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Ruth A. Clark, though a resident of California for many years, is a native of Pennsylvania where she attended Indiana State Normal School at Indiana. She enjoys a wide variety of activities and is prominently identified with accounting societies, being past president of Los Angeles Chapter ASWA, a member of the California Society of Certified Public Accountants, and an associate member of the American Institute of Accountants. She is also member of the Hollywood Business and Professional Women's Club.

Accounting for Interstate Motor Carriers

RUTH A. CLARK, C.P.A., *Los Angeles, California*

Under date of August 9, 1935, the 74th Congress passed the Motor Carrier Act of 1935 delegating to the Interstate Commerce Commission, Bureau of Motor Carriers, the power to regulate Interstate Motor Carriers. Incorporated under Section 204 (a) is the authority to prescribe a Uniform System of Accounts.

Subsequently, on the 29th day of November 1937, a General Order was issued by the Interstate Commerce Commission requiring all Class I Carriers to adopt a Uniform System of Accounts, effective January 1, 1938. Class I Carriers include those having average gross revenues of \$100,000 or more per annum from intrastate and interstate motor carrier operations combined. Three years is used as the basis for determining the average gross revenue.

Sections 220 (a) and 222 (g) of the Act gives the Interstate Commerce Commission the authority to require annual, periodical, and special reports from all motor carriers and to prescribe the manner and form in which such reports shall be rendered. Pursuant to the authority granted, the Commission ordered Class I carriers to submit a brief quarterly report of Revenues, Expenses and Statistics and a more detailed Annual Report.

Completed reports must be in exact con-

formity with the carrier's books of accounts and every inquiry contained therein must be definitely and completely answered.

The Interstate Commerce Commission found the Uniform System of Accounts to a great extent valuable in regulating railroads. It was thereafter used to regulate other utilities and has been adopted by other State and Federal regulatory bodies. It has been found useful not only for the purpose of obtaining accurate statistical information and statements showing the financial position of the carrier, but it also affords the basic cost record used in approving tariffs. Tariffs authorized by the Interstate Commerce Commission must be based on actual costs, not on estimates.

Due to the powers delegated the Interstate Commerce Commission by the legislature, it is mandatory that the carrier comply with the rules and regulations as set forth in the Uniform System of Accounts. Hence, accounting for Motor Carriers under interstate regulation is very technical and to a great extent specialized. Consequently, it is the accountant's duty to acquire sufficient knowledge of the Uniform System of Accounts so that he may properly interpret these rules and regulations. Furthermore, it is quite essential and very important

that the accountant, in addition to his knowledge of accounting, have a general knowledge of transportation, rate and tariff structures and be familiar with all the provisions of the Act.

The Uniform System of Accounts provides a Chart of Accounts to be maintained together with a list of definitions of terms used and instructions relative to the fundamental general accounting principles to be applied in connection therewith.

Instructions as to just what items are to be recorded in each account, together with a Form of Balance Sheet Statement and a Form of Income Statement, are a part of the system. The Chart is so arranged that the compilation of periodic Balance Sheets and Income Statements as well as the quarterly and annual reports generally presents a minimum number of problems.

Additional Orders have been issued from time to time modifying the original Chart of Accounts. Instructions and interpretations of the regulations relative to the preparation of the quarterly and annual reports have been periodically forwarded to the carriers.

Listed below are the numbers and titles of the primary accounts contained in the original schedule:

Balance Sheet Accounts

ASSETS	
CURRENT ASSETS:	
1000	Cash
1020	Working Funds
1040	Special Deposits
1041	Interest Special Deposits
1042	Dividend Special Deposits
1043	Miscellaneous Special Deposits
1060	Temporary Cash Investments
1080	Notes Receivable
1100	Receivables from Associated Companies
1120	Accounts Receivable
1140	Subscribers to Capital Stock
1160	Interest and Dividends Receivable
1180	Material and Supplies
1190	Other Current Assets
TANGIBLE PROPERTY:	
1200	Carrier Operating Property
1201	Land and Land Rights
1211	Structures
1221	Revenue Equipment
1231	Service Cars and Equipment
1241	Shop and Garage Equipment
1251	Furniture and Office Equipment

1261	Miscellaneous Equipment
1271	Improvements to Leasehold Property
1281	Undistributed Property
1291	Unfinished Construction
1300	Carrier Operating Property Leased to Others
1400	Non-Carrier Operating Property
1450	Non-Operating Property
INTANGIBLE PROPERTY:	
1500	Organization, Franchises, and Permits
1501	Organization
1511	Franchises
1541	Patents
1550	Other Intangible Property
INVESTMENT SECURITIES AND ADVANCES:	
1600	Investments and Advances—Associated Companies
1650	Other Investments and Advances
SPECIAL FUNDS:	
1701	Sinking Funds
1751	Depreciation Funds
1781	Miscellaneous Special Funds
DEFERRED DEBITS:	
1800	Prepayments
1880	Unamortized Debt Discount and Expense
1890	Other Deferred Debits
MISCELLANEOUS DEBIT ITEMS:	
1900	Discount on Capital Stock
1910	Commission and Expense on Capital Stock
1920	Reacquired Securities
1990	Nominally Issued Securities
LIABILITIES	
CURRENT LIABILITIES:	
2000	Notes Payable
2020	Matured Equipment and Long-Term Obligations
2030	Payables to Associated Companies
2050	Accounts Payable
2070	Wages Payable
2090	C.O.D.'s Unremitted
2100	Dividends Declared
2120	Taxes Accrued
2150	Interest Accrued
2160	Matured Interest
2190	Other Current Liabilities
ADVANCES PAYABLE:	
2200	Advances Payable—Associated Companies
2250	Other Advances Payable
EQUIPMENT AND OTHER LONG-TERM OBLIGATIONS:	
2300	Equipment Obligations

- 2330 Bonds
- 2360 Other Long-Term Obligations
- DEFERRED CREDITS:
 - 2400 Unamortized Premium on Debt
 - 2450 Other Deferred Credits
- RESERVES:
 - 2500 Reserve for Depreciation—Carrier Operating Property
 - 2600 Reserve for Amortization—Carrier Operating Property
 - 2610 Reserve for Depreciation and Amortization—Other Property
 - 2650 Reserve for Uncollectible Accounts
 - 2660 Insurance Reserves
 - 2680 Injuries, Loss and Damage Reserves
 - 2690 Other Reserves
- CAPITAL STOCK:
 - 2700 Preferred Capital Stock
 - 2710 Common Capital Stock
 - 2720 Premiums and Assessments on Capital Stock
 - 2730 Capital Stock Subscribed
- NONCORPORATE CAPITAL:
 - 2800 Sole Proprietorship Capital
 - 2810 Partnership Capital
- UNAPPROPRIATED SURPLUS:
 - 2900 Unearned Surplus
 - 2930 Earned Surplus

Income Accounts

- 3000 Operating Revenues
- 4000 Operation and Maintenance Expenses
 - 4100 Equipment Maintenance and Garage Expense
 - 4200 Transportation Expense
 - 4300 Terminal Expense
 - 4400 Sales, Tariff and Advertising Expense
 - 4500 Insurance and Safety Expense
 - 4600 Administrative and General Expense
- 5000 Depreciation Expense
- 5100 Amortization Chargeable to Operations
 - 5110 Amortization of Carrier Operating Property
 - 5120 Property Loss Chargeable to Operations
- 5200 Operating Taxes and Licenses
- 5300 Operating Rents—Net
 - 5310 Equipment Rents—Debit
 - 5320 Other Operating Rents—Debit
 - 5340 Joint Facility Rents—Debit

- 5350 Equipment Rents—Credit
- 5360 Rent from Owned Land and Structures
- 5370 Sublease Rental Income
- 5390 Joint Facility Rents—Credit
- 5400 Rent for Lease of Carrier Property—Debit
- 5500 Income from Lease of Carrier Property—Credit
- 6000 Net Income from Non-Carrier Operations
- 6100 Net Income from Non-Operating Property
- 6200 Interest Income
- 6300 Dividend Income
- 6400 Income from Sinking and Other Funds
- 6500 Other Non-Operating Income
- 7000 Interest on Long-Term Obligations
- 7100 Other Interest Deductions
- 7200 Taxes Assumed on Interest
- 7300 Amortization of Debt Discount and Expense
- 7400 Amortization of Premium on Debt—Credit
- 7500 Other Deductions
- 8000 Provision for Income Taxes
 - 8010 Federal Income Tax
 - 8020 Federal Excess Profits Tax
 - 8030 Federal Surtax on Undistributed Profits
 - 8040 Other Federal Income Taxes
 - 8050 State Income Taxes
 - 8060 Other Income Taxes

What's New in Reading—Con. from Page 12

*Where's the Money Coming From?—*by Stuart Chase.

Publisher—The Twentieth Century Fund — Price \$1.00—179 pages.

The third in a series of six books under the general heading, "When the War Ends," this volume discusses the problem of post war finance. The author points out that gradually we have come to live in a "disaster economy," where waste and loss are virtues, while thrift and good quality depress, rather than stimulate, trade.

The tremendous government debt and its effect on our economy is discussed, as is also the necessity for full employment and the means of attaining it. According to Mr. Chase, we can better afford a higher standard of living than we can afford not to attain it.