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Classification of revenues and expenses of sleeping car operations, of auxiliary operations and of other properties for sleeping car companies

United States. Interstate Commerce Commission

Charles A. Lutz

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CLASSIFICATION
OF
REVENUES AND EXPENSES
OF SLEEPING CAR
OPERATIONS
OF
AUXILIARY OPERATIONS
AND OF
OTHER PROPERTIES
FOR
SLEEPING CAR
COMPANIES

AS PRESCRIBED BY THE
INTERSTATE COMMERCE COMMISSION

IN ACCORDANCE WITH SECTION 20 OF THE
ACT TO REGULATE COMMERCE

FIRST REVISED ISSUE

Effective on July 1, 1912

WASHINGTON
1912

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THE INTERSTATE COMMERCE COMMISSION.

CHARLES A. PROUTY, *of Vermont.*

JUDSON C. CLEMENTS, *of Georgia.*

FRANKLIN K. LANE, *of California.*

EDGAR E. CLARK, *of Iowa.*

JAMES S. HARLAN, *of Illinois.*

CHARLES C. McCHORD, *of Kentucky.*

BALTHASAR H. MEYER, *of Wisconsin.*

JOHN H. MARBLE, *Secretary.*

At a General Session of the INTERSTATE COMMERCE
COMMISSION, held at its office in Washington, D. C.,
on the 10th day of June, 1912.

CHARLES A. PROUTY,
JUDSON C. CLEMENTS,
FRANKLIN K. LANE,
EDGAR E. CLARK,
JAMES S. HARLAN,
CHARLES C. MCCORD,
BALTHASAR H. MEYER, } Commissioners.

The subject of a Uniform System of Accounts to be prescribed for and kept by carriers being under consideration, the following order was entered:

It is ordered, That the Classification of Revenues and Expenses of Sleeping Car Operations, of Auxiliary Operations, and of Other Properties for Sleeping Car Companies, with the text pertaining thereto, embodied in printed form to be hereafter known as First Revised Issue, a copy of which is now before this Commission, be, and the same is hereby, approved; that a copy thereof duly authenticated by the Secretary of the Commission be filed in its archives, and a second copy thereof, in like manner authenticated, in the office of the Division of Carriers' Accounts; and that each of said copies so authenticated and filed shall be deemed an original record thereof.

It is further ordered, That the said Classification of Revenues and Expenses of Sleeping Car Operations, of Auxiliary Operations, and of Other Properties for Sleeping Car Companies with the text pertaining thereto, be, and it is hereby, prescribed for the use of sleeping car companies subject to the provisions of the act to regulate commerce as amended in the keeping and recording of their revenue and expense accounts; that each and every such carrier and each and every receiver or operating trustee of any such carrier be required to keep all revenue and expense accounts in conformity therewith; and that a copy of the said First Revised Issue be sent to each and every such carrier and to each and every receiver or operating trustee of any such carrier.

It is further ordered, That the rules contained in the said First Revised Issue of the Classification of Revenues and Expenses of Sleeping Car Operations, of Auxiliary Operations, and of Other Properties for Sleeping Car Companies are, and by virtue of this order do become, the lawful rules according to which the said revenues and expenses are defined; that each and every person directly in charge of the accounts of any such carrier or of any receiver or operating trustee of any such carrier is hereby required to see to, and under the law is responsible for, the correct application of the said rules in the keeping and recording of the revenue and expense accounts of any such carrier; and that it shall be unlawful for any such carrier or for any receiver or operating trustee of any such carrier or for any person directly in charge of the accounts of any such carrier or of any receiver or operating trustee of any such carrier to keep any account or record or memorandum of any revenue or expense item except in the manner and form in the said First Revised Issue set forth and hereby prescribed, and except as hereinafter authorized.

It is further ordered, That any such carrier or any receiver or operating trustee of any such carrier may subdivide any primary account in the said First Revised Issue established as may be required for the purposes of any such carrier or of any receiver or operating trustee of any such carrier; or may make assignment of the amount credited or charged to any such primary account to operating divisions, to its individual lines, or to States: *Provided, however,* That a list of such subprimary accounts set up or such assignments made by any such carrier or by any receiver or operating trustee of any such carrier be first filed in the office of the Division of Carriers' Accounts of this Commission subject to disapproval by the Commission.

It is further ordered, That in order that the basis of comparison between the year ending June 30, 1913, and previous years be not destroyed, any such carrier or any receiver or operating trustee of any such carrier may, during the twelve months ending June 30, 1913, keep and maintain, in addition to the revenue and the expense accounts hereby prescribed, such portion or portions of its present accounts with respect to revenue or expense items as may be deemed desirable by any such carrier or by any receiver or operating trustee thereof, for the purpose of such comparison; or, during the same period, may maintain such groupings of the primary accounts hereby prescribed as may be desired for that purpose.

It is further ordered, That any such carrier or any receiver or operating trustee of any such carrier may, in addition to the revenue and the expense accounts hereby prescribed, keep any temporary or experimental accounts the purpose of which is to develop the efficiency of operations: *Provided, however,* That such temporary or experimental accounts shall not impair the integrity of any general or primary account hereby prescribed;

and that any such temporary or experimental accounts shall be open to inspection by the Commission.

It is further ordered, That July 1, 1912, be, and is hereby, fixed as the date on which the said First Revised Issue shall become effective.

By the Commission:

[SEAL.]

JOHN H. MARBLE,
Secretary.

INTRODUCTORY LETTER.

INTERSTATE COMMERCE COMMISSION,
DIVISION OF CARRIERS' ACCOUNTS,
Washington, June 10, 1912.

TO CARRIERS CONCERNED:

The Classification of Operating Revenues and Expenses of Sleeping Car Companies, First Issue, was promulgated under date of July 1, 1910. A study of the questions arising from the application of that classification, and consideration of suggestions submitted by those responsible for its application, have led to the conclusion that it is desirable to issue a revised edition and to include in the same publication a classification of revenues and expenses of auxiliary operations, and of other properties.

In this Classification of Revenues and Expenses of Sleeping Car Operations, of Auxiliary Operations, and of Other Properties for Sleeping Car Companies, First Revised Issue, a number of additional primary accounts have been provided both for revenues and for expenses for Sleeping Car Operations, which experience has indicated are essential for the purposes of the Commission, as also of the sleeping car companies.

The classification provided for Other Properties includes the operation of manufacturing plants. Attention is particularly invited to the provision that charges for work done in the manufacturing plants to the property investment accounts and to the sleeping car operations expense accounts shall be upon basis of prices which fairly represent the cost of the work done.

Accounts have been provided in the classifications for Sleeping Car Operations to cover the expenses on account of depreciation on buildings, appurtenances, and grounds, with a view of securing, as nearly as may be, for each fiscal period true statements of operating costs. No rates have been prescribed for computing such depreciation, it being the purpose of the Commission to place sleeping car companies in the same position with respect to depreciation upon such property as they are placed under the rules of the classification relative to the determination of depreciation accruals upon equipment.

Accounting officers are requested to correspond with the Division of Carriers' Accounts in case doubt should arise with regard to the correct interpretation of any account.

CHARLES A. LUTZ,
Chief Examiner of Accounts.

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CLASSIFICATION OF REVENUES AND EXPENSES OF SLEEPING CAR OPERATIONS.

EXPLANATORY NOTE.

The words "Sleeping car," as used in the term "Sleeping car operations" in this classification, include standard sleeping, tourist sleeping, parlor, composite, private, and other cars operated by a sleeping car company to furnish berths or seats to passengers.

Taxes should not be included in Operating Expenses, but should be deducted from "Total Net Revenue" in the Income Account.

Entries in the accounts prescribed in this classification shall not include expenditures on account of additional property and equipment, or for additions to and betterments of the property and equipment of sleeping car companies.

The accounts pertaining to the operation of dining, buffet, and other car facilities, or for services rendered (other than those incidental to the sleeping car operations), the revenues and expenses of which, if included in the accounts pertaining to sleeping car operations, would impair the significance of statistics prepared from such accounts, shall be kept in accordance with the provisions of the classifications provided for Auxiliary Operations. Miscellaneous receipts and expenditures, when no service is performed, should not be treated as auxiliary operations.

The expenses of maintenance of facilities for any service, or distinct portion thereof, assigned exclusively to an auxiliary operation, should devolve upon the auxiliary operation when separable from the expense of maintaining the sleeping car operations. The maintenance of facilities not so separable should be borne by the accounts of the sleeping car operations when employed only incidentally in the auxiliary operation, and by the auxiliary operation when employed only incidentally in the sleeping car operations.

The monthly charges to account SE 22, "Buildings, Appurtenances, and Grounds—Depreciation," will of necessity require a corresponding liability account to which such depreciation may be credited. To that end sleeping car companies will be required to set up an account

“Reserve for Accrued Depreciation—Buildings, Appurtenances, and Grounds—Cr.,” in which account should be entered amounts included with respect to buildings, appurtenances, and grounds in operating expenses to cover depreciation upon such property. When such property is destroyed, abandoned, sold, or otherwise permanently retired from service, this reserve account should be charged with an amount equal to the amount previously credited thereto with respect to the property destroyed, abandoned, sold, or otherwise retired.

TEXT OF CLASSIFICATION OF REVENUES OF SLEEPING CAR OPERATIONS.

SR 1. STANDARD SLEEPING CAR BERTH REVENUE.

This account should include the revenue from berth accommodations furnished in standard sleeping cars when operated in regular line service or in special service at berth rates for space occupied. (See general notes following account SR 8.)

SR 2. TOURIST SLEEPING CAR BERTH REVENUE.

This account should include the revenue from berth accommodations furnished in tourist sleeping cars when operated in regular line service or in special service at berth rates for space occupied. (See general notes following account SR 8.)

SR 3. OTHER CAR BERTH REVENUE.

This account should include the revenue from berth accommodations furnished in cars other than standard and tourist sleeping cars when operated in regular line service or in special service at berth rates for space occupied. (See general notes following account SR 8.)

SR 4. STANDARD SLEEPING CAR SEAT REVENUE.

This account should include the revenue from seat accommodations furnished in standard sleeping cars. (See general notes following account SR 8.)

SR 5. TOURIST SLEEPING CAR SEAT REVENUE.

This account should include the revenue from seat accommodations furnished in tourist sleeping cars. (See general notes following account SR 8.)

SR 6. PARLOR CAR SEAT REVENUE.

This account should include the revenue from seat accommodations furnished in parlor cars whether operated in regular line service or in special service at seat rates for space occupied. (See general notes following account SR 8.)

SR 7. COMPOSITE CAR SEAT REVENUE.

This account should include the revenue from seat accommodations furnished in composite cars, whether operated in regular line service or in special service at seat rates for space occupied. (See general notes following account SR 8.)

SR 8. OTHER CAR SEAT REVENUE.

This account should include the revenue from seat accommodations furnished in cars other than standard sleeping, tourist sleeping, parlor, and composite cars, whether operated in regular line service or in special service at seat rates for space occupied.

The following general notes apply to accounts SR 1 to SR 8, inclusive.

GENERAL NOTE A.—This account should be credited with the full amount received from accommodations (berth or seat, as provided by the text of the account) furnished, both on a carrier's own lines and on association lines operated by the carrier; the carrier's proportion of revenue of joint lines; also overcollections made in excess of correct rates, such overcollections to be held subject to claim.

GENERAL NOTE B.—This account should be charged with refunds of fares for accommodations furnished; with refunds of overcharges resulting from use of erroneous rates; and with refunds of other revenue previously credited to it.

GENERAL NOTE C.—This account should include the premiums and discounts resulting from the exchange of foreign currency accepted for accommodations and taken into account at face value.

SR 9. CHARTER OF STANDARD SLEEPING CARS—PER DIEM RATES.

This account should include the revenue from the charter of standard sleeping cars, equipped for service, on the basis of per diem rates. (See general notes following account SR 17.)

SR 10. CHARTER OF STANDARD SLEEPING CARS—BERTH RATES.

This account should include the revenue from the charter of standard sleeping cars, equipped for service, on the basis of berth rates for full capacity. (See general notes following account SR 17.)

SR 11. CHARTER OF TOURIST SLEEPING CARS—PER DIEM RATES.

This account should include the revenue from the charter of tourist sleeping cars, equipped for service, on the basis of per diem rates. (See general notes following account SR 17.)

SR 12. CHARTER OF TOURIST SLEEPING CARS—BERTH RATES.

This account should include the revenue from the charter of tourist sleeping cars, equipped for service, on the basis of berth rates for full capacity. (See general notes following account SR 17.)

SR 13. CHARTER OF PRIVATE CARS—PER DIEM RATES.

This account should include the revenue from the charter of private cars, equipped for service, on the basis of per diem rates. (See general notes following account SR 17.)

SR 14. CHARTER OF PRIVATE CARS—BERTH RATES.

This account should include the revenue from the charter of private cars, equipped for service, on the basis of berth rates for full capacity. (See general notes following account SR 17.)

SR 15. CHARTER OF OTHER CARS TO OTHER THAN CARRIERS—PER DIEM RATES.

This account should include the revenue from the charter of cars, equipped for service, other than standard sleeping, tourist sleeping, and private cars, to others than railroad companies, on the basis of per diem rates. (See general notes following account SR 17.)

SR 16. CHARTER OF OTHER CARS—BERTH OR SEAT RATES.

This account should include the revenue from the charter of cars, equipped for service, other than standard sleeping, tourist sleeping, and private cars, on the basis of berth or seat rates for full capacity. (See general notes following account SR 17.)

SR 17. CHARTER OF OTHER CARS TO CARRIERS—OTHER RATES.

This account should include the revenue from the charter of cars, equipped for service, other than standard sleeping, tourist sleeping, and private cars, when rented to railroads at per diem, monthly, or mileage rates.

The following general notes apply to accounts SR 9 to SR 17 inclusive.

GENERAL NOTE A.—This account should be charged with refunds of revenue previously credited to it.

GENERAL NOTE B.—Whenever chartered cars are stocked with supplies and it is practicable to separate the commissarial receipts from the amount received for the rent of the cars, the commissarial revenues and expenses should be treated under "Auxiliary Operations."

SR 18. MISCELLANEOUS REVENUE.

This account should include revenue from operations not elsewhere provided for, such as profit on supplies sold from material stock; rents of buildings, lands, and other property, when such property is used in connection with the operations of a sleeping car company and the expenses of maintaining and operating the portion rented can not be separated from the expenses of the portion used by the sleeping car company; and all other miscellaneous revenue from the operation of cars.

This account should be charged with refunds of revenue previously credited to it.

SR 19. CAR MILEAGE REVENUE.

This account should include the amounts receivable by a sleeping car company under contracts which provide for payments by other carriers of amounts determined upon a mileage or other basis to cover the use and maintenance of a sleeping car company's cars.

NOTE.—The credits to this account may be made at the annual closings of contracts instead of monthly upon the basis of accruals.

SR 20. ASSOCIATION REVENUE—DR.

This account should be charged with the proportion of gross revenues of association cars operated by a sleeping car company payable to other companies, parties to association contracts.

SR 21. CONTRACT REVENUE—DR.

This account should include the proportion of revenue payable to other carriers under contracts which provide that a certain portion of revenues shall be paid to other carriers by the sleeping car company.

NOTE.—The charges to this account may be made at the annual closings of contracts instead of monthly upon the basis of accruals.

TEXT OF CLASSIFICATION OF EXPENSES OF SLEEPING CAR OPERATIONS.

I. MAINTENANCE.

SE 1. SUPERINTENDENCE.

This account should include:

Pay of officers.—The pay of general and other officers directly in charge of maintenance, of shops, and of departments in shops.

Pay of clerks and attendants.—The pay of chief and other clerks, draftsmen, and attendants in offices of officers whose pay is charged to this account.

Office and other expenses.—The rent of offices; the cost of telegraph and telephone service, heat, light, power, water, ice, furniture, and other supplies for, and the care of, offices of officers whose pay is charged to this account; incidental office and traveling expenses of such officers and their clerks; the cost of provisions for, and expenses of, special cars when used by them; premiums on fidelity bonds of such officers and their employees when assumed by the company; the cost of drafting and engineering instruments and expenses of repairing them, and the cost of supplies (except stationery and printing) used by officers and employees whose pay is charged to this account.

NOTE A.—When officers above enumerated have supervision over several departments, their pay and office and other expenses and the pay and expenses of their clerks and attendants should be apportioned equitably to the expenses of the departments over which they have supervision.

NOTE B.—When employees enumerated above are engaged in work not chargeable to maintenance, their pay and expenses should be charged to the specific work on which they are engaged.

NOTE C.—The rents included in the superintendence accounts are those of offices of minor importance which are usually rented for a year or less. The rents of structures of major importance, which, when not owned by carriers, are ordinarily leased for a period of years, should be included in the Income Account.

SE 2. STANDARD SLEEPING CARS—REPAIRS.

This account should include the cost of all material used (less salvage) and labor expended in inspection, tests, and repairs to standard sleeping cars and their appurtenances, for which a sleeping car company is responsible. (See general notes following account SE 7.)

SE 3. TOURIST SLEEPING CARS—REPAIRS.

This account should include the cost of all material used (less salvage) and labor expended in inspection, tests, and repairs to tourist sleeping cars and their appurtenances, for which a sleeping car company is responsible. (See general notes following account SE 7.)

SE 4. PARLOR CARS—REPAIRS.

This account should include the cost of all material used (less salvage) and labor expended in inspection, tests, and repairs to parlor cars and their appurtenances, for which a sleeping car company is responsible. (See general notes following account SE 7.)

SE 5. COMPOSITE CARS—REPAIRS.

This account should include the cost of all material used (less salvage) and labor expended in inspection, tests, and repairs to composite cars and their appurtenances, for which a sleeping car company is responsible. (See general notes following account SE 7.)

SE 6. PRIVATE CARS—REPAIRS.

This account should include the cost of all material used (less salvage) and labor expended in inspection, tests, and repairs to private cars and their appurtenances, for which a sleeping car company is responsible. (See general notes following account SE 7.)

SE 7. OTHER CARS—REPAIRS.

This account should include the cost of all material used (less salvage) and labor expended in inspection, tests, and repairs to all cars not provided for elsewhere and their appurtenances, for which a sleeping car company is responsible.

The following general notes apply to accounts SE 2 to SE 7, inclusive:

GENERAL NOTE A.—The following is a list of the more important appurtenances of cars the repairs and renewals of which are chargeable to this account: Lighting, heating, air brake, train signal, ventilating, toilet, and lavatory equipment; cushions, curtains, carpets, bedding, and linen; and seats, chairs, racks, berths, and water coolers.

GENERAL NOTE B.—This account should include the cost of freight and handling charges and patent royalties on all material used, as also freight and switching charges on cars consigned to or from repair shops.

GENERAL NOTE C.—No amount representing shop profits on repairs to cars in repair shops operated by the sleeping car company should be included in this account.

GENERAL NOTE D.—This account may include each month a uniform proportion of the total amount authorized or approximated for ordinary and extraordinary repairs for the year, the necessary adjustments to be made to include in each year's accounts the actual expenditures for maintenance during that year.

SE 8. STANDARD SLEEPING CARS—DEPRECIATION ADJUSTMENTS.

This account should include entries to adjust the differences between the original cost or purchase price (less the net value of the salvage) of standard sleeping cars permanently condemned, destroyed, or sold, and the amount of the depreciation charged on the equipment up to the date of its retirement.

SE 9. TOURIST SLEEPING CARS—DEPRECIATION ADJUSTMENTS.

This account should include entries to adjust the differences between the original cost or purchase price (less the net value of the salvage) of tourist sleeping cars permanently condemned, destroyed, or sold, and the amount of the depreciation charged on the equipment up to the date of its retirement.

SE 10. PARLOR CARS—DEPRECIATION ADJUSTMENTS.

This account should include entries to adjust the differences between the original cost or purchase price (less the net value of the salvage) of parlor cars permanently condemned, destroyed, or sold, and the amount of the depreciation charged on the equipment up to the date of its retirement.

SE 11. COMPOSITE CARS—DEPRECIATION ADJUSTMENTS.

This account should include entries to adjust the differences between the original cost or purchase price (less the net value of the salvage) of composite cars permanently condemned, destroyed, or sold, and the amount of the depreciation charged on the equipment up to the date of its retirement.

SE 12. PRIVATE CARS—DEPRECIATION ADJUSTMENTS.

This account should include entries to adjust the differences between the original cost or purchase price (less the net value of the salvage) of private cars permanently condemned, destroyed, or sold, and the amount of the depreciation charged on the equipment up to the date of its retirement.

SE 13. OTHER CARS—DEPRECIATION ADJUSTMENTS.

This account should include entries to adjust the differences between the original cost or purchase price (less the net value of the salvage) of all cars, not provided for elsewhere, permanently condemned, destroyed, or sold, and the amount of the depreciation charged on the equipment up to the date of its retirement.

SE 14. STANDARD SLEEPING CARS—DEPRECIATION.

This account should include monthly charges representing the depreciation of standard sleeping cars. (See general notes following account SE 19.)

SE 15. TOURIST SLEEPING CARS—DEPRECIATION.

This account should include monthly charges representing the depreciation of tourist sleeping cars. (See general notes following account SE 19.)

SE 16. PARLOR CARS—DEPRECIATION.

This account should include monthly charges representing the depreciation of parlor cars. (See general notes following account SE 19.)

SE 17. COMPOSITE CARS—DEPRECIATION.

This account should include monthly charges representing the depreciation of composite cars. (See general notes following account SE 19.)

SE 18. PRIVATE CARS—DEPRECIATION.

This account should include monthly charges representing the depreciation of private cars. (See general notes following account SE 19.)

SE 19. OTHER CARS—DEPRECIATION.

This account should include monthly charges representing the depreciation of all cars not provided for elsewhere.

The following general notes apply to accounts SE 14 to SE 19, inclusive.

GENERAL NOTE A. These monthly charges should be computed at a certain rate per cent on the original cost or purchase price of the equipment to provide a reserve which will represent its expired value or depreciation. Until otherwise directed, the charges to this account should be based upon a rule determined to be equitable according to the sleeping car company's experience and best sources of information as to the actual average of accruals of such expenses.

GENERAL NOTE B. All charges to this account should be concurrently credited to account, "Reserve for Accrued Depreciation—Equipment."

GENERAL NOTE C. When any equipment is retired, the difference between the cost or purchase price (less salvage) and the amount previously taken up through this account should be adjusted, in the month in which it is retired, in the appropriate equipment depreciation adjustments account.

SE 20. SHOP MACHINERY AND TOOLS.

This account should include the cost of material used (less salvage) and labor expended in repairing and renewing shop tools

and machinery, including their appurtenances, such as steam, electric, and other power machinery, power-transmission equipment, machine tools, furnaces, forges, cranes, and hoists.

NOTE A.—The cost of new tools and machinery (less salvage) replacing those retired should be included in this account.

NOTE B.—The cost of repairing and renewing heating boilers should be charged to account SE 21, "Buildings, Appurtenances, and Grounds."

NOTE C.—This account may include each month a uniform proportion of the total amount authorized or approximated for ordinary and extraordinary repairs for the year, the necessary adjustments to be made to include in each year's accounts the actual expenditures for maintenance during that year.

SE 21. BUILDINGS, APPURTENANCES, AND GROUNDS.

This account should include all expenses (not includible elsewhere) incident to repairing and renewing buildings, appurtenances, and grounds used by a sleeping car company in its operations, as follows:

Buildings.—The cost of material used (less salvage) and labor expended in repairing and renewing buildings, including platforms, stairways, approaches, and signs; also the cost of building permits, and payments to municipalities and others for protecting buildings from fire; and the cost of removing snow from the roofs of buildings.

Fixtures.—The cost of fixtures (less salvage), such as bunks, counters, file cases, ice chests, railings, shelving, washbowls, water coolers, etc., built in as parts of the structures when not chargeable to property accounts; also the cost of repairing and renewing such fixtures.

Machinery.—The cost of material used (less salvage) and labor expended in repairing and renewing machinery and structures (except tools and machinery chargeable to account SE 20, "Shop Machinery and Tools") used in connection with buildings, such as air compressors, armatures and fields; ash buckets, ash hoists, belting, boilers, chutes, cisterns, coal buckets, coal buggies, coal bins, cranes, derricks, dynamos and parts, fire engines, fire extinguishers, fire hose, gas pumps, hoists, hose carts, hose reels, hydrants, hydraulic rams, pipe lines, pumps, scales, screens, shafting, standpipes, stationary engines, steam pipes, switchboards and parts (except telegraph and telephone), etc.

Other expenses.—The cost of material used (less salvage) and labor expended in repairing and renewing stationary fixtures used in connection with heating and lighting buildings, such as arc lamps, chandeliers, electric-light fixtures, electric-light wiring, electroliers, furnaces, gas burners, pipes, radiators, and registers,

lamps permanently attached to buildings; stationary fixtures used for supplying buildings with water, or for draining; water pipes, water-closets, and washstands; passenger elevators; piping, hydrants, and other permanent fixtures for cleaning, heating, and lighting cars; cleaning sewers; protection against fire, such as water mains and fire plugs; also protection of buildings and grounds against floods and washouts by means of walls and embankments.

Grounds.—The cost of material used (less salvage) and labor expended in repairing and renewing fences, hedges, walls, sidewalks, and streets within the limits of shop grounds or immediately adjacent to buildings, not provided for elsewhere; payments of assessments for repairs of streets, sewers, or other public improvements affecting building sites and shop grounds; the cost of laying out, cleaning, grading, draining, mowing, and beautifying grounds, and landscape gardening (including the cost of plants at such grounds); also the cost of trees and shrubs, and of maintaining and operating nurseries.

NOTE A.—This account may include each month a uniform proportion of the total amount authorized or approximated for ordinary or extraordinary repairs for the year, the necessary adjustments to be made to include in each year's accounts the actual expenditures for maintenance during that year.

NOTE B.—Insurance recovered on buildings, fixtures, and grounds should be credited to this account when the cost of repairs on account of the damage to such property is chargeable to the account.

NOTE C.—This account should not include the cost of repairing and renewing buildings, fixtures, and grounds, the operations of which are included in "Auxiliary Operations," or of repairing and renewing property the cost of which is included in account, "Miscellaneous Investments—Physical Property."

SE 22. BUILDINGS, APPURTENANCES, AND GROUNDS— DEPRECIATION.

This account should include each month the amount necessary to cover depreciation accruing in the month on buildings, appurtenances (including shop machinery and tools), and grounds used in sleeping car operations, less the amount of depreciation made good by repairs and renewals during the month.

The amount necessary to cover the depreciation accruing upon such property should be based upon a rule determined to be equitable according to the sleeping car company's experience and best sources of information.

SE 23. STATIONERY AND PRINTING.

This account should include the cost of all postage, stationery, stationery supplies, printing, books, and blank forms used in connection with maintenance.

NOTE.—Dictionaries, periodicals, technical books, etc., should be charged to account SE 1, "Superintendence."

SE 24. INJURIES TO PERSONS.

This account should include all expenses incident to injuries to persons when occurring directly in connection with maintenance (less any amount recovered through accident insurance); a proportion of the pay and expenses of physicians and surgeons and of claim adjusters and their clerks; the expense of nursing and hospital attendance; medical and surgical supplies; artificial limbs; funeral expenses; railway and carriage fares for conveying injured persons and attendants; donations or contributions to hospitals in which employees are cared for; the pay and expenses of employees and others while attending coroners' inquests, while engaged as witnesses in lawsuits in connection with personal injury cases, or when called in consultation in relation to the adjustment of claims coming under this head.

NOTE A.—Legal expenses not otherwise provided for in connection with the conduct of suits, should be charged to account SE 44, "Law Expenses," but the amount of final judgments, including plaintiffs' court costs, should be charged to this account.

NOTE B.—The pay and expenses of claim adjusters, clerks, chief surgeons, and others, that can not be actually allocated to particular cases, should be apportioned equally to the expenses of personal injury and of other claims in connection with which they are employed.

SE 25. OTHER MAINTENANCE EXPENSES.

This account should include all expenses in connection with maintenance not properly chargeable to other accounts under "Maintenance."

SE 26. MAINTENANCE OF ASSOCIATION CARS—CR.

This account should include the proportion of the expenses of maintaining equipment used in the operation of association cars chargeable to other carriers.

CLEARING ACCOUNT—SHOP EXPENSES.

Expenses at repair shops, such as for heating, lighting, power, water, watchmen, and incidentals, that can not be charged directly to work done, should be charged to a clearing account called "Repair Shop Expenses." Such shop expenses should be periodically apportioned upon the basis of the direct charges to the various accounts. Carriers are permitted to make monthly apportionments on basis of an equitable percentage rate, provided the adjustments necessary to close this account are made at the end of the year.

II. CONDUCTING CAR OPERATIONS.

SE 27. SUPERINTENDENCE.

This account should include:

Pay of officers.—The pay of general officers and assistants directly in charge of or engaged in car operations.

Pay of clerks and attendants.—The pay of chief and other clerks, other employees, and attendants in offices of officers whose pay is charged to this account.

Office and other expenses.—The rent of offices; the cost of telegraph and telephone service, heat, light, power, water, ice, furniture, and other supplies for, and the care of, offices of officers whose pay is charged to this account; incidental office and traveling expenses of such officers and their clerks; the cost of provisions for, and expenses of, special cars when used by them; premiums on fidelity bonds of such officers and their employees when assumed by the company; and the cost of supplies (except stationery and printing) used by officers and employees whose pay is charged to this account.

NOTE A.—When officers above enumerated have supervision over several departments, their pay and office and other expenses and the pay and expenses of their clerks and attendants should be apportioned equitably to the expenses of the departments over which they have supervision.

NOTE B.—When employees enumerated above are engaged in work not chargeable to Conducting Car Operations, their pay and expenses should be charged to the specific work on which they are engaged.

NOTE C.—The rents included in the superintendence accounts are those of offices of minor importance which are usually rented for a year or less. The rents of general offices and other structures of major importance, which, when not owned by carriers, are ordinarily leased for a period of years, should be included in the Income Account.

SE 28. DISTRICT EMPLOYEES AND EXPENSES.

This account should include the pay of superintendents, assistant superintendents, agents, assistant agents, district property clerks, local cashiers, clerks, and other district employees; the expenses of fuel, water, steam, and supplies used in heating district offices; gas, oil, electric current, and other supplies for lighting district offices; renewals and repairs of furniture; telegraph and telephone service; uniforms, uniform trimmings, and badges for district employees; premiums on fidelity bonds of agents, cashiers, and other district employees when assumed by the company; supplies for rooms furnished to car employees, and all other district supplies; also other expenses incident to district operations.

SE 29. CONDUCTORS.

This account should include the pay of conductors employed in sleeping, parlor, or other special car service.

NOTE.—This account should not include the pay of conductors on cars the operations of which are included in Auxiliary Operations.

SE 30. PORTERS AND MAIDS.

This account should include the pay of porters and maids employed in sleeping, parlor, or other special car service.

NOTE.—This account should not include the pay of porters and maids on cars the operations of which are included in Auxiliary Operations.

SE 31. CAR CLEANING—GENERAL.

This account should include all expenses, common to the cars on all lines, for cleaning and disinfecting cars operated, including the expenses of operating car-cleaning plants.

SE 32. CAR CLEANING—SPECIAL.

This account should include all expenses which are usually borne by railroads, but which, under specific contracts, are borne by the sleeping car company for cleaning and disinfecting cars operated, including the expenses of operating car-cleaning plants.

SE 33. LAUNDRY.

This account should include the expenses for laundry work, such as the laundering of sheets, pillow cases, towels, blankets, etc.

SE 34. OTHER CAR SUPPLIES AND EXPENSES—GENERAL.

This account should include all expenses, common to the cars on all lines, for heating, lighting, and lubricating cars; for supplies, such as combs, brushes, brooms, toilet paper; for premiums on fidelity bonds of conductors when assumed by the carrier; for uniforms, caps, and service stripes furnished to car employees; and other expenses of like nature.

SE 35. OTHER CAR SUPPLIES AND EXPENSES—SPECIAL.

This account should include all expenses which are usually borne by railroads, but which, under specific contracts, are borne by the sleeping car company, for heating, lighting, and lubricating cars, and for miscellaneous supplies.

SE 36. STATIONERY AND PRINTING.

This account should include all expenses for postage, stationery, stationery supplies, and printing for use in connection with conducting car operations.

SE 37. LOSS AND DAMAGE.

This account should include payments for settlement of claims for loss or damage resulting from defective service, and for loss, damage, or destruction of personal property (including clothing worn or carried by passengers), and for all expenses directly incident thereto; also the pay and expenses of employees and others engaged as witnesses or called in consultation in relation to the adjustment of claims coming under this head.

NOTE A.—Expenses not otherwise provided for in connection with the conduct of suits should be charged to account SE 44, "Law Expenses," but the amount of final judgments, including plaintiffs' court costs, should be charged to this account.

NOTE B.—The pay and expenses of claim adjusters, clerks, and others that can not be actually allocated to particular cases, should be apportioned equally to the expenses of personal injury and other claims in connection with which they are employed.

NOTE C.—Amounts recovered through the insurance of a sleeping car company against liability for loss and damage, and also the net amounts received from the sale of unclaimed and damaged baggage, should be credited to this account.

SE 38. INJURIES TO PERSONS.

This account should include all expenses incident to injuries to persons when occurring directly in connection with conducting car operations (less any amount recovered through accident insurance); a proportion of the pay and expenses of physicians and surgeons and of claim adjusters and their clerks; the expenses of nursing and hospital attendance; medical and surgical supplies; artificial limbs; funeral expenses; railway and carriage fares for conveying injured persons and attendants; donations or contributions to hospitals in which employees are cared for; the pay and expenses of employees and others while attending coroners' inquests, while engaged as witnesses in lawsuits in connection with personal injury cases, or when called in consultation in relation to the adjustment of claims coming under this head.

NOTE A.—Legal expenses not otherwise provided for in connection with the conduct of suits should be charged to account SE 44, "Law Expenses," but the amount of final judgments, including plaintiffs' court costs, should be charged to this account.

NOTE B.—The pay and expenses of claim adjusters, clerks, chief surgeons, and others that can not be actually allocated to particular cases should be apportioned equally to the expenses of personal injury and other claims in connection with which they are employed.

SE 39. OTHER EXPENSES—CONDUCTING CAR OPERATIONS.

This account should include all expenses in connection with Conducting Car Operations not properly chargeable to other accounts thereunder.

SE 40. OPERATION OF ASSOCIATION CARS—CR.

This account should include the proportion of the expenses of operating association cars chargeable to other carriers.

II. GENERAL EXPENSES.

SE 41. SALARIES AND EXPENSES OF GENERAL OFFICERS.

This account should include:

Salaries.—The pay of the chairman of the board, president, vice presidents, secretary, treasurer, comptroller, auditors, claim agents, purchasing agents, and assistant or subordinate officers of the above heads of departments, and all other officers whose duties are of such a general character that their pay can not be specifically charged to either of the superintendence accounts; also the pay and fees of receivers.

Expenses.—Traveling and other expenses of officers named above; the cost of provisions for and expenses of special cars when used by them; membership fees of general officers in transportation and other associations.

NOTE.—When officers above enumerated have supervision over several departments, their pay and expenses should, so far as possible, be apportioned equitably to the expenses of the departments over which they have supervision.

SE 42. SALARIES AND EXPENSES OF CLERKS AND ATTENDANTS.

This account should include:

Salaries.—The pay of chief and other clerks and attendants in offices of the general officers specified in account SE 41, "Salaries and Expenses of General Officers."

Expenses.—Traveling and other expenses of the employees named above.

NOTE.—When general officers have supervision over several departments the pay and expenses of their clerks and attendants should, so far as possible, be apportioned equitably to the expenses of those departments.

SE 43. GENERAL OFFICE SUPPLIES AND EXPENSES.

This account should include the rent of offices; the cost of telegraph and telephone service, heat, light, power, water, and ice; furniture and supplies (except stationery and printing), such as atlases, directories, maps, and periodicals for the offices of officers

whose pay is charged to account SE 41; premiums on fidelity bonds of such officers and their employees when assumed by the company.

NOTE.—The rents included in this account are those of offices of minor importance which are usually rented for a year or less. The rents of structures of major importance, which, when not owned by carriers, are ordinarily leased for a period of years, should be included in the Income Account.

SE 44. LAW EXPENSES.

This account should include the pay and expenses of vice-presidents or other officers directly in charge of the law department; also the pay of all counsel, solicitors, and attorneys, their clerks and attendants, and the expenses of their offices; the cost of law books, printing briefs, legal forms, testimony, reports, etc.; fees and retainers for the services of attorneys not regularly employed; payments to arbitrators for the settlement of disputed questions; costs of suits and payments of special fees, notarial fees, and witness fees; expenses connected with taking depositions, and all law and court expenses not provided for elsewhere.

SE 45. PENSION AND RELIEF EXPENSES.

This account should include all pensions or gratuities paid to sleeping car employees and all pension and relief expenses.

SE 46. INSURANCE.

This account should include all premiums (except reinsurance premiums) paid by a sleeping car company to individuals or companies, appropriations made or premiums paid to an insurance fund, and amounts credited to reserves for insuring property of the company or property intrusted to it against loss or damage by fire or other casualty, and for insuring a sleeping car company against loss by reason of liability for personal injuries occurring through accident or otherwise.

NOTE A.—This account should not include premiums paid upon property used in auxiliary operations or held as "Miscellaneous Investments."

NOTE B.—The premiums charged by a carrier to operating expenses to create an insurance reserve should be credited on its books to an "Insurance Reserve" account, to which payments of claims for damages to the property covered by the insurance should be charged. To such account should be charged all reinsurance premiums paid to premiums companies, and to it should be credited all amounts recovered from insurance companies for damages to property reinsured by them.

SE 47. STATIONERY AND PRINTING.

This account should include the cost of printing annual reports, blank books, blank forms, contracts, leases, bonds, stock certificates, and passes; also postage, paper, stationery, and stationery supplies

used only in general offices and not chargeable to other accounts. It should include the cost of all stationery and printing of the law department, except the cost of printing briefs, legal forms, testimony, reports, etc.

SE 48. OTHER GENERAL EXPENSES.

This account should include incidental expenses only, that is, expenses in connection with "General Expenses" which are not properly chargeable to any of the foregoing accounts.

SE 49. ADMINISTRATION OF ASSOCIATION CARS—CR.

This account should include the proportion of the cost of administration or general expenses of association cars chargeable to other carriers.

CLASSIFICATION OF REVENUES AND EXPENSES OF AUXILIARY OPERATIONS.

EXPLANATORY NOTE.

This classification is not intended to cover operations similar to those herein enumerated but which are conducted by separately incorporated companies other than sleeping car companies, even though the ownership or control of such separately incorporated companies be vested in a sleeping car company.

When a sleeping car company operates two or more auxiliary operations of the same class, separate accounts may be kept for each, at the sleeping car company's option.

The rule which should govern in determining what items of expenses shall be charged to auxiliary operations is that the accounts of the sleeping car operations shall show the full and true cost of conducting such operations, even though such disposition results in an incomplete or partial statement of the cost of conducting the auxiliary operation. When officers exercise jurisdiction over sleeping car operations and auxiliary operations their pay and office and other expenses should be equitably apportioned between the sleeping car operations accounts and the auxiliary operations accounts.

Charges against the accounts of the sleeping car operations for services or commodities should be at cost, and should be credited to the accounts which have been introduced in operating expenses of auxiliary operations for that purpose. Whenever a credit is made to these accounts, a charge of like amount should invariably be made to the appropriate account of the sleeping car operations or to some other auxiliary operation account. (See Sleeping Car Operations—Explanatory Note.)

TEXT OF CLASSIFICATION OF REVENUES AND EXPENSES OF
AUXILIARY OPERATIONS—COMMISSARIAL SERVICE.

OPERATING REVENUES.

DR I. DINING AND SPECIAL CAR REVENUE.

This account should include a sleeping car company's revenue from sale of meals, wines, liquors, cigars, cigarettes, etc., on dining and other cars which are operated primarily to provide commissarial service.

DR II. SLEEPING AND PARLOR CAR COMMISSARIAL REVENUE.

This account should include a sleeping car company's revenue from sale of meals, wines, liquors, cigars, cigarettes, etc., on sleeping, parlor, and other cars upon which the commissarial service is incidental to the furnishing of accommodations.

DR III. MISCELLANEOUS REVENUE.

This account should include a sleeping car company's revenue from the charter of dining and other cars designed primarily for commissarial service and also the commissarial revenue from all other chartered cars when it is practicable to separate such revenue from the revenue received for the rent of the cars.

OPERATING EXPENSES.

I. MAINTENANCE.

DE 1. DINING AND SPECIAL CARS—REPAIRS.

This account should include the cost (for which a sleeping car company is responsible) of all material used (less salvage) and of all labor expended in inspection, tests, and repairs to dining and other cars which are operated primarily to provide commissarial service, and to the furniture, fixtures, appliances and other appurtenances (including bedding and linen) thereof.

NOTE A.—This account should include the cost of freight and handling charges and patent royalties on all material used, as also freight and switching charges on cars consigned to or from repair shops.

NOTE B.—No amount representing shop profits on repairs to cars in repair shops operated by the sleeping car company should be included in this account.

NOTE C.—This account may include each month a uniform proportion of the total amount authorized or approximated for ordinary and extraordinary repairs for the year, the necessary adjustments to be made to include in each year's accounts the actual expenditures for maintenance during that year.

DE 2. DINING AND SPECIAL CARS—DEPRECIATION ADJUSTMENTS.

This account should include entries to adjust the differences between the original cost or purchase price (less the net value of the salvage) of dining and special cars (which are operated primarily to provide commissarial service) permanently condemned, destroyed, or sold, and the amount of the depreciation charged on the equipment up to the date of its retirement.

DE 3. DINING AND SPECIAL CARS—DEPRECIATION.

This account should include monthly charges representing the depreciation of dining and special cars which are operated primarily to provide commissarial service.

NOTE A.—These monthly charges should be computed at a certain rate per cent on the original cost or purchase price of the equipment to provide a reserve which will represent its expired value or depreciation. Until otherwise directed, the charges to this account shall be based upon a rule determined to be equitable according to the sleeping car company's experience and best sources of information as to the actual average of accruals of such expenses.

NOTE B.—All charges to this account should be concurrently credited to an appropriate reserve for accrued depreciation account.

NOTE C.—When any equipment is retired, the difference between the cost or purchase price (less salvage) and the amount previously taken up through this account should be adjusted in the month in which the equipment is retired in account DE 2, "Dining and Special Cars—Depreciation Adjustments."

DE 4. OTHER EXPENSES.

This account should include all expenses in connection with maintenance of dining and special cars not properly chargeable to other "Maintenance" accounts.

II. CONDUCTING COMMISSARIAL SERVICE.

DE 5. SUPERINTENDENCE.

This account should include:

Pay of officers.—Pay of officers directly in charge of commissarial operations, whose duties are supervising, inspecting, and otherwise directing the service.

Pay of clerks and attendants.—Pay of chief and other clerks, and porters and attendants in offices of officers whose pay is chargeable to this account.

Office and other expenses.—Rent and repairs, or proportion thereof, of rented offices; telegraph messages, telephone service, and cost of heat, light, ice, water, furniture, and supplies (except stationery and printing), such as atlases, dictionaries, directories, maps, newspapers, and periodicals for offices of officers whose pay is charged to this account; incidental office and traveling expenses

of such officers and their clerks; also premiums on fidelity bonds of such officers and their assistants when assumed by the carrier.

NOTE.—When officers and others have charge of other departments also, their salaries and expenses should be apportioned to the expenses of the departments over which they have supervision.

DE 6. EMPLOYEES.

This account should include:

Pay of car employees.—Pay of conductors, cooks, waiters, porters, and other employees on cars while engaged in commissarial service.

Pay of store employees.—Pay of storekeepers, storekeepers' assistants, clerks, porters, and other employees at supply depots and storehouses connected with commissarial service.

DE 7. FUEL AND SUPPLIES.

This account should include:

Fuel.—Cost of all fuel used for cooking purposes.

Provisions.—Cost of all provisions, such as meats, groceries, vegetables, fish, table waters, ice, and similar supplies.

Bar supplies.—Cost of wines, liquors, beers, ales, etc.; also cost of liquor licenses for dining and special cars.

Cigars and tobacco.—Cost of all cigars, cigarettes, and tobacco.

Laundry.—Cost of laundry work for dining and special cars, such as laundering tablecloths, napkins, towels, cooks' and waiters' coats, aprons, caps, etc.

Miscellaneous.—Rent and cost of supplies for rooms furnished to commissarial employees.

DE. 8 INJURIES AND DAMAGES.

This account should include:

Injuries to persons.—All expenses incident to injuries to persons when caused directly in connection with the operation of commissarial service, less any amount recovered through accident insurance; proportion of salaries and expenses of physicians and surgeons, expenses of undertakers, nursing and hospital attendance, medical and surgical supplies, artificial limbs, funeral expenses, railway, boat, and carriage fares for conveying injured persons and attendants; pay and expenses of employees and others while attending coroners' inquests or engaged as witnesses in lawsuits in connection with personal injury cases; also proportion of pay and expenses of claim adjusters and their clerks, and pay and expenses of employees and others called in consultation in relation to the adjustment of claims coming under this head.

Damage to personal property and other losses.—All payments for settlement of claims for damage or loss resulting from improper service rendered, and loss, damage, or destruction of personal property, including clothing worn or carried by passengers, and all expenses directly incident thereto; also pay and expenses of employees and others while engaged as witnesses or called in consultation in relation to the adjustment of claims coming under this head.

NOTE.—Expenses not otherwise provided for in connection with the conduct of injuries and damage suits should be charged to account DE 10, "Administration Expenses," but the amount of final judgments, including plaintiffs' court costs, should be charged to this account.

DE 9. OTHER EXPENSES.

This account should include cost of flowers and plants; soap, scrubbing brushes, brooms, and other articles for cleaning and scouring kitchen and table ware of dining and special cars; also premiums on fidelity bonds of commissarial employees engaged in conducting commissarial service, when assumed by the carrier; expenses of cleaning dining and special cars, including amounts paid other companies for cleaning such cars; amounts paid for hire of dining and special cars; and all other expenses in connection with operation of dining and special cars not chargeable to other "Commissarial Service" accounts.

III. GENERAL EXPENSES.

DE 10. ADMINISTRATION EXPENSES.

This account should include pay and expenses, or proportion thereof, of general officers having direct supervision over commissarial service; pay and expenses, or proportion thereof, of accountants, chief and other clerks and attendants in offices of officers whose pay is charged to this account; traveling and other expenses of such employees.

Rent and repairs, or proportion thereof, of buildings and fixtures therein; alterations of partitions and fixtures; furniture; expenses of heating, lighting, and care of general offices; cost of atlases, directories, and other books of reference for general office use; telegraph messages, telephone service, messenger service; subscriptions to newspapers and periodicals; also other supplies and expenses connected with offices of officers whose pay is charged to this account.

Law expenses, including pay, or proportion thereof, of officers directly in charge of law department; counsel, solicitors, and attorneys, their clerks and attendants, and expenses of their offices; legal forms and law books, fees and other expenses and costs as provided for in account SE 44, "Law Expenses," Classification of Expenses for Sleeping Car Operations, First Revised Issue.

Advertising, including pay and expenses of advertising agents; cost of billposting, etc., and printing advertising matter; advertising in newspapers and periodicals for the purpose of securing traffic; postage and express charges on advertising matter; and all other expenses for attracting traffic chargeable to Commissarial Service.

Pensions or gratuities paid commissarial employees and all other pension and relief expenses.

Cost of supplies and other items of expense in connection with "General Expenses" not otherwise provided for.

NOTE A.—No charge should be made to this account except for additional expense occasioned by the conducting of the auxiliary operation.

NOTE B.—When officers above enumerated have charge of other departments also, their salaries and expenses should be apportioned equally to the expenses of the departments over which they have supervision.

DE 11. INSURANCE.

This account should include all premiums made or paid by a carrier to its insurance fund and premiums (except reinsurance premiums) paid by it to insurance companies, for insuring persons and property including dining and special cars while in repair shops or storage yards, against loss, damage, or injury by fire, accident, or other causes, when such loss, damage, or injury would otherwise be chargeable to the accounts of this classification.

NOTE A.—The premiums charged by a carrier to operating expenses to create an insurance reserve should be credited on its books to an "Insurance Reserve" account, to which the amount of all claims for damages to the property covered by its insurance should be charged. To such account should be charged all reinsurance premiums paid insurance companies, and to it should be credited all amounts recovered from insurance companies for damage to property reinsured by them.

NOTE B.—Insurance against fire, collision, or other damage to dining and special cars in service for which the sleeping car department is responsible should be charged to account SE 46, "Insurance" in Classification of Expenses for Sleeping Car Operations, First Revised Issue.

DE 12. STATIONERY AND PRINTING.

This account should include the cost of stationery, stationery supplies, printing, books, and blank forms used in connection with commissarial operations. (Dictionaries, periodicals, technical books, etc., should be charged to account DE 5, "Superintendence" or DE 10, "Administration Expenses.")

CLASSIFICATION OF REVENUES AND EXPENSES OF OTHER PROPERTIES.

EXPLANATORY NOTE.

This classification is intended to cover the revenues (or income) and expenses of property the investment in which is stated under a distinct property account, which, until otherwise directed, may be designated "Miscellaneous Investments—Physical Property."

The credits to the revenue accounts of this classification for construction, additions and betterments, and repair work, the cost of which is chargeable to the accounting company's property investment accounts or to the expense accounts of its sleeping car or auxiliary operations, should be upon the basis of prices which fairly represent the cost of the work.

Carriers are permitted the option of creating depreciation reserves through charges to operating expenses to cover the depreciation upon manufacturing plants, but the charges to operating expenses for a fiscal period should not exceed the accruals of depreciation during the period less the depreciation made good by repairs and renewals during the same period. The depreciation reserve balances should be stated in the balance sheet as a deduction in account "Miscellaneous Investments—Physical Property."

TEXT OF CLASSIFICATION OF REVENUES AND EXPENSES
OF OTHER PROPERTIES—MANUFACTURING PLANTS.

REVENUES (OR INCOME).

OR 1. REVENUE FROM CONSTRUCTION OF CARS OWNED.

This account should include the revenue to the manufacturing plants from the construction of, and additions and betterments to, the sleeping car company's own cars.

NOTE.—Amounts equal to credits to this account for the construction of, and for additions and betterments to, the sleeping car company's cars, should concurrently be included in an appropriate property investment account by the sleeping car company.

OR 2. REVENUE FROM REPAIRS OF CARS OWNED.

This account should include the revenue to the manufacturing plants from repairs to the sleeping car company's cars, for which the owner is responsible.

NOTE.—Amounts equal to the credits to this account for repairs of the sleeping car company's cars should concurrently be included in an appropriate expense account of the sleeping car operations.

OR 3. REVENUE FROM CONSTRUCTION AND REPAIR WORK FOR OTHERS.

This account should include the sleeping car company's receipts from the sale of cars manufactured and from the repairs of cars for other companies and individuals.

OR 4. MISCELLANEOUS REVENUE (OR INCOME).

This account should include the sleeping car company's revenue from work done or material furnished not provided for elsewhere.

EXPENSES.

OE 1. OPERATING EXPENSES.

This account includes the cost of all labor expended and material issued in connection with the operations and upkeep of the sleeping car company's manufacturing plants, including a fair proportion of general office salaries and expenses, and the cost of insuring manufacturing plant.

OE 2. TAXES.

This account should include Federal, State, county, municipal, school, and other taxing-district taxes of all kinds relating to manufacturing-plant property, operations, and privileges, whether the assessment is based on the valuation of the property or otherwise.