

MANUFACTURES

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Answers

Sector Questions

1. What activities should be included when reporting manufacturing activity?

Manufacturing activity involves the mechanical, physical, or chemical transformation of materials, substances, or components into new products. The assembling of component parts of manufactured products is considered manufacturing, except in cases where the activity is appropriately classified in Sector 23, Construction. Report separate data for each establishment.

Report all activities (manufacturing, fabricating, processing, and assembling) conducted by the establishment.

INCLUDE:

- Maintenance of plant and equipment
- Receiving and shipping activities
- Warehousing and storage
- Research
- Recordkeeping
- Health and Safety
- Cafeteria and other services
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EXCLUDE:

- Sales branches and sales offices
- Research laboratories
- Retail stores
- Mining activities and general administrative offices

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2. I am a service provider, yet I received a manufacturing form, what should I do?

The manufacturing sector does include establishments engaged in the following activities that are often thought to be in the services sector:

- Apparel jobbing and contracting
- Assembling from purchased components
- Commission processing of materials owned by others
- Dental laboratories
- Embroidery
- Job casting, stamping, and machining
- Lapidary work
- Leather and hide tanning and finishing
- Machine shops, including those operating on a job-order basis
- Manufacturing and delivering ready-mixed concrete
- Milk pasteurizing and bottling
- Milling of grains and vegetables
- Plating, galvanizing, polishing, etc., of materials owned by others
- Poultry dressing
- Printing, prepress, and postpress work, including binding
- Repair of ships on floating drydocks
- Developing and making prototypes, engineering and other services directly related to aerospace industries
- Retail bakeries
- Sawmills
- Seafood, fresh-packaged or frozen
- Tire re-treading
- Wood preserving

If your establishment does not fall into any of these categories, please see Question #3.

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3. My company is not a manufacturer, what should I do?

If you do not manufacture products at the location shown in the address box of the report form, please indicate the nature of your business and provide a contact name and telephone number in the remarks section (Item 29) and return the form to us.

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4. I am not a manufacturer because my establishment only assembles so the form is not applicable to me, right?

No, assembly of finished goods into a new product (value added) is considered manufacturing and we need you to complete the questionnaire.

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5. I fill out a Current Industrial Report form. How does that relate to the Economic Census form? Or to the ASM?

The current industrial reports are product specific surveys for certain industries and only ask for product level detail. The total lines (generally a product class) which are the sum of the product detail should match the value of shipments for that product line under Item 22 of the Economic Census form, i.e. the two reports should reconcile for the appropriate product lines that apply to each. The Economic Census form asks for additional economic data such as number of employees, payroll, cost of materials, capital expenditures, assets, purchased services, and inventories.

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6. If my company was bought or sold, does that mean I don't have to file the report?

No, we are collecting economic activity by location. Fill in the appropriate data as applicable and Item 3, Operational Status. If the operation has continued as it had during the 12 month period, just under new ownership, please complete the form and fill in Item 3 as well. If you owned the company for only part of the year and only have records for a partial year, please complete the form for the period under your ownership and report the number of months in operation. Please update Item 3, Operational Status.

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7. My establishment changed it's name and/or EIN, does that mean I don't have to file the report?

No, we are collecting economic activity by location. If the manufacturing activity is still in operation at the location listed in the address label, we will need the

data. You may help us to update our records by also filling out Item 3, Operational Status, of your Census form.

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Form Questions

8. What should I report for the Sales, Shipments, Receipts or Revenue (Items 5 and 22)?

- Cash sales
- Credit sales
- Service receipts
- Rental receipts
- Leasing receipts
- Service agreement
- R&D and prototyping

The value in Item 5A should be the same as the value reported in Item 22, code 7700000. Also, this value should be comparable to the total reported for 2006. If the two figures are not comparable, please explain in the REMARKS section at the end of the form.

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9. Our company only does a portion of the work on this product, then sends it to another one of our domestic plants to be finished, should I report this information (Item 5 and 22)?

Yes. Please report the value of shipments in Items 5A and 22 and for ASM companies report this information in Item 5C – Shipments to other domestic plants of your company for further assembly, fabrication, or manufacture **(Applies to 2007 MA-10000 form only)**.

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10. What are E-Shipments and what is included (Item 6)?

E-Shipments include the sales or receipts from any transaction completed over the Internet, EDI Network, Intranet, Local Area Network (LAN), Extranet, electronic mail (E-mail) or other online system. Transactions are agreements between buyer and seller to transfer ownership of, or rights to use goods or services. Payment for these goods or services may or may not be made online.

INCLUDE:

- Online orders accepted for manufactured products by customers
- Online orders for manufactured products by other domestic plants of your company for further assembly, fabrication, or manufacture
- Online orders accepted by a corporate sales office but filled by the manufacturing plant

- Any agreement negotiated online, including electronic mail (E-mail) between buyer and seller on price and terms of a transfer of ownership of, or rights to use goods or services
- Telephone transactions using interactive voice response systems

EXCLUDE:

- Orders for manufactured products by customers over facsimile machine or switched telephone network
- Online billing where the order or contract was not negotiated online

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11. Which employees do I include in my Employment and Payroll (Item 7)?

Report the number of employees, both full and part time, whose payroll was reported on IRS form 941 (Employer's Quarterly Federal Tax Form Return), and filed under Employer Identification Number (EIN) shown in the mailing address or corrected in Item 1.

INCLUDE: All persons on paid sick leave, paid holidays, paid vacation during these pay periods. If this establishment is a corporation, include the officers of the corporation.

EXCLUDE:

- Members of the Armed Forces and pensioners carried on your active rolls
- If this is an unincorporated concern, exclude proprietors or partners
- Temporary staff obtained from a staffing service (These are to be included in Item 16C1.)
- Leased employees (human resources and human resource management services provided to a client business by leasing companies operating co-employment relationships). Such companies specialize in providing a wide range of human resource and personnel management duties such as payroll, accounting, payroll tax preparation and filing, and benefits relations. These companies include these employees in their EIN SSA withholding filings.

The following types of food processing establishments should exclude agricultural workers or fishing crews from this report:

- Sugar mills which are part of sugar plantations
- Fruit or vegetable canning or freezing plants with farms associated with their operations
- Fish canning, freezing or packaging plants with fishing operations associated with plant

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12. What do I include in Annual Payroll (Item 7B1)?

Report the payroll that was included on IRS Form 941 (Employer's Quarterly Federal Tax Form Return).

INCLUDE:

- Deductions for an employee's Social Security contributions, withholding taxes, group insurance premiums, union dues, and savings bonds
- Commissions
- Dismissal pay
- paid bonuses
- employee contributions to pension plans such as a 401(k)
- vacation and sick leave pay, the cash equivalent of compensation paid in kind
- salaries of officers of this establishment, if incorporated

EXCLUDE:

- Payments to proprietors or partners, if this is an unincorporated concern.
- Payments to agricultural employees, fisherman, members of the Armed Forces, and pensioners carried on your active payroll
- The payroll portion of the fee paid to a professional employer organization as a part of a co-employment or leased employment arrangement (Item 16C1)
- Employers cost for fringe benefits

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13. What are "all other employees" (Item 7B1b)?

Employees in the following job categories:

INCLUDE: Supervision above line-supervisor level, sales (including a driver salesperson), sales delivery (truck drivers and helpers), advertising, credit, collection, installation, and servicing of own products, clerical and routine office functions, executive purchasing, finance, legal, personnel (including cafeteria, etc.), professional and technical.

EXCLUDE: Proprietors and partners

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14. What should I include in Plant Hours Worked by Production Workers (Item 7C)?

INCLUDE: All hours worked or paid for, except hours paid for vacations, holidays or sick leave. If an employee elects to work during their vacation period, report only actual hours worked by the employee.

NOTE: Overtime should be reported as actual hours worked and not as straight time equivalent hours.

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15. What does Item 7D - Employer's Cost for Fringe Benefits, include (Applies to MA-10000 form only)?

Legally required payments for all programs required under Federal and state legislation. Include in Item 7D3:

- Federal Old Age and Survivor's Insurance
- Unemployment compensation, Worker's compensation
- State temporary disability payments for establishments located in Rhode Island, California, New York and New Jersey
- Payments for voluntary programs not specifically required by Federal or state legislation whether initiated by the employer or established as a result of a collective bargaining contract.
- **EXCLUDE** employer's cost for fringe benefits costs paid to a professional employer organization as part of a co-employment arrangement. (Report these costs in Item 16C1.)

Employer payments to programs financed jointly by employer and employee contributions. Include employer payments for:

- Insurance premiums on hospital and medical plans (Report in Item 7D1)
- Life insurance premiums (Report in Item 7D3)
- Premiums on supplementary accident and sickness insurance (Report in Item 7D1)

In reporting payments for insurance, report net payments (i.e., gross payments less any offsetting dividends, refunds, or other reductions in premiums).

Report payments or allocations for:

- All pension plans regardless of method of administration (Items 7D2a and b)
- Supplemental unemployment compensation plans (Item 7D3)
- Welfare plans (Item 7D3)
- Stock purchase plans in which the employer's payment is not included (Item 7D2b)
- Deferred profit sharing plans (Item 7D2b)

The items listed above are generally considered as deferred rather than current income to employees and are not subject to withholding of income tax. If the payments or allocations by the company are made to a fund, do not report payments to employees out of these funds. However, include payments made directly to retired employees or their survivors that do not pass through a fund.

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16. How should I report Inventories (Items 9, 10, and 11)?

Inventory values that are owned by this establishment should be reported in Item 9, regardless of where the inventories are stored. For detailed instructions, refer to the booklet [2007 Annual Survey of Manufactures Information Booklet](#) you received, or click on the link to obtain a copy. Report inventories in a manner consistent with how you report them to the Internal Revenue Service. Report the value of inventories by valuation method in Item 10. Report the value of inventories stored outside of the United States in Item 11. **(Applies to 2007 MA-10000 form only).**

Inventories that are centrally stored for a multi-location company (operates at more than one physical location) should be assigned to each responsible establishment as if separately owned by them.

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17. What is LIFO (Items 9 and 10)?

Last In - First Out method of inventory valuation. For Annual Survey of Manufactures (ASM) form recipients, [see MA-10000 Instructions](#), page 9 or MC-31000 Instructions, page 4.

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18. What do I include in Capital Expenditures for Depreciable Assets (Item 13)?

Capital Expenditures are capital outlays that are chargeable to the fixed assets account and for which depreciation or amortization reserves are maintained.

INCLUDE:

- Capital Expenditures during the year that were actually made during the year, not the final value of equipment put in place or the buildings completed during the year. ***(For long-term projects, use the cost of additions completed during the year only.)***
- Capital improvements or new additions in progress are considered assets, as well as capital expenditures, and should be included in both figures.
- Capital Expenditures during the year for new construction whether on contract or by your own work force
- Replacements of existing capacity as well as additions to new capacity, if the costs are capitalized
- Assets include the value of all machinery and equipment, buildings, and capitalized improvements and repairs whether purchased or produced by employees of your own company.
- Assets include the value of any machinery and equipment or structure transferred to the use of this establishment by the parent company or one of its subsidiaries.

Buildings and Other Structures include:

- Elevators, blast furnaces, brick kilns, fractionation towers, ship ways and similar structures, as well as the usual factory, office and warehouse -type of buildings
- Equipment that is an integral part of the building or structure, such as elevators, overhead cranes, ventilating shafts, and fractionation towers
- Capitalized site improvements, such as roads, tracks, parking lots, fences, and utilities

Machinery and Equipment include:

- All production machinery (motors, lathes, punch presses, etc.) and transportation equipment (automobiles, trucks, etc.)
- All office equipment and machines; computers; furniture and fixtures for offices, cafeterias and dressing rooms; and warehouse equipment

EXCLUDE:

- Tools that are used in production and expensed, rather than capitalized. Report these in Item 16A1- Cost of Materials, Parts, Containers, Etc., Used.
- The value of non-depreciable land on which structures stand

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19. What should be included in depreciation (Item 13)?

Include depreciation costs in accordance with Internal Revenue Service schedules for that type of machinery or equipment. Depreciation should apply to tangible assets only.

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20. How do I report rental payments for my building since my rent includes both land and the building (Item 14)?

If your rental payment for your building represents your charge for use of both the land and the building, report this figure on line 14A.

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21. What are considered "costs" (Item 16)?

Cost is the delivered cost, which is defined as the amount paid or payable after discounts and including freight and other direct charges incurred by the establishment in acquiring the materials.

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22. What is included in the "Cost of materials, parts, containers, packaging, etc." (Item 16A1)?

Report the delivered cost of materials. That is, the amount paid or payable after discounts, including freight and other direct charges incurred by the establishment in acquiring the materials.

If the establishment produces items subsequently consumed in further production, ONLY report the cost of original materials consumed.

INCLUDE: Materials consumed from inventories and materials shipped to this establishment from other establishments of the same company.

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23. What are some examples of the types of materials, parts, containers and packaging that I should be reporting as selected expenses (Item 16A1)?

If item 17 is listed on your form, the materials listed there provide a guide to the types of costs to include in Item 16A1. These would include goods such as:

MATERIALS:

Lumber, Plywood, Paper, Resins, Sulfuric acid, Alcohols, Rubber, Coking coal, Crude petroleum, Cement, Clay, Glass, Steel sheet, Steel scrap, Copper rods, Iron castings, Metal stampings, and Wire

PARTS:

Pumps, Wheels, Bearings, Engines, Gears, Motors, Hardware, and Compressors

CONTAINERS:

Pails, Drums and barrels, Tubes, Boxes and bags, and Crates

SUPPLIES:

Bolts, screws and nuts, Drills, tools, dies, jigs and fixtures which are charged to current accounts, Welding rods, electrodes, and acetylene, Lubricating oils, Cleaning supplies, Stationery and office supplies, First aid and safety supplies, Dunnage, and Water.

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24. What is excluded from production related costs (Item 16)?

Materials that are purchased, but not put into production or consumed (These should be reported in the Inventories Item 9, or as resales in Item 22 if sold to another party without further value added to them.)

Depreciation charges against the plant and equipment

Rent and rental allowances, interest payments, royalties and patent fees

Machinery, equipment, materials and supplies chargeable to fixed asset accounts (These should be reported as capital expenditures in Item 13.)

Overhead costs (advertising, telephone, insurance, engineering and marketing charges) UNLESS charges for such services are included in the price of the materials.

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25. What should I report in Cost of Purchased Fuels Consumed for Heat and Power (Item 16A3)?

Report the total amount of actually paid or payable during the year for all fuels consumed for heat, power, or the generation of electricity. Include anthracite and bituminous coal, coke, natural and manufactured gas, fuel oil, liquefied petroleum gas, gasoline, biofuels, and all other fuels including purchased steam. For selected industries such as Carbon Black, Blast Furnaces, and Coke Ovens, some of the above fuel types may be used as raw materials, as well as, being consumed as fuels. In such cases, the cost of these fuel types used as raw materials should be reported in Item 16A1. The costs of these fuels used for energy should be reported in Item 16A3. Include in Item 16A3 fuel used to power onsite trucks, fork lifts, or other motor vehicles associated with the establishment.

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26. Where do I report fuels used as raw materials in the production of a product (Item 16)?

Fuels used as raw material in the production of a product should be reported in Item 16A1- Cost of Materials, Parts, Containers, Packaging, etc. used. Fuels used for energy in the production of a product should be reported in Item 16A3- Cost of Purchased Fuels Consumed.

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27. What does the Cost of Purchased Electricity include (Item 16A4)?

Report the total amount actually paid or payable for electric energy purchased during the year from other companies, or received from other establishments of your company.

EXCLUDE: The value of electricity generated and used at this establishment. The quantity (kilowatt hours) of such electricity should be included in Item 16B2.

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28. My electricity costs are included in my lease so I do not have these costs available to report (Item 16A4). What should I report?

Contact your landlord, leasing agent or building management and obtain an approximate costs or a percentage of the lease and insert that value in Item 16A4.

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29. Since my electricity costs are included in my lease I do not have detailed information on the quantity of purchased electricity my establishment uses (Item 16). What should I report?

Contact your landlord, leasing agent or building management and obtain an approximate amount of electricity consumed in kilowatt hours. Estimates are fine. Report estimates of the quantity used in Item 16B1; report the estimated value in item 16A4.

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30. Where should I include the cost of contract work or work done by others on our materials (Item 16A5)?

If any contract work was done by others on materials furnished by your establishment, report the total payments made during the year for such work, including freight in and out in Item 16A5.

EXCLUDE: The cost of materials worked upon, which should be reported in Item 16A1.

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31. What is included in Item 16.C.11, "All other operating expenses" (Applies to MA-10000 form only)?

INCLUDE:

- Research and Development
- Travel
- Training
- Sales commissions (not reported in payroll)
- Janitorial services
- Transportation and delivery (not reported in Item 7, "Payroll")
- Franchise fees
- Trademark, and trade name usage costs
- Charitable contributions
- Selling, general and administrative costs
- Insurance
- Utilities not covered elsewhere
- Storage and overhead

EXCLUDE:

- Interest
- Losses or sales of securities

- Buildings
- Machinery, or equipment
- Extraordinary losses (bad debt, fire, flooding, etc.)
- Reserve funds

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32. What are Resales (Item 22)?

Resales are products purchased and resold without further manufacturing, processing or assembly and should be included in the Total Value of Products Shipped and Other Receipts (Items 5A) and in (Item 22), Total Value of Shipments under code 7700000. Cost of Resales should be included in (Item 16A2) Products bought and sold as such without further processing.

33. What do I do if I don't see any of my establishment's products listed in Item 22?

Enter a description for the product(s), quantity (if applicable) and the value you produced in the "All other products made in this establishment" portion of Item 22. Report separately for each major kind of product produced.

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34. Where should I report resales of Imports (Item 22)?

Resales of Imports should be reported under Item 22, Resales – Sales of products bought and sold without further manufacture, processing, or assembly. **DO NOT** report imports under manufactured product codes.

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35. What if I don't keep shipments or cost of materials by location?

A good estimate is acceptable if book figures are not available for specific items. We do not expect businesses to incur additional expenses to develop information not available from their records.

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36. How do I update the name and/or address on the report?

Make any necessary changes directly on the report form. Physical location address changes should be made in Item 2 on the report form.

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37. Can I use estimates to complete the report form?

Yes. A good estimate is acceptable if book figures are not available for specific items. We do not expect businesses to incur additional expenses to develop information not available from their records.

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38. The preprinted prior year data is incorrect. Is it acceptable to change this information?

Yes. Please correct any incorrect information and cite any differences in the remarks section of the form.

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39. Are copies of forms acceptable for filing?

Yes. Please be sure that all data including the label information are legible.

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