

2002 BUSINESS EXPENSES SURVEY FINANCIAL SERVICES

GENERAL INFORMATION AND INSTRUCTIONS FOR COMPLETING FORM SA-529(B)

GENERAL INFORMATION

The Business Expenses Survey (BES), conducted quinquennially in conjunction with the Nation's economic census, collects and publishes information on business operating expenses, and in conjunction with data on sales and inventories, derives measures of value produced. This information is used to measure America's economic performance.

Your response to the survey is required by law (Title 13, United States Code). This same law guarantees that the information furnished is kept **confidential**. The data you supply are used solely for developing summary statistics and cannot be used for purposes of taxation, investigation, or regulation.

We estimate that it will take an average of 2.2 hours to complete this questionnaire for multi-location companies and 1.2 hours for single-location companies. This includes time to read instructions, assemble and review information, and record answers on the questionnaire. Mail comments regarding this burden estimate or any other aspect of this collection of

information, including suggestions for reducing this burden, to Paperwork Project 0607-0901, U.S. Census Bureau, 4700 Silver Hill Road, Stop 1500, Washington, D.C. 20233-1500. You may e-mail comments to <Paperwork@census.gov>; use "Paperwork Project 0607-0901" as the subject.

If you have any questions concerning your report, or wish to obtain an extension of your filing due date, call **1-800-772-7851**. You also can FAX your request to **1-800-447-4613** or write the Bureau of the Census, Attn.: BES, 1201 East 10th Street, Jeffersonville, IN 47132-0001.

PLEASE INCLUDE FORM NUMBER **SA-529(B)** AND THE ID NUMBER ON THE FRONT OF YOUR REPORT (THE FIRST FOURTEEN DIGITS SHOWN TO THE LEFT IN THE MAILING LABEL) IN ALL CORRESPONDENCE.

Note that respondents are not required to respond to any Federal information collection unless it displays a valid approval number from the U.S. Office of Management and Budget. This 8-digit number appears at the top of the report form.

GENERAL INSTRUCTIONS

Please read all instructions and complete all items in this report to avoid costly and time-consuming correspondence.

This report should include domestic locations operated by your company and its subsidiaries, but exclude operating units for which separate reports for this survey have been received for completion. If the mailing label displays a Federal Employer Identification Number (EIN) of your firm, then this report should cover only operations conducted under this EIN.

Data should be included in this report for support facilities which you own, such as warehouses, garages, central administrative offices, and repair facilities which provide services primarily to the operating locations covered by this report.

Report expenses data for **calendar year 2002**. Except for payroll and fringe benefits, if calendar year records are not available, data for the latest fiscal year are acceptable. Please note, however, that **carefully prepared estimates for calendar year 2002 are acceptable** and preferable to book figures covering a different time period.

If you owned the location(s) for only part of calendar year 2002, report expenses only for the period that the location(s) were operated by this company or under any Federal Employer Identification Number (EIN) shown in the address label.

Data for locations operated by other companies, such as by franchise, should be excluded entirely from this report.

Please make a photocopy of your completed form and retain that copy in your files.

EXPENSES AND REVENUE

Instructions for completing selected expense questions in Item 2 and revenue in Item 3

Line 2a – TOTAL ANNUAL PAYROLL IN 2002, BEFORE DEDUCTIONS

Definitions are the same as those on the Employer's Quarterly Federal Tax Return, Form 941, and as described in Circular E, Employer's Tax Guide. Report the amount of payroll actually paid during the four quarters of **calendar year 2002**.

Include – Salaries, wages, commissions (to your own employees), bonuses, and dismissal pay, before deductions for employee contributions such as Social Security (FICA), income tax withholding, group insurance premiums, union dues, and savings bonds; cash equivalent of compensation paid in kind; allowances for vacation, holiday, and sick leave paid to your own employees in 2002; and employee contributions to

qualified pension plans. For corporations, include the amount paid to officers and executives and the spread on stock options that is taxable to employees as income.

Exclude – Employer contributions to employee benefit plans required by law and any fringe benefits your company gives its employees. For unincorporated businesses, exclude profit or other compensation of proprietors or partners. Exclude full- and part-time employees whose payroll was filed under an employee leasing company's employee identification number (EIN), but for whom you maintain day to day control of their activities (such as hiring/firing decisions, determining base pay rates, and selecting benefits options). Also exclude temporary staffing obtained from a temporary help service.

CONTINUE ON REVERSE

EXPENSES AND REVENUE (Continued)

Line 2c – CONTRACT LABOR

Include – Contractual payments made to suppliers for leased employees and temporary help such as office or warehouse workers, provided they are NOT on your payroll but ARE under your firm's supervision.

Exclude – Professional and nonprofessional services of persons supervised by the supplying firm, such as contracted legal, accounting, janitorial, and building maintenance services. These costs should be reported on other expense lines as a "purchased service."

Line 2h – PURCHASED FUELS

Include – Cost of purchased fuels for heating, power, or generation of electricity.

Exclude – Cost of gasoline and other fuel purchased for motor vehicles (include these on line 2x), and any costs which were part of normal lease or rental payments.

Line 2p – PURCHASED BANKING SERVICES

Include – Fees paid to providers for banking services. Examples are fees for ATM transactions; automatic clearinghouse (ACH) transactions; servicing of loans, including from the Federal funds market; servicing of savings deposits; processing of debit/credit card payments; investment banking; check printing; and functional cost analysis. Purchased accounting, printing, and data processing services bundled with correspondent banking services should be included here.

Exclude – Cost of purchased professional services, such as accounting, printing, and data processing services, which are not bundled with correspondent banking services. These should be reported on other expense lines as a "purchased service."

Line 2t – LEASE AND RENTAL PAYMENTS

Include – Payments to others in 2002 for lease or rental of land, buildings, structures, store space, offices, machinery, and equipment.

Exclude – Payments by your firm to your parent company or organization or any of its subsidiaries for use of assets owned by them; and installment payments for assets obtained through capital lease agreements.

Line 2u – COST OF INSURANCE

Include – Payments made on insurance policies. Examples include property insurance, fire insurance, credit insurance, product liability insurance and vehicle insurance.

Exclude – Insurance costs incurred on behalf of employees and reported on line 2b, fringe benefits, such as workman's compensation insurance, disability insurance, life insurance, and insurance premiums on hospital and medical plans.

Line 2v – TAXES AND LICENSE FEES

Include – Business license fees, liquor and tobacco stamps, business real and personal property taxes (such as taxes on real estate, motor vehicles, machinery, equipment, and inventories), and special assessments paid to government agencies.

Exclude – Income, sales, payroll, excise taxes (other than for liquor and tobacco stamps), and other taxes collected from customers and paid to local, state, or federal government agencies. Also exclude the cost of computer software purchased under licensing agreements, and license fees paid to other than government agencies.

Line 2w – DEPRECIATION AND AMORTIZATION CHARGES

Include – Depreciation charges taken in 2002 against tangible assets owned and used by your firm, tangible assets and improvements owned by your firm within leaseholds, and tangible assets obtained through capital lease agreements. Also include amortization charges against intangible assets (i.e., goodwill, patents, copyrights, etc.).

Exclude – Accumulated depreciation. Do not adjust for the value of depreciable assets sold/traded for replacement purposes.

Line 2x – OTHER EXPENSES

Include – Items such as damage not covered by insurance, losses by theft, bad debt, and grants paid out by tax-exempt organizations. Also on line 2x, describe and report the amount for the largest type of other expenses.

Exclude – Cost of goods sold items, interest on loans, income taxes, and local sales and excise taxes collected from customers.

If records are not available for other expenses, report the amount of total expenses from your financial statement on line 2y, total expenses. Subtract from this amount the total of the right-most column of Item 2, lines a through w, and enter the difference on line 2x.

Line 2y – TOTAL EXPENSES

Report the sum of expenses in the right-most column of Item 2, lines a through x.

Item 3 – TOTAL REVENUE

Include – Revenue from all business activities, including investment income earned (e.g., interest and dividends); commissions and fees received from all sources; and interest earned from property marketed under capital, finance, or full-payout leases.

Also include net gains (losses) from the sale of real property owned by you for investment, rent, or lease (NOT gross sales); gross sales (NOT net gains (losses)) of real property developed or buildings built by you for sale; and gross rents from real property owned by you and leased to others.

Also include rents from concessions or stores of other firms operating in your establishments; and rental revenue from leasing of property marketed under operating leases.

Exclude – Sales and other taxes collected directly from customers or clients and paid directly to a local, state or federal tax agency; and sales of concessions or stores of other firms operating in your establishments.