businesses, and other such users that are buying for business use rather than for resale.

9. Building contractors, heavy construction, and special trade contractors —

Include only sales for construction purposes.

10. Farmers for use in farm production —

Include only sales of products for use in agricultural production.

11. Governmental bodies (federal, state, and local) —

Include sales to the federal government (including military post exchanges, General Services Administration, U.S. Postal Service, Tennessee Valley Authority, and other agencies), state, and local governments.

12. Other — *Specify* — Report the sales not elsewhere classified and describe the customer.

22. DETAIL OF SALES, SHIPMENTS, RECEIPTS, OR REVENUE

- Report either in thousands of dollars or as a whole percent of total sales as illustrated on the report form. It is not necessary to report in both dollars and percentages. Percentages are preferable.

Estimates are acceptable, but please **do not** combine data for two or more lines.

- If this establishment sold merchandise not covered in the prelisted categories, report the sales of such merchandise on the "Miscellaneous commodities" line and specify principal lines with their estimated sales or percent of sales.
- Receipts for construction, delivery, installation, and service contracts should be reported on the appropriate nonmerchandise line at the end of the listing. **Do not include** such receipts with the commodity sales.
- Parts installed in repair work should be reported on the line: "Service receipts and labor charges, including installed parts." If detail lines "labor charges for repair work" and "parts installed in repair work" are provided, report them separately. If this establishment's books do not provide this level of detail, please estimate.
- The sum of commodity lines reported should equal 100 percent (or amount reported in item **5A** if the lines are reported in dollars).

26. SPECIAL INQUIRIES

Employment by Primary Function

Indicate the number of Employees, as reported in item **7A**, by the employee's primary function.

- (1) Selling — Include employees engaged in sales activities, traveling salespeople, truck salespeople, and selling employees working out of their homes.
- (2) Sales support — Include employees:
 - Engaged in sales support activities such as office and clerical, warehouse, customer service, maintenance, and delivery.
 - Engaged in sorting, grading, or packaging activities in conjunction with sales operations.
 - Who provide services to this establishment such as janitorial or repair.
- (3) Supporting functions of other establishments in the company such as headquarters employees, regional or district managers who control more than just this establishment, corporate accountants, researchers, and central warehouse employees.
- (4) Packaging — Report the number of employees engaged in packaging.
- (5) Production — Report the number of employees engaged in production work.
- (6) 'Knockdown' assembly — Report the number of employees engaged in 'knockdown' assembly.
- (7) Other — *Specify* — Report the number of employees not elsewhere classified including employees engaged in mining, agricultural, construction, or other activities.

Goods Purchased from Farmers

Report forms WH-42409, 42413, 42415, 42419, 42421, and 42429 only.

Include purchases directly from farmers, but do not include purchases from farm cooperatives.

Storage Capacity

Report form WH-42425 only.

Report the total shell or water capacity of this establishment's operational storage facilities.

Include:

- Relay or lock-up points with bulk plants of which they are part.
- Tanks operated by this firm, but located elsewhere unless they are reported on another establishment's report.
- Caves or mines used to store petroleum products.
- Tanks or capacity located at this facility that this establishment rents or leases.
- Tanks leased and operated by this establishment

Exclude:

- Tanks located at this establishment's gasoline service stations and home heating oil dealers.
- Capacity of pipelines, tank trucks, tankers, barges, and railroad cars.
- Capacity of tanks that are no longer usable.
- Capacity at establishments not operated by the firm that the firm is renting or leasing to store the establishment's products.