U.S. DEPARTMENT OF COMMERCE
Economic and Statistics Administration
U.S. CENSUS BUREAU

# 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, mining, retail, or wholesale trade 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 ALSO** 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 –** Response to this request is required by law (Title 13, United States Code, Section 91). By Section 9 of the same law, your report to the Census Bureau is confidential. It will be seen only by sworn Census Bureau employees and used only for statistical purposes. The law also provides that copies retained in your files are immune from legal process.

**H. Burden Hour Estimate –** Public reporting burden for this collection of information is estimated to average 3.0 hours 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: ECON Survey Comments 0607-0432, U.S. Census Bureau, 4600 Silver Hill Road, Room EMD-8K122, Washington, DC 20233-1500. You may e-Mail comments to ECON.Survey.Comments@census.gov. Be sure to use ECON Survey Comments 0607-0432 as the subject. You are not required to respond to this collection of information if it does not display a valid approval number from the Office of Management and Budget (OMB). The eight-digit OMB number is 0607-0432 and appears in the upper right corner of the report form/login screen.

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

**2 a. 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.

**3 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 5 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.)

**4 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.

**5 Consolidation Rules –** Fully consolidate the operations of every domestic corporation (including 1120S 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.

## INSTRUCTIONS AND DEFINITIONS – Continued

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

**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; and, subsidiaries created in foreign countries to manufacture and/or sell are 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, finance, or insurance (as defined in the North American Industry Classification System (NAICS) Sector 52, United States, 2012).

**Equity method of accounting** – Report equity earnings (losses) of all nonconsolidated domestic and foreign operations on 8 line I of the Income Statement. Report equity investment on 9 line I of the Balance Sheet.

**Cost method of accounting** – Report dividends from all nonconsolidated domestic and foreign operations on 8 line F on the Income Statement. Report the investment on 9 line I on the Balance Sheet.

**5 through 7 – Subsidiaries.** Any changes indicated in 6 or 7 should only reflect changes from the prior quarter. However, in order to maintain continuity in the QFR estimates, please also include any acquisitions or disposal of noncorporate assets; i.e., branches, divisions, business segments, etc., that have total assets greater than $50 million.

If you have questions regarding the Consolidation Rules, please use the Secure Messaging Center to correspond with our staff at the following Website: **econhelp.census.gov/qfr/contact_us**. You can also call our staff at our toll-free number at **1 (800) 272-4250** or **(301) 763-3359**.

### SECTION 3 – INSTRUCTIONS BY LINE ITEM

### 8 SCHEDULE A – STATEMENT OF INCOME AND RETAINED EARNINGS FOR YOUR 3-MONTH PERIOD

**LINE A – Sales, receipts, and operating revenues.** Report sales (net of returns and allowances and excise and sales taxes), including inter-company sales to nonconsolidated subsidiaries. Unlike Generally Accepted Accounting Principles (GAAP), include sales from discontinued operations through the date of disposal. Commission sales 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 on tangible fixed assets only. Do not include amortization of intangibles or items such as bargain on acquisition or goodwill. These items should be included in 8 line C.

**LINE C – All other operating costs and expenses.** Include all costs of goods sold (net of purchase discounts), selling, general and administrative expenses, amortization of intangible assets. These costs should include keyman life insurance, provision for bad debts (net of bad debt recovery), provision for goodwill impairment, and the cost of the inter-company sales to nonconsolidated subsidiaries shown in 8 line A.

**LINE E – Interest expense.** Include all interest expense. Do not net interest income with interest expense. Report interest income in 8 line G.

**LINE F – Dividend Income.** Include all dividend income, both domestic and foreign, including dividends from nonconsolidated subsidiaries being accounted for on the "cost" basis of accounting.

**LINE G – Other recurring nonoperating income (expense).** Include interest income, royalties, minority interest, and other nonoperating income (expense) items not elsewhere specified.

**LINE H – Nonrecurring items.** Include and attach a list and explain, on a separate sheet, the pretax amounts of income (loss) from all nonrecurring transactions. Include gain (loss) on sale of assets, restructuring costs, assets write-downs, and disposal of business segments. Unlike GAAP, the operations and assets of a discontinued segment should be reported together with the continuing operations until time of disposal.

**LINE I – Income (loss) of foreign branches and equity in earnings (losses) of domestic and foreign nonconsolidated subsidiaries and other investments accounted for by the equity method, net of foreign taxes.** Include all income or loss from nonconsolidated investments.

**LINE K – Provision for current and deferred domestic income taxes.** Report the provision for U.S. Federal tax in 8 line K-1 and the provision for state and local income tax and franchise tax in 8 line K-2. No distinction is necessary between current and deferred income tax provision. Accrue current payables in 10 lines D-1 and D-2 and deferred payables in 10 line H.

**LINE M – Extraordinary gains (losses), net of taxes.** Include and attach a list and explain, on a separate sheet, all extraordinary gains (losses), such as damage losses resulting from acts of God; foreign confiscation of assets and losses due to condemnation by governing authorities. Transactions reported in 8 line M must be those reported as extraordinary in the company's financial statements.

**LINE N – Cumulative effect of accounting changes, net of taxes.** Report the cumulative effect of accounting changes, net of taxes, in the quarter in which the change takes effect. If the cumulative effect of the accounting change affects prior years, report the change in the company's first fiscal quarter. Note: In those instances where the accounting change affects prior years and the company's first fiscal quarter report has already been filed, it will be necessary to file a revised report.

**LINE P– Retained earnings at the beginning of quarter.** If the beginning retained earnings is not the same as the ending retained earnings (10 line I-2) of the preceding quarter, explain in a footnote the significant transactions creating the differences.

## INSTRUCTIONS AND DEFINITIONS – Continued

**LINE Q – Cash dividends charged to retained earnings this quarter.** Include only cash dividends charged to retained earnings during the quarter. Include1120S cash distributions. Report non-cash dividends in (8) line R.

**LINE R – Other direct credits (charges) to retained earnings.** Include all other direct credits or charges not reported elsewhere, including stock and other non-cash dividends, etc. Attach a list and explain, on a separate sheet, the principal credits and charges.

**LINE S – Retained earnings at end of quarter.** Sum of (8) lines O, P, and R less line Q (same as (10) line I-2).

### (9) SCHEDULE B1 – BALANCE SHEET-ASSETS

**LINE A-1 – Cash and demand deposits in the U.S.** Include cash on hand (petty cash), negotiable money orders, and demand deposits (checking accounts) located in banks within the United States. Report checking account overdrafts in (10) 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 A-3 – Deposits outside the U.S.** Include all monies, including Euro-dollars, held in banks or other institutions located outside the United States.

**LINE B-1 – U.S. Treasury and Federal agency securities – subject to agreements to sell.** Include Treasury bills and securities from Federal agencies that are subject to agreements to sell. Report Treasury and Federal agency securities with maturities greater than one year in (9) line H.

**LINE B-2 – U.S. Treasury and Federal agency securities, other due in one year or less.** Include Treasury bills and securities from Federal agencies, such as notes insured by Farmers Home Administration, GNMA, or other agencies that are due in one year or less. Also include debentures and participation certificates of all Federal agencies and federally sponsored agencies including GNMA, CCC, Exim Bank, FHA, TVA, Department of Defense, Banks for Co-ops, FICB, FHLB, FHLMC, FLB, FNMA, and Postal Services with present maturities of one year or less. Report Treasury and Federal agency securities with maturities greater than a year in (9) line H.

**LINE C-1 – Commercial and finance company paper of U.S. issuers.** Include short-term investments in commercial and finance company paper of U.S. issuers. Report commercial and finance company paper not issued by U.S. companies in (9) line C-4.

**LINE C-2 – State and local government securities, due in one year or less.** Include state bonds and other revenue producing financial instruments sold by a state, city, or county/parish for short-term projects. Report state and local (9) government securities with maturities greater than a year in line I.

**LINE C-3 – Foreign securities, due in one year or less.** Include foreign securities due in one year or less sold by a foreign country or its agent. Report foreign securities with maturities greater than one year in (9) line I.

**LINE C-4 – Other short-term financial investments.** Include bankers' acceptances, overnight deposits and marketable securities, such as stocks, commodities, and options.

**LINE D-1 – Trade receivables from the U.S. Government.** Include only the receivables from direct contract work for the U.S. Government. Report trade receivables arising from subcontract work for the U.S. Government in (9) line D-2. Unlike GAAP, do not deduct progress payments and billings. These should be included in (10) line B.

**LINE D-2 – Other trade accounts and trade notes receivable.** Include trade receivables from the commercial customers and governments other than the U.S., less allowances for doubtful accounts. Also include intercompany trade receivables from majority-owned subsidiaries that are not consolidated in this report in accordance with the consolidation instructions. These receivables should relate to the operating revenue shown in (8) line A and should include unbilled service revenue. Unlike GAAP, do not deduct progress payments and billings. These should be included in (10) line F.

**LINE E – Inventories.** Report book value of all inventories. Include all raw materials, supplies, finished goods, and work-in-process inventories on the premises, in transit, in storage, or consigned to others at the end of the accounting period. Inventories may be reported on whatever valuation method is used by the company as long as it is reported on a consistent basis each quarter. Exclude land, buildings, and other real estate held for resale; these items should be reported in (9) line F. Unlike GAAP, do not deduct progress payments and billings. These should be in (10) lines B and F.

**LINE F – All other current assets.** Include prepaid expenses, income tax refunds receivable, short-term deposits, and assets held for resale that are no longer being used in the operations of the business.

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

**LINE G-2 – Land and mineral rights.** Report the gross value (acquisition or original cost or other basis) of all land, except land held for resale. Include timber and mineral rights, except capitalized exploration and development costs of mineral properties as reported in (9) line G-1.

**LINE G-3 – Accumulated depreciation, depletion, and amortization.** Report the total accumulated depreciation, depletion, and amortization for the fixed assets included in (9) line G-1. Intangible assets, net of amortization, should be included in (9) line I.

**LINE H – U.S. Treasury and Federal agency securities, due in more than one year.** Include all U.S. Treasuries and Federal agency securities with current maturities that are greater than one year.

## ⑨ SCHEDULE B1 – BALANCE SHEET – ASSETS – Cont.

**LINE I – All other noncurrent assets.** Include investments in nonconsolidated entities including foreign operations, other long-term investments including noncurrent marketable securities, patents, copyrights, goodwill, deferred charges, cash surrender value of life insurance, and long-term receivables.

**LINE J – Total assets.** Report the sum of ⑨ lines A-1 through F, G-4, H, and I. ⑨ line J must be equal to ⑩ line J, Total Liabilities and Stockholders' Equity.

## ⑩ SCHEDULE B2 – LIABILITIES AND STOCKHOLDERS' EQUITY

**LINE A-1 – Short-term loans from banks.** Report all short-term borrowing (including overdrafts and revolving loans that are not renewable after one year) from commercial banks. Do not include the current portion of long-term bank debt. Report the current portion of long-term bank debt in ⑩ line E-1.

**LINE A-2 – Commercial paper.** Include all issues of commercial paper.

**LINE A-3 – Other short-term loans.** Report all other short-term debt from sources other than those in ⑩ lines A-1 and A-2. Do not include the current portion of other long-term debt. Report the current portion of other long-term debt in ⑩ line E-3.

**LINE B – Advances and prepayments by the U.S. Government.** Include the current balance of advances and prepayments arising from direct contract work for the U.S. Government. Report advances and prepayments from all other sources in ⑩ line F.

**LINE C – Trade accounts and trade notes payable.** Report balances outstanding of all invoices and notes payable for the purchase of goods and services. Also include inter-company trade payables to majority-owned subsidiaries that are not consolidated in this report in accordance with the consolidation instructions. Do not include payables for taxes or other accrued expenses as these are shown elsewhere.

**LINE D-1 – Federal income taxes accrued, prior and current years.** Include the current balance of U.S. Federal corporate income tax owed, less payments of estimated taxes. If payments exceed accruals, report it as a negative (debit) balance, unless the corporation has applied for a refund. Report income tax refunds due in ⑨ line F. Report noncurrent deferred income taxes in ⑩ line H.

**LINE D-2 – State and local income taxes accrued, prior and current years.** Report the balance owed for state or local income tax or franchise tax, net of payments. If payments exceed accruals, report it as a negative (debit) balance, unless the corporation has applied for a refund. Report income tax refunds due in ⑨ line F. Report noncurrent deferred income taxes in ⑩ line H.

**LINE E-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 ⑩ line G-1.

**LINE E-2 – Current portion of bonds and debentures.** Include the amount of bonds and debentures that will be redeemed within a year. Report the amount of bonds and debentures that will not be redeemed within a year in ⑩ line G-2.

**LINE E-3 – 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, and loans from finance or insurance companies. Do not include any long-term portion or the current portion of capital leases. Report the long-term portion of other long-term debt in ⑩ line G-3 and the current portion of capital leases in ⑩ line F.

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

**LINE G-1 – Long-term bank debt, due in more than one year.** Include the long-term portion of debt from commercial banks only. Include revolving loans from commercial banks that are renewable after one year. Report the current portion of long-term debt in ⑩ line E-1 and revolving loans that are not renewable after one year in ⑩ line A-1.

**LINE G-2 – Long-term bond and debenture debt, due in more than one year.** Include the amount of bonds and debentures that will not be redeemed within one year. Report the amount of bonds and debentures that will be redeemed within one year in ⑩ line E-2.

**LINE G-3 – Other long-term debt, due in more than one year.** Include the long-term portion of all other long-term debt, such as loans payable to shareholders, inter-company loans payable to nonconsolidated entities, and loans from finance or insurance companies. Do not include any current portion or the long-term portion of capital leases. Report the current portion of long-term debt in ⑩ line E-3 and the long-term portion of capital leases in ⑩ line H.

**LINE H – All other noncurrent liabilities.** Include noncurrent deferred taxes, other deferred credits, (minority stockholders' interest), and the long-term portion of capital leases. Also include in ⑩ line H, all outstanding issues of redeemable preferred stock.

**LINE I-1 – Capital stock and other capital.** Include all classes of capital stock and paid-in-capital, except redeemable preferred stock. Report redeemable preferred stock in ⑩ line H.

**LINE I-2 – Retained earnings.** This must be the same as ⑧ line S.

**LINE I-3 – Cumulative foreign currency translation adjustment.** Include the balance of the cumulative translation adjustment for foreign balance sheets.

**LINE I-4 – Other stockholders' equity items.** Include unearned compensation and ESOP debt guarantees.

**LINE I-5 – Treasury stock.** Include the total cost of the company's stock that has been repurchased and held in the treasury.

**LINE J – Total Liabilities and Stockholders'Equity.** Report the sum of ⑩ lines A-1 through H and I-6. ⑩ line J must be equal to ⑨ line J, Total Assets.