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UNIFORM SYSTEM OF ACCOUNTS
FOR
CARRIERS BY INLAND
AND COASTAL WATERWAYS

PRESCRIBED BY THE
INTERSTATE COMMERCE COMMISSION
in accordance with part III
of the Interstate Commerce Act

ISSUE OF 1959
AS AMENDED TO JULY 1, 1959



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UNITED STATES
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CONTENTS

	Page
Order of the Commission	1
Index	1
General instructions	4
Balance sheet instructions	9
Property instructions	11
Surplus instructions	15
Income instructions	15
Operating revenue instructions	15
Operating expense instructions	16
Balance sheet accounts	16
Form of balance sheet statement	31
Retained income accounts	33
Income accounts	34
Form of income statement	57
Clearing account	58

Title 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

SUBCHAPTER C—CARRIERS BY WATER

[No. 32464]

PART 324—UNIFORM SYSTEM OF ACCOUNTS FOR CARRIERS BY INLAND AND COASTAL WATERWAYS

At a session of the Interstate Commerce Commission, Division 2, held at its office in Washington, D.C., on the 6th day of July A.D. 1959.

The matter of accounting regulations prescribed for carriers by water being under consideration pursuant to provisions of section 313 of the Interstate Commerce Act, as amended; and,

It appearing, that by an order dated November 7, 1946, the Uniform System of Accounts for Carriers by Inland and Coastal Waterways was prescribed but has since been variously modified by subsequent orders, and it is deemed necessary for proper reference that the regulations and the several modifications should be consolidated and published in revised form:

It is ordered, That the regulations prescribed by the order of November 7, 1946, including modifications thereof effective June 29, 1959, and prior thereto, which regulations so modified are hereby referred to and made a part hereof, be, and they are hereby, published in revised form to be cited as the Uniform System of Accounts for Carriers by Inland and Coastal Waterways, Issue of 1959; and,

It is further ordered, That notice of this order shall be given to all carriers by water subject to its provisions and to the general public by depositing a copy thereof, with the attached regulations in revised form, in the office of the Secretary of the Commission at Washington, D.C., and by filing it with the Director, Office of the Federal Register.

By the Commission, Division 2.

[SEAL] HAROLD D. McCoy,
Secretary.

Introduction

- (i) Regulations prescribed.
- (ii) Classification of carriers.

General Instructions

- 1 Records.
- 2 Definitions.
- 3 Unaudited items.
- 4 Delayed items and adjustments.
- 5 Insurance.
- 7 Securities or other assets pledged.

- 8 Interpretation of item lists.
- 9 Submission of questions.
- 11 Depreciation accounting.
- 12 Amortization of investment in leased property.

Balance-Sheet Instructions

- 21 Purpose of balance-sheet accounts.
- 22 Current assets.
- 23 Book cost of securities owned.
- 24 Company securities owned.
- 25 Income from sinking and other reserve funds.
- 26 Discount, expense, and premium on capital stock.
- 27 Discount, premium, and expense on long-term debt.
- 28 Conversion of securities.
- 29 Contingent assets and liabilities.
- 30 Reorganizations.

Property Instructions

- 41 Purpose of the property accounts.
- 42 Basis of charges.
- 44 Cost of construction.
- 45 Water-line property acquired.
- 46 Overhead construction costs.
- 47 Retirements and replacements.
- 48 Leased property.
- 49 Donations.

Surplus Instructions

- 51 Purpose of capital surplus accounts.
- 52 Purpose of retained income accounts.
- 53 Segregation of surplus.

Income Instructions

- 61 Purpose of income accounts.
- 62 Statement of income accounts.

Operating Revenue Instructions

- 71 Purpose of operating revenue accounts.
- 72 Statement of operating revenue accounts.

Operating Expense Instructions

- 81 Purpose of operating expense accounts.
- 82 Statement of operating expense accounts.
- 84 Maintenance expenses.
- 85 Cost of repairs.

Balance Sheet Accounts

ASSET SIDE

CURRENT ASSETS

- 100 Cash.
- 101 Imprest funds.
- 102 Special cash deposits.
- 103 Marketable securities.
- 104 Traffic and car-service balances—Dr.
- 105 Notes receivable.
- 106 Affiliated companies; notes and accounts receivable.
- 107 Accounts receivable.
- 108 Claims receivable.
- 109 Reserve for doubtful accounts.
- 110 Subscribers to capital stock.
- 112 Accrued accounts receivable.
- 113 Working advances.
- 114 Prepayments.
- 115 Material and supplies.
- 116 Other current assets.

SPECIAL FUNDS

- 122 Insurance funds.
- 123 Sinking funds.
- 124 Other special funds.
- 125 Special deposits.

INVESTMENT SECURITIES

- 130 Investments in affiliated companies.
- 131 Other investments.
- 132 Reserve for revaluation of investments.
- 133 Cash value of life insurance.

PROPERTY AND EQUIPMENT

- 140 Transportation property.
- 141 Line equipment.
- 142 Harbor equipment.
- 143 Miscellaneous floating equipment.
- 144 Buildings and other structures.
- 145 Office and other terminal equipment.
- 146 Motor and other highway equipment.
- 147 Land.
- 148 Public improvements.
- 149 Construction work in progress.
- 150 Depreciation reserve; transportation property.
- 151 Acquisition adjustment.
- 158 Improvements on leased property.
- 159 Amortization reserve; leased property.
- 160 Noncarrier physical property.
- 161 Depreciation reserve; noncarrier physical property.

DEFERRED ASSETS

- 166 Claims pending.
- 170 Other deferred assets.

DEFERRED DEBITS

- 171 Incompleted voyage expenses.
- 174 Debt discount and expense.
- 175 Other deferred debits.

ORGANIZATION

- 180 Organization expenses.

COMPANY SECURITIES

- 190 Reacquired and nominally issued long-term debt.
- 191 Reacquired and nominally issued capital stock.

LIABILITY SIDE

CURRENT LIABILITIES

- 200 Notes payable.
- 201 Affiliated companies; notes and accounts payable.
- 202 Accounts payable.
- 203 Traffic and car-service balance—Cr.
- 204 Accrued interest.
- 205 Dividends payable.
- 206 Accrued taxes.
- 208 Accrued accounts payable.
- 209 Other current liabilities.

LONG-TERM DEBT DUE WITHIN ONE YEAR

- 210 Equipment obligations and other debt due within one year.

LONG-TERM DEBT DUE AFTER ONE YEAR

- 211 Funded debt unmatured.
- 212 Receivers' and trustees' securities.
- 213 Affiliated companies; advances payable.

RESERVES

- 220 Maintenance reserves.
- 221 Insurance reserves.
- 222 Pension and welfare reserves.
- 223 Amortization reserves; intangible assets.
- 229 Other reserves.

DEFERRED CREDITS

- 230 Incompleted voyage revenues.
- 231 Premium on long-term debt.
- 232 Other deferred credits.

CAPITAL AND SURPLUS

- 240 Capital stock.
- 241 Capital stock subscribed.
- 243 Discount and expense on capital stock.
- 245 Proprietorial capital.
- 250 Capital surplus.
- 250-1 Premiums and assessments on capital stock.
- 250-2 Paid-in surplus.
- 250-3 Other capital surplus.
- 260 Retained income (earned surplus)—Appropriated.
- 280 Retained income (earned surplus)—Unappropriated.

Balance Sheet Statement

Form of balance sheet statement.

Retained Income Accounts

- 281 Net income balance.

CREDIT ACCOUNTS

- 282 Profits from unusual sales of property.
- 283 Miscellaneous credits.

DEBIT ACCOUNTS

- 284 Losses from unusual sales of property.
- 285 Miscellaneous debits.
- 286 Miscellaneous reservations of retained income.
- 287 Dividend appropriations of retained income.
- 288 Federal income taxes assigned to retained income.

Income Accounts

- 300 Water-line operating revenues.

OPERATING REVENUE—LINE SERVICE

- 301 Freight revenue.
- 302 Passenger revenue.
- 303 Baggage
- 304 Mail.
- 305 Express.
- 306 Miscellaneous voyage revenue.
- 312 Demurrage.
- 313 Revenue from towing for regulated carriers.

OTHER OPERATING REVENUE

- 320 Special services.
- 321 Ferry service.

REVENUE FROM TERMINAL OPERATIONS

- 331 Revenue from cargo-handling operations.
- 332 Revenue from tug and lighter operations.
- 333 Agency fees, commissions and brokerage.
- 334 Miscellaneous operating revenue.

RENT REVENUE

- 341 Revenue from charters.
- 342 Other rental revenue.

MOTOR CARRIER OPERATIONS

- 351 Motor-carrier revenue.
- 355 Interdepartmental credits.

Small Carriers

Condensed revenue accounts for small carriers.

- 400 Water-line operating expense.

MAINTENANCE EXPENSES

- 401 Supervision.
- 402 Repairs of floating equipment.
- 404 Repairs of buildings and other structures.
- 405 Repairs of office and terminal equipment.
- 406 Repairs of highway equipment.
- 407 Shop expenses.
- 408 Other maintenance expenses.

DEPRECIATION AND AMORTIZATION

- 411 Depreciation; transportation property.
- 413 Amortization of investment; leased property.

TRANSPORTATION EXPENSES—LINE SERVICE

- 421 Supervision.
- 422 Wages of crews.
- 423 Fuel.
- 424 Lubricants and water.
- 425 Food supplies.
- 426 Stores, supplies and equipment.
- 427 Buffet supplies.
- 428 Other vessel expenses.
- 429 Outside towing expenses.
- 430 Wharfage and dockage.
- 431 Port expenses.
- 432 Agency fees and commissions.
- 433 Lay-up expenses.

TRANSPORTATION EXPENSES—TERMINAL SERVICE

- 441 Supervision.
- 442 Agents.
- 443 Stevedoring.
- 444 Precooling and cold-storage operations.
- 445 Light, heat, power, and water.
- 446 Stationery and printing.
- 447 Tug operations.
- 448 Operation of highway vehicles.
- 449 Local transfers.
- 450 Other terminal operations.

TRAFFIC EXPENSES

- 456 Supervision.
- 457 Outside traffic agencies.
- 458 Advertising.
- 459 Other traffic expenses.

GENERAL EXPENSES

- 461 General officers and clerks.
- 462 General office supplies and expenses.
- 463 Law expenses.
- 464 Management commissions.
- 465 Pensions and relief.
- 466 Stationery and printing.
- 467 Other expenses.

CASUALTIES AND INSURANCE

- 471 Supervision.
- 472 Baggage insurance and losses.
- 473 Hull insurance and damage.
- 474 Cargo insurance and damage.
- 475 Liability insurance and losses, marine operations.
- 476 Liability insurance and losses, non-marine operations.
- 477 Other insurance.

OPERATING RENTS

- 481 Charter rents—Transportation property.
- 483 Other operating rents.

OPERATING TAXES

- 485 Pay-roll taxes.
- 486 Water-line tax accruals.

MOTOR CARRIER OPERATIONS

- 491 Motor-carrier expenses.
- 495 Interdepartmental debits.

Small Carriers

Condensed expense accounts for small carriers.

- 500 Other income.

CREDIT ACCOUNTS

- 502 Income from noncarrier operations.
- 503 Dividend income.
- 504 Interest income.
- 505 Income from sinking and other special funds.
- 506 Release of premium on long-term debt.
- 507 Miscellaneous income.
- 508 Profits from sale or disposition of property.

DEBIT ACCOUNTS

- 523 Expenses of noncarrier operations.
- 524 Uncollectible accounts.
- 525 Losses from sale or disposition of property.
- 526 Maintenance of investment organization.
- 527 Miscellaneous income charges.
- 528 Interest on funded debt.
- 529 Interest on unfunded debt.
- 530 Amortization of discount on long-term debt.
- 532 Income taxes.

Income Statement

Form of income statement

Clearing Accounts

- 601 Material and stores expense.

Introduction

(i) *Regulations prescribed.*

Carriers by water operating on inland and coastal waterways, and every lessor thereof subject to provisions of the Interstate Commerce Act, shall comply with regulations in this part which, as presented hereinafter, include all modifications thereof effective June 30, 1959, and prior thereto.

(ii) *Classification of carriers.*

(a) For the purpose of this system of accounts, carriers by water are divided into two classes as follows:

Class A. Companies having average annual operating revenues exceeding \$500,000.

Class B. Companies having average annual operating revenues exceeding \$100,000 but not more than \$500,000.

Class A companies shall keep all of the accounts of this system of accounts which are applicable to their affairs.

Class B companies shall keep all of the accounts of this system of accounts which are applicable to their affairs, except that their accounts for operating revenues and operating expenses may be kept under the accounts of the condensed classification provided herein.

(b) When a uniform system of accounts is prescribed for companies having average annual operating revenues of \$100,000 or less, carriers subject thereto will be given due notice.

NOTE: Carriers by water subject to these regulations shall adopt the class of operating accounts indicated by the average of their annual operating revenues for 3 years immediately preceding the effective date of this uniform system of accounts. If subsequently at the close of any calendar year the average of such annual revenues for the 3 latest years is more or less than the amount applicable to the class in which the carrier has been accounting, the appropriate class of operating accounts based on such average shall be adopted. New companies shall estimate the amount of their annual operating revenues and adopt the class of operating accounts appropriate for the amount of such estimated revenues.

General Instructions

1 Records.

(a) The carrier's records shall be kept with sufficient particularity to show fully the facts pertaining to all entries in the accounts.

(b) Where the general book entries do not contain complete information, they shall be supported by other detail records, cross-referenced for ready identification.

(c) All records shall be filed in such manner as to be readily accessible for examination by representatives of the Commission.

(d) Attention is directed to the following extract from section 313 of part III of the Interstate Commerce Act:

(g) The Commission may issue orders specifying such operating, accounting, or financial papers, records, books, blanks, tickets, stubs, correspondence, or documents of water carriers or lessors as may, after a reasonable time, be destroyed, and

prescribing the length of time the same shall be preserved.

The Commission's order specifying the records which may be destroyed is contained in its "Regulations to Govern the Destruction of Records."

(e) All accounts kept shall conform in numbers and titles to those prescribed herein, except that:

(1) Carriers may subdivide the accounts provided such subdivision does not impair the integrity of the accounts prescribed.

(2) The titles of all subdivisions or subaccounts shall refer by number or title to the accounts of which they are subdivisions.

(3) When subaccounts are thus kept, it is not required that the main accounts of which they are subdivisions shall also be kept in the carrier's books.

(f) Clearing accounts may be kept when necessary or useful in making the proper distribution of items to the appropriate primary accounts.

(g) The accounts for each month shall be recorded currently so that all transactions applicable to each month, as nearly as may be ascertained, shall be entered in the books of the carrier. Each carrier shall close its books as of the end of the calendar year.

2 Definitions.

When used in this system of accounts the term:

(a) "Actually issued" as applied to certificates of capital stock or evidences of funded debt issued or assumed by the carrier means those which have been sold to bona fide purchasers for a valuable consideration (including those issued in exchange for other securities or other property) under the condition that the purchaser secured them free from all control by the issuing carrier; also securities issued as dividends on stock.

(b) "Actually outstanding" as applied to certificates of capital stock or evidences of funded debt issued or assumed by the carrier means those which have been "actually issued" and are neither retired nor held by or for the carrier.

(c) "Additions" are structures, facilities, or equipment added to transportation property in existence and not replacing property retired.

(d) "Affiliated companies" means companies or persons that, directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the accounting carrier.

NOTE: Where reference is made to control (in referring to a relationship between any

person or persons and another person or persons), such reference shall be construed to include actual as well as legal control, whether maintained or exercised through or by reason of the method of or circumstances surrounding organization or operation, through or by common directors, officers, or stockholders, a voting trust or trusts, a holding or investment company or companies, or through or by any other direct or indirect means; and to include the power to exercise control.

(e) "Book cost" means the amount at which assets are recorded in the accounts of the carrier without deduction of any related reserves or other items. If the book cost of units and minor items of property retired cannot be definitely determined from the carrier's records, the book cost of such items shall be estimated.

(f) "Book liability" means the amount at which liabilities (including securities issued or assumed by the carrier) are recorded in the accounts of the carrier.

(g) "Carrier" when not otherwise indicated in the context, means the accounting carrier.

(h) "Cost of removal" means the cost of demolishing, or otherwise disposing of transportation property, and recovering the salvage.

(i) "Component rates" as applied to depreciation accounting means the rates applied to the various subclasses of property within a primary account in arriving at the depreciation charge.

(j) "Debt expense" as applied to funded debt means all expense in connection with the issue and sale of evidences of debt, such as fees for drafting mortgages and trust deeds; fees and taxes for issuing or recording evidences of debt; cost of engraving and printing bonds, certificates of indebtedness, and other commercial paper having a life of more than one year; fees paid trustees, specific costs of obtaining governmental authority; fees for legal services; fees and commissions paid underwriters, brokers, and salesmen for marketing such evidences of debt; fees and expenses of listing on exchanges, and other like costs.

(k) "Delayed items" means items relating to transactions which occurred before the current calendar year, but which were not recorded in the books of account in such prior years. It includes adjustments of errors in the operating revenue, operating expense, or income accounts of prior years.

(l) "Depreciable accounts" are those in which is recorded the cost of property for which depreciation accounting is required.

(m) "Depreciation" means the loss in service value not restored by current maintenance, and incurred in connection with the consumption or prospective retirement of physical property in the course of service from causes against which the carrier is not protected by insurance, which are known to be in current operation, and whose effect can be forecast with a reasonable approach to accuracy.

(n) "Discount" as applied to securities issued or assumed by the carrier means the excess of the par or face value of the securities, plus interest or dividends accrued at the date of the sale, over the current money value of the consideration received at their sale.

(o) "Fixed improvements" means buildings, wharves, docks, and other structures attached to the land, including fixtures, machinery, and other appurtenances

(p) "Investment advances" means advances, represented by notes or by book accounts, which it is mutually agreed or intended between the creditor and the debtor shall be settled by the issuance of capital stock or funded debt or carried with no intention of making settlement.

(q) "Minor items" means any part of physical property which is not designated as a unit of property.

(r) "Nominally issued" as applied to certificates of capital stock or evidences of funded debt issued or assumed by the carrier means those which have been signed, certified, or otherwise executed and placed with the proper officer for sale, or pledged or otherwise placed in some special fund of the carrier, but which have not been sold.

(s) "Nominally outstanding" as applied to certificates of capital stock or evidences of funded debt issued or assumed by the carrier means those which after being actually issued have been reacquired by or for the carrier under such circumstances as require them to be considered as held alive and not retired.

(t) "Nonaffiliated companies" means all companies other than those defined as affiliated.

(u) "Noncarrier property" means property neither used in nor held for transportation service.

(v) "Nondepreciable accounts" are those in which are recorded the book cost of those classes of transportation property for which no charges to operating or other accounts for depreciation are permitted.

(w) "Premiums" as applied to securities issued or assumed by the carrier means the excess of the current money

value of the consideration received at their sale over the sum of their par or face value plus interest or dividends accrued at the date of the sale.

(x) "Property retired" means physical property which has been permanently withdrawn from transportation service.

(y) "Retirement" as applied to physical property means the permanent withdrawal of the property from transportation service.

(z) "Replacement" means the installation of physical property in substitution for other property which has been retired.

(aa) "Service life" means the period of time between the installation of a unit of property and its retirement.

(bb) "Service value" is the book cost of property retired plus the cost to the carrier of demolishing the property and recovering the salvage, less the value of the salvage.

(cc) "Straight-line method" as applied to depreciation accounting means the plan under which the annual depreciation charge is computed by applying such percentage rates to the book cost of items of depreciable property as will distribute their estimated service value in equal annual charges as nearly as may be to operating expenses and other accounts over their service lives.

(dd) "These accounts" means the accounts of the particular group to which the instruction relates.

(ee) "Time of installation" means the date at which property is completed and placed in transportation service.

(ff) "Time of retirement" means the date at which property is permanently withdrawn from the transportation service.

(gg) "Unit plan" means the plan under which depreciation charges are computed and the records maintained so that the total amount of depreciation accruals applicable to each unit can be determined.

(hh) "Value of salvage" means the amount received for transportation property retired and disposed of, or the amount at which material recovered will be charged if reused. In the event property is sold before it has reached the end of its useful life the amount received from the sale, less the expenditures incurred in connection therewith, shall be the value of the salvage.

3 Unaudited items.

When the amount of any item affecting revenues, expenses, or income cannot be accurately determined in time for inclusion in the accounts of the month in which the transaction occurs, the

amount of the item shall be estimated and included in the proper accounts and debited or credited to the appropriate balance-sheet account. When the item is audited the necessary adjustment shall be made through the accounts in which the estimate was recorded. If, during the interval between the date of inclusion of the item in the accounts and the date on which it is audited, a substantial difference from the initial estimate is determined, appropriate adjustment shall be made in the current accounts to cover such difference. The carrier is not required to anticipate items which would not appreciably affect the accounts.

4 Delayed items and adjustments.

Delayed items and adjustments except adjustments pertaining to account 150, "Depreciation reserve-Transportation property," arising during the current year which are applicable to prior accounting periods, shall be included in the same accounts which would have been credited or charged if the item had been taken up or adjusted in the period to which it pertained. When the amount of a delayed item, which is not an ordinary adjustment of a recurring nature, is relatively so large that its inclusion in income for the current year would seriously distort such income, the amount of the item shall be included in accounts 283 "Miscellaneous credits," or 285, "Miscellaneous debits," as appropriate.

5 Insurance.

(a) The amount of all insurance premiums paid in advance, other than those covering property under construction, shall be included in account 114, "Prepayments," and equitably distributed to the accounts of the period to which applicable except that minor premiums may be so distributed when audited. The cost of insurance shall be charged in accordance with the character of the loss or damage insured against.

(b) The following provisions apply if the carrier elects to insure its own risks and provides a reserve to equalize losses which may be sustained:

(1) The charges to the appropriate accounts and credits to the insurance-reserve account shall be upon the basis of rates which will fairly cover the risks insured. These rates shall be determined according to the carrier's experience and best estimates as to the hazard covered. The rates charged shall be reasonable and in no case shall they be in excess of commercial rates.

(2) Schedules of risks covered by the reserve shall be maintained giving a description of the property or the character of risks covered.

(3) If the carrier reinsures with insurance companies the risks initially covered by the insurance reserves, the premiums for such reinsurance shall be charged and amounts recovered from such commercial insurance shall be credited to the insurance reserve.

(c) The accounting in connection with claims covered by insurance shall be as follows:

(1) Units of property destroyed by casualties shall be accounted for as retired and the amount recoverable from insurance companies or chargeable to the insurance reserve shall operate to reduce the service value. No charge shall be made to the depreciation reserve for service value of property covered by insurance until the amount of insurance recovered has been exhausted; and correspondingly no profit from insurance shall be recognized unless an amount is recovered in excess of the net book value (book cost less recorded depreciation) of the property insured.

(2) The amount of claims covered by insurance shall be charged to account 166, "Claims pending." As the claims are completed and presented for collection, the amounts collectible shall be cleared from that account to account 108, "Claims receivable," and any un-cleared balance in account 166, "Claims pending," with respect to such claim shall be cleared to the appropriate accounts to which chargeable.

7 Securities or other assets pledged.

The carrier shall maintain a record of securities or other assets owned, which have been pledged as collateral security for any of its funded debt, short-term loans, or other obligations. The record shall be kept in such manner as to show with respect to a particular obligation the identity of the securities or other assets pledged as collateral.

8 Interpretation of item lists.

List of "items" appearing in the texts of the accounts are given for the purpose of clearly indicating the application of the prescribed accounting rules. The lists do not comprise all items includible in the accounts, but merely are representative. On the other hand, the appearance of an item in a list warrants its inclusion in the account only when the text of the account also indicates inclusion, inasmuch as the same item frequently appears in more than one list.

9 Submission of questions.

To promote and maintain uniformity of accounting the carrier shall submit all questions of doubtful interpretation of the prescribed accounting rules to the Commission for consideration and decision.

11 Depreciation accounting.

The accounting for depreciation shall be in accordance with the following:

(a) *Computing and filing of depreciation rates.* (1) If percentage rates have not been prescribed, the carrier shall file with the Commission component annual percentage rates estimated to be applicable to the book cost of each class of depreciable transportation property owned by it. These percentage rates shall be based on the estimated service values and service lives developed by a study of the carrier's history and experience and such engineering and other information as may be available with respect to prospective future conditions. They shall be such that the service value of the property may be distributed under the straight-line method to operating expenses during its service life. The annual percentage rates, when filed, shall be accompanied by a statement showing the bases therefor and the methods employed in their computation.

(2) In the event annual percentage rates prescribed by the Commission are no longer considered currently applicable, the carrier shall file revised annual percentage rates which in its judgment should be established. Where property is acquired for which no rates have been prescribed, the carrier shall compile and submit to the Commission appropriate estimates.

(3) The carrier shall keep such records of depreciable property and property retirements as will reflect the service life of property which has been retired, or will permit the determination of service-life indications by mortality, turnover, or other appropriate methods; also such records as will reflect the percentage of value of the salvage for property retired from each class of depreciable property. The carrier shall at any time, upon direction of the Commission, compute and submit for approval revised percentage rates in cases where existing rates are deemed inapplicable.

(b) *Depreciation charges.* All depreciation charges to operating expenses, and concurrent credits to the depreciation reserve shall be made monthly. In computing such monthly charges and credits, the prescribed annual percentage rates shall be applied to the book

cost recorded in the respective primary accounts as of the first of each month and the result divided by twelve.

(c) *Depreciation rates.* A separate component annual percentage rate for each class of depreciable property shall be used in computing depreciation charges. Such rates shall be those prescribed by the Commission, except that where no rates have been prescribed, the carrier's estimate shall be used until rates are prescribed.

(d) *Depreciable property accounts.* Depreciable property accounts are as follows:

- 141. Line equipment.
- 142. Harbor equipment.
- 143. Miscellaneous floating equipment.
- 144. Buildings and other structures.
- 145. Office and other terminal equipment.
- 146. Motor and other highway equipment.

(e) *Accrued depreciation.* At the time of retirement of depreciable property the amount of depreciation accrued and included in account 150, "Depreciation reserve—Transportation property," with respect to the particular unit or item retired shall be charged thereto. Any difference between the service value of the particular unit or item retired and the amount charged to account 150 shall be included in the appropriate income or retained income account.

(f) *Insurance recoverable.* When amounts are recoverable from insurance companies or chargeable to the insurance reserve in connection with retirement of depreciable property, the difference between the insurance recoverable and the net book value of the property (book cost less recorded depreciation) should be included in the appropriate income or retained income account.

(g) *Inadequate or excessive balance.* If it develops that the balance in the reserve is inadequate or excessive, the carrier may with approval of the Commission adjust the reserve and charge account 285, "Miscellaneous debits," or credit account 283, "Miscellaneous credits," as appropriate. The carrier's application to the Commission shall give full particulars.

(h) *List of accounting units of property.* (1) The following list of units of floating equipment and other transportation property is established for the purpose of designating items of physical property included in each depreciable account, the book cost of which, if not less than \$500, shall be credited to the respective property accounts at time of retirement. The replacement of items of property costing less than \$500 shall be charged to the appropriate mainte-

nance account and no adjustment is required of the property account. Upon application to the Commission a minimum lower than \$500 may be authorized.

(2) The book cost of all property retired and not replaced shall be credited to the transportation property accounts.

(3) Accounting units of property shall include major units acquired as standby equipment such as a complete propulsion engine, boiler, propulsion motor, generator, etc. The carrier may include the cost of these standby units as part of the book cost of the units of floating equipment to which they apply or such standby units may be carried in a sub-account as a separate accounting unit.

I. FLOATING EQUIPMENT—VESSELS

141. Line equipment:

A barge, canal boat, ferry boat, lighter, motor ship, motor launch, power boat, power ship, sailing vessel, steamboat, steamship, tug boat, or other complete unit of floating equipment.

A complete propulsion engine, boiler, propulsion motor, or generator for propulsion power.

II. OTHER FLOATING EQUIPMENT

142. Harbor equipment:

A barge, car or other float, ferry boat, lighter, motor launch, transfer boat, tug boat, or other complete unit of floating equipment.

A complete propulsion engine, boiler propulsion motor or generator for propulsion power.

143. Miscellaneous floating equipment:

A float or other complete unit of floating equipment.

A complete propulsion engine, boiler, propulsion motor or generator for propulsion power.

A complete derrick, dredge, or pile driver.

III. TERMINAL PROPERTY AND EQUIPMENT

144. Buildings and other structures:

A complete building.

A complete platform not an integral part of a building. Complete paving at a terminal.

A complete fence.

A complete heating, lighting, ventilating, water-supply, air-conditioning, plumbing, or drainage system.

A complete elevator system.

A motor, generator, steam engine, pump, ventilating fan, air washer, elevator drum, machine tool, or similar item of equipment.

A fuel station.

A refrigerator plant.

A section of track.

A complete toilet-room equipment.

A dust-collecting system.

A complete slip.

A complete wharf.

A ferry bridge.

A float bridge.

A complete unit of machinery equipment for transferring and handling coal or ore.

145. Office and other terminal equipment:
Any article of furniture, office appliance, engineering instrument or other complete unit of equipment costing \$500 or more.

146. Motor and other highway equipment:
A complete vehicle.
A motor.
A trailer.
A semitrailer

12 Amortization of investment in leased property.

Under the conditions that improvements made by the lessee to leased property revert to the lessor at the termination of the lease, the amount of such improvements shall be amortized over the life of the lease through charges to account 413, "Amortization of investment—Leased property."

Balance-Sheet Instructions

21 Purpose of balance-sheet accounts.

The balance-sheet accounts are intended to disclose the financial condition of the carrier as of a given date by showing the assets, liabilities, capital stock, and surplus or deficit of the carrier.

22 Current assets.

(a) In the group of accounts designated as current assets shall be included cash, those assets which are readily convertible into cash or held for current use in operations, current claims against others, and amounts accruing to the carrier which are subject to current settlement.

(b) There shall not be included in this group any item the collection of which is not reasonably assured by the known financial condition of the debtor. Items of current character but of doubtful value shall be written down or written off by charges to account 109, "Reserve for doubtful accounts." Items of a noncurrent character shall be included in account 170, "Other deferred assets," at an amount not in excess of a reasonable estimate of future value. If it is desired to retain a record of assets written off, they shall be recorded at a nominal value in account 170, "Other deferred assets."

23 Book cost of securities owned.

(a) Securities of others acquired by the carrier shall be recorded in these accounts at the money value, at time of acquisition, of the consideration given therefor by the carrier, but excluding amounts paid for accrued interest and dividends.

(b) The carrier shall write down such book cost in recognition of a decline in

the value of the securities, but fluctuations in market values shall not be recorded. A permanent impairment in the values of the securities shall be recognized, and they shall be written down to a fair value, or written off if there is no reasonable prospect of future value. The amount of such adjustment shall be debited to account 285, "Miscellaneous debits."

(c) When securities with a fixed maturity date are purchased at a discount or premium (i.e., when the total cost, including brokerage, taxes, commissions, etc., is less or more than par), such discount or premium may be amortized over the remaining life of the securities, through periodic debits in the case of discount, and periodic credits in the case of premium, to the account in which the securities are carried (preferably coincident with entries recording interest accruals) and with corresponding credits and debits to the account in which the interest income is recorded.

(d) No debits, however, shall be recorded in respect of discount upon securities held as investments, or in special funds, if there is reason to believe that such securities will be disposed of by redemption or otherwise at less than par value or the par value will not be collected at date of maturity.

24 Company securities owned.

Securities actually issued or assumed by the carrier which have been reacquired shall be either retired or if not retired, carried in accounts 191, "Reacquired and nominally issued capital stock," or 190, "Reacquired and nominally issued long-term debt," unless it is required by provisions of a mortgage or by decision of a trustee, not subject to control by the carrier, that funded debt securities be retained alive in sinking or other special funds. Reacquired securities not retired shall be shown at par or face value.

25 Income from sinking and other reserve funds.

(a) When interest and other income arising from funds are required by the mortgage or other provisions to be held in the funds, the amounts shall be charged to the appropriate fund. If such fund was established by reservations of retained income, amounts so set aside shall be charged to account 286, "Miscellaneous reservations of retained income," and credited to account 260, "Retained income—Appropriated."

(b) Accretions representing interest, dividends, or other returns accrued on

fund investments and retainable in such funds shall, at the time such accretions are charged to the fund, be credited to account 505, "Income from sinking and other special funds," and also charged to account 286, "Miscellaneous reservations of retained income," with concurrent credit to account 260. "Retained income—Appropriated."

26 Discount, expense, and premium on capital stock.

(a) Separate ledger accounts shall be kept in which to record discount suffered, expense incurred, and premium realized at the sale of each class and series of capital stock issued, or assumed by the carrier; also in which to record general levies or assessments against stockholders for each class and series of capital stock against which levies or assessments are made.

(b) The debit balances in the ledger accounts for discount and expense shall be included in account 243, "Discount and expense on capital stock," and the credit balances in the ledger accounts for premiums, levies, or assessments shall be included in account 250-1, "Premiums and assessments on capital stock."

(c) Discount and expense on capital stock may be amortized by charges to account 285, "Miscellaneous debits," or discount and expense may be retained and carried in account 243 until the stock to which the discount and expense apply is retired. Premiums and assessments on capital stock shall be carried in account 250-1 until the stock to which the premiums and assessments apply is retired.

(d) When an issue of capital stock or any part thereof is reacquired, it shall be retired or carried in account 191, "Reacquired and nominally issued capital stock," at par, or if nonpar stock, at the pro rata proportion at which it is carried in account 240, "Capital stock", unless it is required that it be retained alive in sinking or other funds. The difference between the amount at which such reacquired stock was recorded in account 240, "Capital stock," and the amount paid by the accounting company for such stock, combined with the recorded premium or discount and expense in respect to the reacquired stock at the date reacquired, shall be included in account 250-2, "Paid-in surplus." In no event, however, shall net debits exceed the accumulated credits in account 250-2, "Paid-in surplus," applicable to the particular class of capital stock reacquired. Any excess of debits over the accumulated credits in account 250-2

shall be charged to account 285, "Miscellaneous debits."

(e) If reacquired capital stock is resold, the difference between the amount at which such stock is recorded in the accounts and the net sale price realized from its sale shall be included in account 250-2, "Paid-in surplus," except that debits to that account shall be limited to the accumulated credits therein applicable to that particular class of stock and any excess shall be charged to account 285, "Miscellaneous debits."

27 Discount, premium, and expense on long-term debt.

(a) Separate discount, premium, and debt expense ledger accounts shall be kept in which to include both discount suffered, premium realized, and expense incurred, in connection with the sale of each class and series of long-term debt (including receivers' and trustees' securities) issued or assumed by the carrier.

(b) Each month there shall be credited to each account in which there is a debit balance, such proportion (based upon the ratio of the period to the remaining life of the security) of the debit balance therein as is applicable to the period. The amounts thus credited shall be concurrently charged to account 530, "Amortization of discount on long-term debt." Correspondingly, each month there shall be charged to each account in which there is a credit balance a similar proportion of the credit balance therein applicable to the period. The amounts thus charged shall be concurrently credited to account 506, "Release of premium on long-term debt."

(c) Except as provided in instruction 44(i)(3), no part of the balance for discount, premium, and expense on long-term debt shall be included as part of the cost of acquiring property or part of the cost of operation.

(d) Except as otherwise provided in this instruction, the balance in each account shall be carried until the reacquirement of the securities to which it relates at which time the proportion (based on the relation of the amount reacquired to the total outstanding before reacquirement) of the balance in the account for the particular class of long-term debt reacquired shall be closed to account 283, "Miscellaneous credits," or account 285, "Miscellaneous debits," as may be appropriate.

(e) In stating the balance sheet, if the net in the ledger accounts for all classes of long-term debt outstanding is a debit balance, the amount shall be included in account 174, "Debt discount and expense," and if a credit balance, the

amount shall be included in account 231, "Premium on long-term debt."

28 Conversion of securities.

Journal entries which record the reacquirement of capital stock or funded-debt securities by issuing in exchange therefor the carrier's capital stock or funded debt securities, shall be submitted to the Commission for approval before they are spread upon the carrier's books. The text of such entries shall give complete information concerning the plan of exchange, the authority of the regulatory body with respect thereto, if any; and the basis upon which the amounts in the entries have been determined.

29 Contingent assets and liabilities.

(a) Contingent assets represent possible sources of value to the carrier contingent upon the fulfillment of conditions regarded as uncertain. Contingent liabilities include items which may, under certain conditions, become obligations of the carrier but are not obligations at the date of the balance sheet.

(b) Contingent assets and liabilities shall not be included in these accounts, but such records shall be kept as will enable the carrier to report all items of significant amount. If the contingent assets and liabilities become actual, they shall be included in the appropriate accounts herein, and prior to such time they shall be shown in a supplemental statement accompanying the carrier's balance sheet.

30 Reorganizations.

(a) Where a carrier involved in receivership or bankruptcy is so reorganized as to preserve in whole or in part the interests of its owners and creditors, whether through the owning corporation or a successor corporation, or is a company resulting from reorganization of a carrier in any other manner, and such carrier or company emerges from such reorganization as the owner of investments, it shall at the time of recording such investments on its books include in account 151, "Acquisition adjustment," the net difference between the total of accounts 100 to 191, inclusive, and the total of accounts 200 to 245, inclusive, as those accounts are properly adjusted under the reorganization plan.

(b) The carrier shall apply to the Commission for permission to use the adjustment account, so far as it is adequate, for the adjustment of all differences between amounts originally set

up with respect to such investment items and the values of such items as finally determined; and retained income shall be affected only by losses and gains clearly attributable to operations subsequent to date of reorganization.

Property Instructions

41 Purpose of the property accounts.

The primary property accounts are designed to show an accounting analysis of the book cost of:

(a) Property owned and used by the carrier in its transportation service.

(b) Property owned by the carrier and leased to others for transportation service.

42 Basis of charges.

The costs includible in these accounts, except as provided in instructions 45 and 49, are actual money costs to the carrier. When the consideration for the acquisition of property is other than money, the current cash value of such consideration shall be recorded as the cost of the property acquired.

44 Cost of construction.

The cost of the construction of transportation property chargeable to these accounts shall include the following:

(a) "Cost of labor" includes the amount paid for labor performed by the carrier's employees. The salaries and expenses of engineers and other officers specifically assigned to construction work shall be included in the accounts appropriate for the cost of the property in connection with which their services are rendered. No charge shall be made to these accounts for the pay of operating officers and members of their staffs who merely render service incidentally in connection with construction work.

NOTE: The office, traveling, and other personal expenses of officers and employees shall be included in the accounts to which their pay is chargeable, except that traveling and incidental expenses incurred by operating officers and members of their staffs while rendering service incidentally in connection with construction shall be included in the cost of the work upon which they are incidentally engaged.

(b) "Cost of material, supplies, and small tools" includes the purchase price at the point of free delivery, plus costs of royalties, if any, inspection, loading, transportation, and an equitable proportion of store expenses.

In determining the cost of material used, proper allowance shall be made for the value of unused portions, small tools

recovered and used for other purposes, and all other salvage.

NOTE: The cost of individual items of equipment of small value (\$25.00 or less) or of short life, including small tools, shall not be charged to the cost of construction unless the correctness of the accounting is verified by current inventories, but shall be charged to operating expenses.

(c) "Special-machine service" includes the cost of material and supplies used in operating the carrier's machines and work equipment; it also includes expenditures for the rental, maintenance, and operation of machines and equipment of others.

NOTE: No charge shall be made to these accounts to cover a return upon the carrier's investment in special machines or work equipment used in construction service.

When special machines and work equipment are purchased for use in construction work, their cost shall be included in account 149, "Construction work in progress." If the machines or equipment are sold at the completion of the work, their sale price shall be credited to account 149. In case they are retained for use in transportation service their appraised value at the completion of the work shall be charged to the appropriate property account and concurrently credited to account 149.

(d) "Cost of transportation" includes the amounts paid to other companies or individuals for the transportation of men, material and supplies, special-machine outfits, appliances, and tools in connection with construction.

NOTE: Freight charges paid other carriers for the transportation of construction material shall be included, so far as practicable, as a part of the cost of the material.

(e) "Cost of contract work" includes amounts paid for work performed under contract by other companies, firms, or individuals, engineering and supervision applicable to such work, costs incident to the award of the contracts, and inspection of the work.

(f) "Cost of protection" includes expenditures for protection in connection with construction.

(1) From casualties, including the cost of protection against fire, payments for discovery or extinguishment of fires, cost of detecting incendiaries including witness fees, amounts paid to municipal corporations and others for fire protection, and analogous items.

(2) From damages to others, including the cost of protecting the property of others from damage in the processes of construction work, and analogous items.

(g) "Cost of injuries and damages" includes expenditures on account of injuries to persons or damage to property

when incident to construction. Such costs shall be included in the cost of the work in connection with which the injury or damage occurs, except that extraordinary losses that result in the destruction of units that have to be entirely replaced prior to completion of the project shall be charged to account 285, "Miscellaneous debits," and casualties to the extent covered by insurance shall be charged to account 166, "Claims pending"; also the portion of premiums paid for insuring against casualties applicable to the period prior to the completion of the property insured. The cost of injuries and damages in connection with the removal of old structures which are incumbrances on newly acquired land shall be included in account 147, "Land."

(h) "Taxes" on physical property belonging to the carrier including payroll taxes assessed during construction and before the facilities are used for transportation service shall be included in the accounts appropriate for the cost of the property so taxed.

(i) "Interest during construction" includes the net cost of borrowed funds used for construction purposes. Such interest shall be charged to the accounts appropriate for the cost of the property in connection with which the funds are expended. The period for which interest may be charged shall be limited to the period of construction. The interest includible in these accounts is:

(1) Interest on bonds, notes, and other evidences of indebtedness sold, and on interest-bearing debt incurred for the acquisition or construction of property for use in transportation service. It includes the interest accruing on that part of the debt representing the cost of property acquired (less interest, if any, allowed to carriers on unexpended balances) after such funds become available for use and before the completion of the property acquired. Interest accruing before the proceeds from the sale of the securities become available for use shall not be included in these accounts.

(2) There shall be deducted from such interest charges a proportion of premium on securities sold. The amount of premium thus deductible shall be determined by the ratio which the period between the date the proceeds from the securities issued become available and the completion of the property bears to the entire life of the securities issued.

(3) There shall be added to such interest charges a proportion of discount and expense on funded debt securities sold. The amount of discount and expense thus chargeable shall be determined by the ratio which the period be-

tween the date the proceeds from the securities issued become available and the completion of the property bears to the entire life of the securities issued. In no case except as provided in this paragraph shall discounts be included in these accounts.

(4) On expenditures made for a construction project that has been suspended, no interest charges from the date of suspension shall be included in these accounts unless specifically authorized by the Commission.

(j) The cost of disposing of material excavated, including privilege of wasting in connection with construction, shall be considered as a part of the cost of the work, except that when such material is used for filling, the cost of loading, hauling, and dumping shall be equitably apportioned between the work in connection with which the removal occurs and the work in connection with which the material is used.

(k) The cost of launching and trial trips of floating equipment which is borne by the carrier shall be considered as part of the purchase price of floating equipment.

(l) When any equipment or other water-line property is acquired under an agreement which provides that the cost shall be paid in installments, the cost shall be charged to the appropriate property accounts at the time of its acquisition, in the same manner as the cost of property purchased outright. When notes or other securities are issued in payment, or in part payment, for such property and their value on a current cash basis is more or less than their face value, the difference between the face value of the securities and their cash value shall be charged or credited to the appropriate discount and expense or premium account.

45 Water-line property acquired.

(a) When transportation property constituting an operating unit or system is acquired by purchase, merger, consolidation or otherwise, the cost to the accounting carrier of the property acquired shall be included temporarily in account 151, "Acquisition adjustment." If the consideration is other than cash, the cash value thereof at the time control was acquired (estimated if not known) shall be the cost of the property acquired.

(b) When the assets acquired include not only transportation property but also securities and other assets, a reasonable estimate, as nearly as determinable of the value inherent in such securities and other assets, except intangible assets,

shall be deducted from the total cash cost and the remainder shall be included in account 151, "Acquisition adjustment." The values assigned to the securities and other assets acquired shall be included in the accounts appropriate for such assets. The cost of intangible assets such as operating rights shall be retained in account 151, "Acquisition adjustment." (See account 223, "Amortization reserves—Intangible assets.") The par or recorded value of any securities issued and the cash value at date of contract of other liabilities assumed shall be included in determining the cost of the transportation property acquired with contra credit to the appropriate liability accounts. Any necessary adjustment between par value and cash value of securities issued shall be included in the appropriate premium or discount accounts.

(c) The accounting for the acquisition of transportation property shall be completed as follows:

The book cost of the physical property at the date of acquisition as shown by the records of the former owner shall be appropriately distributed and charged to the primary property accounts with contra credit to account 151, "Acquisition adjustment." Concurrently, account 150, "Depreciation reserve—Transportation property," shall be credited and account 151, "Acquisition adjustment," charged with the amount carried in the depreciation reserve of the former owner. Under no circumstances shall the amount charged to the primary accounts as the book cost of transportation property acquired exceed the original cost of the property when first devoted to transportation service.

(d) If the transportation property when acquired is in such physical condition that it is necessary substantially to rebuild the property in order to meet the standard required by the accounting carrier, the cost of such work shall be included in account 151, "Acquisition adjustment," and the distribution to primary accounts shall be deferred until the rehabilitation program has been completed so that the cost of the new property installed may be distributed to the appropriate primary account rather than the cost of the property retired.

(e) In connection with the acquisition of transportation property the accounting carrier shall procure all existing records relating to the property acquired or certified copies thereof and shall preserve such records until authorized by the Commission to destroy or otherwise dispose of them.

(f) Journal entries which record the acquisition of transportation property shall be submitted to the Commission for approval before they are spread upon the accounting carrier's books. The text of such entries shall give a complete description of the property acquired.

(g) Any balance in account 151, "Acquisition adjustment," is subject to such disposition as the Commission may direct.

46 Overhead construction costs.

(a) Overhead construction costs, such as engineering, supervision, legal expenses, insurance, injuries, damages, taxes, and interest shall be distributed equitably to the work benefited, so that the entire cost of construction, both direct and indirect, may be included in the appropriate primary account.

(b) These instructions shall be interpreted as requiring the assignment of the actual overhead costs to the cost of each particular project.

47 Retirements and replacements.

(a) *Book cost.* At the time of retirement, the book cost (estimated if not known) of transportation property retired from service, shall be credited to the appropriate property accounts in which included.

(1) Land retired including the proportional cost of public improvements pertaining to the land.

(2) Units of depreciable property retired.

NOTE: The dismantling of a structure or unit of equipment in order to replace parts with improved parts, the purpose of which is to modernize the unit and create an expectation of life fairly comparable with a new unit shall be accounted a retirement. The dismantling of such property only to the extent necessary to recondition or replace defective parts shall be accounted as repairs.

(3) Minor items of depreciable property retired and not replaced.

NOTE: If the book cost of a minor item retired is small, is not under a general plan, and in the judgment of the carrier does not affect the condition and value of the property for valuation or depreciation purposes, and will be accounted for by inclusion in the unit of property, of which it is a part when such unit is retired, no separate credit to the property account is required when such minor item is retired.

(4) Minor items of depreciable property retired and replaced with items of a different type or design or constructed of a different grade of material effecting a substantial improvement and rendering the part applied more durable or of greater capacity than that retired.

NOTE: If the retirement and replacement of minor items is in kind or does not effect a substantial improvement, the cost of the replacement including cost of removal shall be charged to the maintenance account appropriate for repairs, and no adjustment shall be made of the property accounts.

(b) The amounts thus credited to the primary property accounts shall be charged as follows:

(1) Units and minor items of property. The accounting for units and minor items of property accounted for as retired shall be in accordance with instruction 11(h).

(2) The value of salvage from retired property shall be charged according to the disposition of the material recovered. If retired property is held temporarily without being torn down, the estimated value of the salvage recoverable shall be included in account 170, "Other deferred assets," until the property is dismantled or otherwise disposed of. If retired property is held by the carrier for other than water-line service, its appraised value shall be included in account 160, "Noncarrier physical property."

(3) The cost of removal shall be included in determining the service value of property retired.

(c) *Land retired.* The book cost of the land, including the proportional cost of public improvements pertaining to the land, retired from service shall be credited to accounts 147, "Land," and 148, "Public improvements," respectively. If the land is sold, the necessary adjustment between the book cost and the sale price shall be included in account 508, "Profits from sale or disposition of property", or account 525, "Losses from sale or disposition of property", or retained income, as appropriate. If the land is retained, its appraised value shall be charged to account 160, "Noncarrier physical property," and the necessary adjustment included in account 508, "Profits from sale or disposition of property," or account 525, "Losses from sale or disposition of property," or retained income, as appropriate.

(d) *Sale of property.* In case carrier or noncarrier depreciable property is sold or otherwise disposed of and the net proceeds realized including insurance and salvage, are in excess of the net book value (book cost less recorded depreciation), such excess shall be credited to account 282, "Profits from unusual sales of property," or account 508, "Profits from sale or disposition of property," as appropriate.

48 Leased property.

(a) The cost of initial improvements (including rearrangements and additions) to property leased from others for transportation service made in the course of preparing the property for such service and the cost of any subsequent additions or improvements made to such leased property shall be charged to account 158, "Improvements on leased property."

(b) When improvements to leased property are of relatively minor cost or the lease is for a period not exceeding one year, the cost shall be charged to the appropriate repair account in operating expenses.

49 Donations.

(a) The carrier shall credit account 151, "Acquisition adjustment," at the time of acquisition, with the current money value of land and other grants contributed by governmental agencies or donations by individuals or companies toward the construction or acquisition of property used in transportation service, after obtaining the approval of the Commission.

(b) Any advances made by individuals and companies with provisions for partial or complete reimbursement shall not be considered as donations prior to the fulfillment of all conditions, and then only to the extent to which the liability for reimbursement is nullified. Prior to such determination the amounts received shall be credited to account 232, "Other deferred credits."

Surplus Instructions

51 Purpose of capital surplus account.

The capital surplus account is designed to show surplus arising from sources other than retained income.

52 Purpose of retained income account.

The retained income accounts are designed to show the changes in retained income during each calendar year as affected by the balance of the income account as reported for the period; by any disposition of retained income made solely at the option of the carrier; and by miscellaneous gains or losses not provided for elsewhere.

53 Segregation of surplus.

The carrier shall maintain account 250, "Capital surplus," account 260, "Retained income—Appropriated," and account 280, "Retained income—Unappropriated." If prior to January 1, 1942, a separation has not been maintained, the surplus shall be segregated, so far as

practicable between capital surplus and retained income. The carrier shall carry any surplus that cannot be segregated in an account entitled "Surplus prior to January 1, 1942." The account so designated shall be carried until the balance therein has been entirely cleared.

Income Instructions

61 Purpose of income accounts.

(a) The income accounts are designed to show as nearly as practicable for each calendar year the amount of money that a carrier becomes entitled to receive for transportation services rendered, the income accrued upon investments in securities and noncarrier property, the accrued costs payable for the transportation services rendered, the amounts accrued for taxes, for use of moneys, and for use of properties of others.

(b) All items of profit and loss recognized during the year are includible in net income except those resulting from unusual sales of property and from delayed items (other than ordinary adjustments of a recurring nature), when the item of profit or loss is material in relation to net income for the year. Material items are those which, unless excluded from income accounts, would distort the accounts and impair the significance of net income for the year so that misleading inferences might be drawn therefrom.

62 Statement of income accounts.

The accounting for income shall be, as nearly as practicable, coincident with the transactions which create them. For the purpose of meeting this requirement, the carriers shall account for unaudited income upon an accrual basis.

Operating Revenue Instructions

71 Purpose of operating revenue accounts.

The operating revenue accounts are designed to show the amounts of revenue which the carrier becomes entitled to receive from the furnishing of transportation service, including service incidental thereto.

72 Statement of operating revenue accounts.

(a) The accounting for operating revenues, as nearly as practicable, shall be coincident with the transactions which create them. For the purpose of meeting this requirement, the carrier shall account for unaudited revenues upon an accrual basis.

(b) The revenue accounts shall not be used as clearing accounts for other car-

riers' proportions of revenue, except that overcharges or undercharges may be carried in these accounts until adjusted.

Operating Expense Instructions

81 Purpose of operating expense accounts.

The operating-expense accounts are designed to show expenses of the carrier in furnishing transportation service, and services incidental thereto including the expenses of maintenance (repairs, depreciation, and amortization) of the property used in such service.

82 Statement of operating expense accounts.

The accounting for operating expenses, as nearly as practicable, shall be coincident with the transactions which create them. For the purpose of meeting this requirement, the carrier shall account for unaudited expenses upon an accrual basis.

84 Maintenance expenses.

The accounts provided for maintenance are designed to show the cost of repairs, including the cost of replacing minor items of retired property in kind; the cost of supervision and inspecting and testing to determine the need of repairs, rearrangements, and inspecting and testing after repairs have been made. (See accounts 473, "Hull insurance and damage" and 477, "Other insurance," respecting repair costs borne by carriers under deductible provisions of insurance policies or otherwise not collectible from underwriters or others).

85 Cost of repairs.

(a) The cost of repairing fixed improvements or equipment shall be included in the appropriate repair accounts of this classification.

(b) The several items of cost here referred to are defined as follows:

(1) "Cost of labor" includes the pay and expenses for work performed by the carrier's employees, including the pay and expenses of members of vessel's crews while actually engaged in making or supervising repairs on vessels in inactive service.

(2) "Cost of material and supplies," including small tools, is the purchase price at the point of free delivery, plus the cost of inspection and loading borne by the carrier, and a suitable proportion of store expense; it includes freight charges paid to other carriers, but shall not include freight charges over the carrier's lines. Cash discounts on material purchased which can be directly

assigned shall be credited to the cost of the materials to which they apply. Other discounts shall be apportioned on the basis of the apportionment of store expenses. In calculating the cost of materials, proper allowance shall be made for the value of unused portions and other salvage.

(3) "Cost of equipment work service" includes wages paid crews, including wages of crews held in readiness for such service; and the cost of fuel and other supplies consumed in the operation of equipment, including pile drivers, dredges, and other machines used in work service.

(4) "Contract work" includes amounts paid for repair work performed under contract by other companies, firms, or individuals, and costs incident to the awarding of the contract.

(5) "Cost of protection from casualties" includes expenditures for protection against fire, flood, etc., such as payments for discovery or extinguishment of fires, cost of detecting and prosecuting incendiaries, including witness fees, amounts paid to municipal corporations and others for fire protection and protection against damages by floods, and analogous items. It does not include insurance premiums paid to assure reimbursement for prospective losses.

Balance Sheet Accounts

ASSET SIDE

CURRENT ASSETS

100 Cash.

This account shall include the amount of current funds available for use of demand or for general purposes in the hands of financial officers and agents or deposited in banks or trust companies including cash in transit for which agents or others have received credit.

NOTE: If the withdrawal of any portion of the cash recorded in this account is restricted for any purpose except the usual time limit for savings accounts, the balance sheet must carry an appropriate notation to that effect.

101 Imprest funds.

This account shall include cash funds maintained at fixed amounts as revolving funds to be used for minor disbursements requiring immediate payment, the funds being regularly reimbursed from the general cash.

102 Special cash deposits.

(a) This account shall include the amounts of cash on special deposit (other than in special funds or deposits as elsewhere provided) for the payment of divi-

dends, interest, and other debts, of a current nature, when such payments are due one year or less from the date of deposit; also the amount of cash deposited to insure the performance of contracts to be performed within one year from the date of the deposits; and other cash deposits of a special nature not provided for elsewhere.

(b) This account shall include also cash realized from the sale of the carrier's securities and deposited with trustees to be held until disbursed for the purpose for which the securities were sold, provided that cash so held until disbursed for such purpose, including cash held for redemption of securities, shall be included in account 124, "Other special funds," unless the liability for the disbursement is included under current liabilities.

NOTE A: Cash on deposit in special accounts, where the funds are available for the current requirements of the carrier, shall be included in account 100, "Cash."

NOTE B: Deposits for more than one year not offset by current liabilities shall be charged to account 125, "Special deposits."

103 Marketable securities.

This account shall include the book cost of readily marketable securities acquired for the purpose of temporarily investing cash, such as demand and time loans, including certificates of deposit, bankers' acceptances, United States Treasury bills, and other marketable securities readily converted into cash, but excluding securities of affiliated companies.

NOTE A: Securities issued or assumed by the carrier shall not be included in this account.

NOTE B: Investments in securities of other companies shall be included in the appropriate investment account unless they were purchased with the intention to sell them within one year, and they have not been held one year.

104 Traffic and car-service balances— Dr.

This account shall include the net of the balances receivable from or payable to other companies representing traffic and interline accounts, when such balance results in a net debit.

NOTE: When the net of the balances is a credit, it shall be included in account 203, "Traffic and car-service balances—Cr."

105 Notes receivable.

This account shall include the book cost not includible elsewhere of all collectible obligations in the form of notes receivable, or other similar evidences (except interest coupons) of money re-

ceivable on demand or within a time not exceeding one year from date of issue.

NOTE A: Notes receivable from affiliated companies subject to current settlement shall be included in account 106, "Affiliated companies—Notes and accounts receivable."

NOTE B: Notes discounted, sold, or transferred, unless transferred without recourse, shall be separately accounted for.

NOTE C: Notes evidencing investment advances to other companies shall be included in the appropriate investment account.

106 Affiliated companies; notes and accounts receivable.

This account shall include the total of amounts receivable from affiliated companies which are subject to current settlement, such as balances in open accounts for services rendered, material furnished, traffic or interline accounts, claims, rent for use of property, and similar items; interest and dividends due from affiliated companies; and loans, notes, and drafts for which affiliated companies are liable.

NOTE A: No amounts representing dividends receivable shall be included in this account unless they have been declared or guaranteed.

NOTE B: Investment advances shall be included in account 130, "Investments in affiliated companies."

107 Accounts receivable.

(a) This account shall include amounts due from others (except affiliated companies) for material and supplies furnished and services rendered, including transportation and other services, use of property, matured rents, amounts owing by public authorities, and amounts of collectible judgments.

(b) This account shall also include net balances in current accounts due from agents, masters, pursers, and other employees and representatives charged with the collection and custody of current revenues.

NOTE: Amounts of cash advanced to masters, pursers, or others as working funds shall be included in account 113, "Working advances."

108 Claims receivable.

This account shall include claims transferred from account 166, "Claims pending," including insurance claims which have been compiled and presented to underwriters for collection and other adjusted claims collectible within one year.

109 Reserve for doubtful accounts.

(a) This account shall be credited each month with amounts estimated as the

loss due to uncollectible accounts. To this account shall be charged such amounts as are determined to be uncollectible. Amounts written off as uncollectible and later collected shall be credited to this account.

(b) The estimates shall be adjusted at the end of each year to conform to the experience of the carrier as determined by an analysis of its notes, accounts, and claims receivable.

110 Subscribers to capital stock.

This account shall include demand or short-term notes receivable or other amounts charged to subscribers to capital stock at the time subscriptions are accepted. Concurrently there shall be credited to account 241, "Capital stock subscribed," the par value of the stock subscribed, or the agreed purchase price in the case of stock without par value. Appropriate entries shall likewise be made with respect to any discount or premium. Payments made by subscribers shall be credited to this account.

112 Accrued accounts receivable.

This account shall include the amount of interest accrued to the date of the balance sheet on bonds, notes, deposits, open accounts, and other interest-bearing obligations, the amount of matured dividends, and dividends accrued on stocks when contracts require that the dividends be paid at stated times. It shall also include unmatured rents receivable and other unaudited current items receivable accrued to the date of the balance sheet. It is not required that minor items shall be accounted for upon an accrual basis.

NOTE A: No amounts representing interest, dividends, or rents receivable shall be included in this account unless collection thereof is reasonably assured by past experience, anticipated provision, or otherwise.

NOTE B: No dividends or other returns on securities issued or assumed by the carrier shall be included in this account.

NOTE C: Interest, dividends, and rents receivable from affiliated companies shall be included in account 106, "Affiliated companies—Notes and accounts receivable."

113 Working advances.

This account shall be charged with the amount of cash advanced to officers, employees, and masters, pursers, and other ship officers as working advances from which payroll, traveling, and other cash disbursements are to be made and accounted for. This account shall be credited, in the course of closing the voyage accounts and recording the transactions in the accounts, with all dis-

bursements made with the approval of the master.

114 Prepayments.

This account shall include amounts representing prepayments of taxes, insurance, interest, rents, and miscellaneous. Deposits made to cover insurance premiums, such as premiums computed on payrolls, shall be considered premiums paid in advance.

This account shall be credited and the appropriate account charged in such manner as to distribute the amount of prepayment over the term to which applicable. Minor payments may be charged directly to final account.

115 Material and supplies.

(a) This account shall include the cost, less cash and other discounts, of all unissued and unapplied material and supplies, articles in process of manufacture by the carrier, fuel, tools, stationery, commissary and other supplies. This account shall include the cost of fuel on board vessels when such supplies are carried in the material and supplies accounts of the stores department. This account also shall include the cost of spare parts, except major standby units of the nature described in Instruction 11 (h) (3), which are to be included in appropriate property accounts.

(b) The costs chargeable to this account are the actual cash costs of the material and supplies at point of free delivery plus customs duties, excise and other taxes, insurance, inspection, special tests, loading and unloading and transportation charges paid for transporting the material from the free delivery point to the carrier's line.

(c) Amounts paid for containers, which are refundable if containers are returned, shall be charged to this account until refund is collected.

(d) Material recovered in connection with maintenance work or the demolishing of fixed improvements or equipment shall be charged to this account on the basis of its value as recovered. When scrap material is sold at a higher or lower price than that at which it is included in this account, the difference shall be adjusted, so far as practicable, through the accounts which were credited when the material was recovered and taken into this account.

NOTE A: Interest paid on material bills, the payment of which is delayed, shall be charged to account 529, "Interest on unfunded debt."

NOTE B: An annual inventory of material and supplies shall be taken and the necessary adjustments shall be made to bring this

account into harmony with the actual inventory balances. In effecting this adjustment determined differences in accounting for important classes of material shall be equitably assigned among the accounts to which such classes of material are ordinarily chargeable. Other differences shall be equitably apportioned among the primary accounts.

NOTE C: No charges shall be made to this account for the cost of transporting material and supplies over the carrier's line.

116 Other current assets.

This account shall include the amount of assets of a current nature not includible in any of the foregoing current asset accounts.

SPECIAL FUNDS

122 Insurance funds.

(a) This account shall include cash cost of securities of other companies or governmental bodies, par value of reacquired stocks, bonds, or other evidences of indebtedness, issued or assumed by the carrier, and cost of other assets placed on deposit or in the hands of trustees to guarantee the satisfaction of obligations for losses, in instances where the carrier is a self-insurer in whole or in part.

(b) It shall also include accretions representing interest, dividends, or other returns accrued on insurance fund investments when retainable in such fund.

(c) Subsidiary accounts shall be maintained by depositories or trustees.

NOTE: Reacquired stocks, bonds, and other evidences of indebtedness issued or assumed by the carrier and held alive and not retired shall be considered to be nominally outstanding.

123 Sinking funds.

(a) This account shall include cash, cost of securities of other companies, par value of reacquired stocks, bonds, or other evidences of indebtedness, issued or assumed by the carrier, and cost of other assets placed on deposit or in the hands of trustees as a sinking fund to meet obligations maturing in the future, or to carry out such operations as the retirement of preferred stock or the purchase of serial bonds.

(b) It shall also include accretions representing interest, dividends, or other returns accrued on sinking fund investments when retainable in such fund.

(c) Subsidiary accounts shall be maintained by depositories or trustees, and under titles which shall designate the obligation in respect of which the fund is created.

NOTE: Reacquired stocks, bonds, and other evidences of indebtedness issued or assumed

by the carrier and held alive and not retired shall be considered to be nominally outstanding.

124 Other special funds.

(a) This account shall include cash, cost of securities of other companies, par value of reacquired stocks, bonds, or other evidences of indebtedness, issued or assumed by the carrier, and cost of other assets, which are in the hands of trustees or managers of employees' pension, savings, relief, hospital, and other funds or any special funds for which no specific account is provided.

(b) It shall also include accretions representing interest, dividends, or other returns accrued on investments held in such funds when retainable therein.

(c) Subsidiary accounts shall be maintained for each fund by depositories or trustees.

NOTE A: Reacquired stocks, bonds, and other evidences of indebtedness issued or assumed by the carrier and held alive and not retired shall be considered to be nominally outstanding.

NOTE B: Amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employees' benefits shall be accounted for in accordance with the note to account 465, "Pensions and relief."

125 Special deposits.

This account shall include cash and cost of securities deposited to guarantee the performance of contracts and other agreements, or with utility corporations; also deposits in lieu of mortgaged property sold and other trust deposits, which are held until equivalent property is acquired or pending other disposition.

INVESTMENT SECURITIES

130 Investments in affiliated companies.

This account shall include the cost of the carrier's investment in securities issued or assumed by affiliated companies (other than securities held in special deposits or in special funds) including investment advances to affiliated companies.

NOTE A: Accounts with affiliated companies which are subject to current settlement shall be classed as current assets or current liabilities, as may be appropriate.

NOTE B: No amounts representing interest or dividends on securities or investment advances shall be included in this account.

NOTE C: The value of securities borrowed by the carrier shall not be included in this account.

131 Other investments.

This account shall include the cost of carrier's investment in securities issued

or assumed by nonaffiliated companies (other than securities purchased as temporary investments or held in special deposits or in special funds), including investment advances to nonaffiliated companies or individuals, and miscellaneous investments not provided for elsewhere.

NOTE A: Accounts with nonaffiliated companies which are subject to current settlement shall be classed as current assets or liabilities, as may be appropriate.

NOTE B: The value of securities borrowed by the carrier shall not be included in this account.

132 Reserve for revaluation of investments.

This account shall be credited with such reserves as are maintained to reflect the decline or loss in book value of securities or like assets held for investment where there appears to be a permanent impairment in value as recorded in accounts 130, "Investments in affiliated companies," or 131, "Other investments." If reserves are maintained for specific securities, when such securities are disposed of, the amount included in this account with respect thereto shall be charged hereto. If a general reserve is maintained for all securities when securities are disposed of, the amount of the loss to the extent of the credit balance herein, shall be charged hereto.

133 Cash value of life insurance.

This account shall include the cash surrender value of life insurance policies, under which the carrier is the beneficiary, less the amount of any loans which have been obtained on such policies and not repaid.

PROPERTY AND EQUIPMENT

140 Transportation property.

This account shall include the cost to the carrier of construction or acquisition, including additions and improvements, of all physical property used by the carriers or others in transportation operations, as detailed in the primary property accounts number 141 to 149, both inclusive.

141 Line equipment.

This account shall include the cost of marine or floating equipment, purchased or built by the carrier, for use in transportation service between terminals, including all appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation to port at which it enters service.

LINE EQUIPMENT

Barges for line service.
Canal boats.
Ferry boats.
Lighters for line service.
Motor ships.
Motor launches.
Power boats.
Power ships.
Sailing vessels.
Steamboats.
Steamships.
Tug boats for line service.

APPURTENANCES, FURNITURE, AND FIXTURES

Aerial attachments.
Anchors.
Ash discharging apparatus.
Awnings and fixtures.
Berths.
Boats, life.
Boilers.
Boiler foundations.
Boiler tubes.
Brick, fire
Cables.
Covering, floor.
Crockery, china and glassware.
Deck fittings and plates.
Dynamos.
Electric equipment and fixtures
Engines.
Engine foundations
Fixtures, electric.
Floor covering.
Flooring.
Furniture.
Galley equipment.
Generators.
Glass, window.
Heating equipment.
Hoisting apparatus.
Hose.
Hull plates.
Kitchen equipment.
Launches.
Life preservers.
Life rafts
Life boats
Lighting equipment.
Linens.
Machines.
Machine foundations.
Masts.
Musical instruments.
Pantry equipment
Plumbing.
Propellers
Pumps.
Refrigerator equipment.
Rigging.
Rotors.
Rudders.
Shafting.
Smokestacks.
Steam distribution system.
Steering equipment.
Tail shaft.
Tanks.
Telephone apparatus.
Tracks on floats.
Winches.
Windlasses.
Wireless apparatus.

142 Harbor equipment.

This account shall include the cost of marine or floating equipment purchased or built by the carrier, for use in harbor-transportation service, including all appurtenances, furniture, and fixtures necessary to equip it for service, and cost of inspection and transportation to port at which it enters service.

HARBOR EQUIPMENT

- Barges for harbor service.
- Car and other floats for harbor service
- Ferry boats.
- Lighters for harbor service
- Motor launches.
- Transfer boats.
- Tug boats

143 Miscellaneous floating equipment.

This account shall include the cost of marine or floating equipment purchased or built by the carrier for use in miscellaneous transportation service, including the cost of all appurtenances, furniture, and fixtures to equip it for service, and cost of inspection and transportation to the port at which it enters service.

MISCELLANEOUS FLOATING EQUIPMENT

- Derricks.
- Dredges
- Floats.
- Pile drivers.
- Row boats.

144 Buildings and other structures.

This account shall include the cost of fixed improvements purchased or built by the carrier for use in transportation service, such as buildings, wharves, docks, and other structures, including fixtures, machinery, appurtenances, and the cost of securing title and possession.

BUILDINGS, STRUCTURES, ETC

- Alarm systems.
- Baggage rooms.
- Bins for material.
- Blacksmith shops.
- Breakwaters for protection of structures.
- Boilers.
- Boiler rooms.
- Boiler shops.
- Buildings.
- Bulkheads.
- Carpenter shops.
- Cisterns.
- Coaling trestles
- Counters.
- Cofferdams
- Docks.
- Drainage systems
- Dredging.
- Driveways.
- Eating rooms.
- Electric-light plants.
- Electric wiring.
- Elevators and machinery.
- Fences.

- Fire-alarm systems.
- Fire-equipment houses.
- Fire-extinguisher systems.
- Foundations.
- Foundries.
- Freight houses.
- Fuel stations.
- Fuel storage tanks.
- Garages.
- General office buildings.
- Generators.
- Grain elevators.
- Grain warehouses.
- Greenhouses.
- Heating plants.
- Hedges.
- Hose houses.
- Hydrants.
- Ice houses.
- Lighting plants.
- Lumber sheds.
- Machine shops
- Motors.
- Office buildings
- Paint shops.
- Pavement within grounds.
- Piers.
- Piling.
- Plumbing.
- Pipe lines, interior
- Power plants.
- Pumping stations
- Railings.
- Refrigeration equipment.
- Roofs.
- Sewer systems.
- Shelving.
- Shops.
- Sidewalks
- Slips.
- Sprinkler systems.
- Stables.
- Steam and hot water distribution systems
- Storehouses
- Tracks.
- Vaults.
- Waiting rooms.
- Washrooms.
- Water-supply systems.
- Watchhouses.
- Wharves.

NOTE: The cost of movable equipment shall be included in account 145, "Office and other terminal equipment."

145 Office and other terminal equipment.

This account shall include the cost of all movable equipment and furniture of buildings and other fixed improvements devoted to transportation service.

SHOP EQUIPMENT

- Acetylene-cutting and welding machines
- Anvils.
- Assorted dies and blocks
- Beltings.
- Bench vises.
- Bolt cutters.
- Boring bars.
- Boring brasses.
- Burning torches.
- Cast iron face plates.

Chain blocks.
Charging boards (equipment for charging electric trucks).
Compressed-air apparatus.
Crosscut circular saws
Die-stock ratchets.
Drill presses.
Drills.
Electric drills.
Emery grinders.
Forges.
Furnaces.
Hydraulic jacks.
Iron horses.
Lathes.
Magnetos.
Motors.
Mould filling brasses.
Paint burners.
Paint-spraying machines
Pipe cutters.
Portable boring bars.
Portable electric grinders
Power machines.
Power saws.
Propeller fans.
Punch and shears
Reamers.
Riveters' hammers.
Saws.
Scales.
Scaling hammers
Sewing machines
Shapers.
Sledges
Stamping tools.
Stationary engines
Steam hammers.
Steam-test pumps
Stencil machines.
Stillson wrenches.
Swedges.
Taper shanks.
Tools.
Torches.
Tube expanders.
Twist drills.
Twist-drill and tool grinder.
Ventilating set.
Wrenches.

GARAGE EQUIPMENT

Adding machines.
Addressing machines
Billing machines.
Bins.
Blackboards.
Blueprinting machines
Bookkeeping machines
Bookcases.
Brief cases.
Cabinets.
Cages.
Calculating machines
Call bells.
Cameras.
Carpets.
Chairs.
Check protectors
Clocks.
Comptometer machines.
Coolers.
Costumers
Counters.
Cuspids.

Desks.
Dictaphones.
Dishes.
Display racks.
Drafting and engineering instruments.
Duplicating machines.
Electric cooking utensils.
Electric fans.
Filing cabinets.
Fire extinguishers.
Floor covering.
Floor scrubbing machines.
Freight handling equipment.
Guns.
Jardinieres.
Lamps.
Lockers.
Mailing machines.
Mimeograph machines.
Mirrors.
Motion picture projectors
Numbering machines.
Photostatic equipment
Pictures.
Polishing machines.
Printing press and printing equipment.
Racks.
Refrigerators.
Revolvers.
Rugs.
Safes.
Scales, mail or postal.
Settees.
Shelving, fixed or movable.
Smokeadors.
Stands.
Stools.
Stoves.
Tables.
Tableware.
Typewriters.
Vacuum cleaners.
Vending machines installed in station and office buildings.

WHARF EQUIPMENT

Canvas covers.
Canvas slings.
Cargo blocks.
Cargo chutes.
Cargo hooks.
Cargo rollers.
Chain slings.
Coal buckets.
Conveyors
Cranes.
Crowbars
Derricks, movable.
Drum holsters
Escalators.
Fire barrels.
Fire buckets.
Fire extinguishers.
Fire hose.
Freight-handling equipment.
Gangways.
Gas tanks.
Hand trucks.
Lift jacks.
Motor trucks, power driven
Paper slings.
Platform scales.
Platform trays.
Pontoons.
Racks.

Rope.
 Rope slings.
 Scales.
 Skids.
 Stages.
 Stalls for transportation of animals.
 Tackles.
 Tarpaulins.
 Tents.
 Tools, miscellaneous.
 Tractors.
 Trailers.
 Truck trays.
 Wharf fenders.
 Wire falls.
 Wire rope slings.

GARAGE EQUIPMENT

Air compressors and tanks.
 Anvils.
 Arbor presses.
 Battery-charging outfits.
 Belts, shafts, and countershafts.
 Boring and reaming machines.
 Car washing machines.
 Cranes and hoists (portable)
 Creepers.
 Drill presses.
 Electric equipment.
 Engines and boilers.
 Forges.
 Gasoline and oil pumps and portable tanks
 Greasing racks and pumps.
 Grinders
 Jacks.
 Lathes
 Lockers.
 Machine tools.
 Motor-driven hand tools.
 Oil reclaiming machines.
 Paint sprayers.
 Pneumatic tools.
 Storage bins and shelving (portable).
 Storeroom equipment (except office equip-
 ment).
 Stoves.
 Testing equipment.
 Tire-changing equipment.
 Tool racks.
 Vises.
 Vulcanizing equipment.
 Weighing devices.
 Welding apparatus.
 Wheel pullers.
 Work benches.

NOTE: Fixtures and appurtenances which form an integral part of a building or other structure shall be included in the cost of the structure.

146 Motor and other highway equip- ment.

This account shall include the cost of motor and other highway vehicles, and the cost of transportation to the carrier's line.

HIGHWAY EQUIPMENT

Automobiles.
 Buses.
 Lift vans.
 Tractors, trailers, and semitrailers.
 Trucks.

NOTE: Records shall be maintained in such manner as to show separately the cost of highway vehicles used in—

1. Transportation service subject to part II, and
2. Transportation service subject to part I and part III of the Interstate Commerce Act.

147 Land.

(a) This account shall include the cost of land used or held for use in transportation service, including:

(1) Cost of rights to occupy land permanently not purchased outright for transportation purposes.

(2) Cost of grounds for buildings and other fixed improvements and of the land for ingress to or egress from such grounds.

(3) Cost of "ground rents."

(4) Cost of riparian or littoral rights.

(5) Cost of removing and locating elsewhere the property of others (including cost of land for relocation of property when such cost is assumed by the carrier).

(b) Proceeds from the sale of timber or improvements purchased with the land, or minerals known to be in the land when purchased, less any cost of removal, shall be credited to this account.

DETAILS

1. Abstracts and guarantees of title.
2. Appraisals.
3. Commissions paid.
4. Compensation and expenses of land agents solely engaged in acquiring land.
5. Condemnation expenses, including court costs, and special counsel fees; also fees of parties appointed by the court to assess damages.
6. Costs, including agreed settlements, judgments, witness fees, and decreed court costs in proceedings to clear or defend titles against defects antedating the carrier's acquisition of property.
7. Cost of filling submerged or low land to establish a general level and grading land to render it usable for construction of fixed improvements.
8. Cost of making changes in or relocating property of others, when borne by carrier in order to secure permanent rights to locations, the cost of which is includible in this account; also the cost of securing sites for such relocations.
9. Ditches for waterways when part of consideration.
10. Easements, granting right of permanent occupancy of property for transportation service.
11. Lump-sum payments for right to use in perpetuity or for a period of years public property for transportation service. Such amounts paid for the right to use for a period of years only shall be amortized through account 486, "Water-line tax accruals," during the period of use.

12. Notarial fees.
13. Payments to vendors to secure release from restrictive provisions of original deeds.
14. Plats.
15. Premiums on condemnation bonds.
16. Recording deeds and easements.
17. Removal and relocation of buildings and other structures not purchased.
18. Surveys in connection with the purchase of the land.
19. Taxes and assessments for public improvements assumed at time of purchase.

NOTE A: When the acquisition of land for transportation service involves also the purchase of land not to be used for such purpose, the charges to this account shall be based upon the cost of the land purchased, less the estimated fair value of that portion which will not be so used.

NOTE B: The cost of land acquired for purposes other than transportation shall be included in account 160, "Noncarrier physical property." The cost of land acquired for which there is a definite plan for use in transportation service shall be included in account 149, "Construction work in progress," until the completion of the facilities constructed thereon.

NOTE C: Periodical payments for use of land for transportation purposes held under "ground rents" shall be charged to account 483, "Other operating rents."

NOTE D: When land with buildings thereon is acquired, each shall be separately appraised and the cost apportioned between the land and the buildings on the basis of such appraisals. If the removal of the buildings is contemplated, the cost of the land and buildings shall be accounted for as the cost of land and the salvage value of the buildings less the cost of removal if disposed of shall be deducted from the cost of the land.

NOTE E: Held for use referred to in paragraph (A) implies the ability of the carrier to substantiate by plans or policy its characterization of the probable future use which is to be made of the land within a reasonable period of time.

148 Public improvements.

This account shall include amounts assessed on carrier property by governmental authority to cover the cost of constructing public improvements, when such assessments are made against property within defined areas of taxing districts. It shall include also the cost borne by the carrier of public improvements constructed by it under governmental requirements.

DETAILS

1. Curbing streets and highways.
2. Drainage systems.
3. Flood protection.
4. Grade eliminations.
5. Grading streets and highways.
6. Guttering streets and highways.
7. Irrigation systems.
8. Levees.

9. Paving streets and highways.
10. Sewer systems.
11. Sidewalks.
12. Street-lighting systems.
13. Viaducts carrying streets and highways over terminal property.
14. Water works.

NOTE A: The cost to the carrier of assessments on carrier property for maintaining or renewing public improvements shall be included in operating expenses.

NOTE B: Any portion of the cost of public improvements which is included in the general tax levy for a regular taxing district shall be included in the account appropriate for taxes.

NOTE C: When an assessment for the construction of public improvements is to be paid in installments over a period of more than one year, the full amount thereof shall be charged to this account when the assessment is levied and the amount of the deferred payments shall be appropriately credited to account 211, "Funded debt unmatured." The installments of the assessments shall be charged to that account as they become due and payable. Interest on the assessments shall be included in account 528, "Interest on funded debt."

NOTE D: Penalties imposed for failure to pay assessments within the allotted time shall be charged to account 529, "Interest on unfunded debt."

NOTE E: Assessments on noncarrier property for the cost of constructing public improvements shall be charged to account 160, "Noncarrier physical property."

149 Construction work in progress.

(a) This account shall include the cost of transportation property in process of construction and not completed at the date of the balance sheet. When any property, the cost of which has been included in this account, is completed, the cost thereof shall be credited to this account and charged to appropriate primary accounts of this classification provided for such property.

(b) The cost of land acquired for which there is a definite plan for use in transportation service shall be included in this account until the completion of the carrier facilities constructed thereon.

NOTE: It is not required that this account shall include the cost of construction work which is placed in service as the work progresses.

150 Depreciation reserve; transportation property.

(a) This account shall be credited with amounts charged to operating expenses to cover the estimated loss in service value of depreciable property. It shall be credited also with any amounts which the carrier may be authorized by the Commission to include in retained income. This account shall be subdivided so as to show separately:

(1) Depreciation reserve—transportation property.

(2) Past provision for amortization of defense projects.

(b) At the time of retirement of depreciable property the amount of depreciation accrued and included herein with respect to the particular unit or item retired shall be charged hereto.

151 Acquisition adjustment.

(a) This account shall include the difference between (1) the cost to the accounting company of water-line property acquired as an operating unit or system by purchase, merger, consolidation, or otherwise than in reorganization, and (2) the amount distributed to the primary property accounts, less amounts which may be credited to the depreciation and amortization reserves with respect to such property in accordance with instruction 45.

(b) This account shall also include the difference between the assets acquired and the par or recorded value of the accounting company's capital stock, plus its debts and other liabilities in respect of water-line property acquired in reorganization under the circumstances set forth in instruction 30.

(c) This account shall also include the cost of operating rights and other intangible assets. (See account 223, "Amortization reserves—Intangible assets.")

(d) This account shall be credited with donations or contributions in cash or property from governmental agencies, individuals, and others for construction purposes concurrent charges being made to the appropriate property or other asset accounts. (See instruction 49.)

158 Improvements on leased property.

(a) This account shall include the cost to the carrier of additions and improvements made to physical property leased from others and used in transportation operations.

(b) The carrier's records shall be so kept as to show the charges and credits to this account classified in accordance with the accounts for property owned.

159 Amortization reserve; leased property.

This account shall be credited with amounts charged to operating expenses to create a reserve to cover, at date of reversion of the leased property to the lessor, the cost of improvements thereon.

160 Noncarrier physical property.

This account shall include the cost to the carrier of land, structures, and

equipment not used in transportation operations, including hotels, restaurants, power plants, equipment, and other property that is entirely distinct from the transportation property of the carrier and not operated in connection with or incident to its transportation operations.

161 Depreciation reserve; noncarrier physical property.

(a) This account shall be credited with amounts charged to account 523, "Expenses of noncarrier operations," to cover the depreciation of property included in account 160, "Noncarrier physical property."

(b) When depreciable noncarrier physical property is destroyed, sold, or otherwise retired from service, the amount included herein with respect to the property retired shall be charged hereto. In case the net proceeds realized, including insurance and salvage, are in excess of the net book value (book cost less recorded depreciation), such excess shall be credited to account 282, "Profits from unusual sales of property," or account 508, "Profits from sale or disposition of property," as appropriate.

DEFERRED ASSETS

166 Claims pending.

This account shall include claims in litigation and insurance claims in process of compilation or adjustment. After adjustment of claims, this account shall be cleared and the amounts receivable included in account 108, "Claims receivable." Deductible average insurance losses (if policies provide deductibles) shall be transferred at the same time to account 221, "Insurance reserves," provided the carrier accrues a reserve for such deductibles, otherwise the charge shall be made to the appropriate expense accounts.

170 Other deferred assets.

This account shall include noncurrent notes and accounts receivable, the settlement of which has been deferred beyond one year, or which by agreement are to run for more than one year from date of issue.

It shall also include the estimated value of salvage recoverable from property retired, when recovery is deferred for any reason; items of current character but doubtful value; funds on deposit with closed banks; advances to traffic associations and bureaus as working funds; and other deferred items not provided for elsewhere.

DEFERRED DEBITS

171 Incompleted voyage expenses.

(a) This account shall include all voyage expenses of incompleted voyages or other periods accrued and held in suspense until the voyage or period is completed, and the appropriate expense accounts are charged directly with such expenses. After each voyage or period has terminated, the expenses pertaining thereto shall be transferred to the appropriate operating-expense accounts. All voyage expenses may be recorded in the appropriate operating-expense primary accounts, and at the end of each month the balance relating to incompleted voyages may be transferred to this account with a reversal of the entries in the following month.

(b) This account shall also include the cost of food; deck, engine and steward department stores; buffet supplies; and fuel and other supplies on board vessels at the beginning of the voyage or period, when inventories are taken at the end of the voyage or period and charged to the succeeding voyage or period and credited to the completed voyage or period.

(c) When inventories are not taken at the end of each voyage or period, the value of vessel stores and supplies issued during the voyage or period shall be charged to the expenses of the voyage or period, and no adjustment is required until an inventory is taken.

174 Debt discount and expense.

(a) This account shall include the net total if a debit balance of all discount, expense, and premium accounts for long-term debt.

(b) When an issue of debt securities, or any part thereof, is refunded and at the date of refunding there is a balance of unamortized discount and expense relating thereto, such amount, together with any premium paid in retiring the debt, shall be charged to retained income.

175 Other deferred debits.

(a) This account shall include the amount of debit balances in suspense accounts that cannot be entirely cleared and disposed of until additional information is received, such as:

Amounts paid for options pending final disposition;

Cost of preliminary surveys, investigations, or appraisals in connection with contemplated acquisition or sale of property or securities;

Debit balances in clearing accounts;
Commissions on tickets not honored;

Similar items, the proper and final disposition of which is uncertain.

(b) When the proper disposition of any item included in this account is determined, the amount thereof shall be credited to this account and concurrently charged to the appropriate account.

ORGANIZATION

180 Organization expenses.

(a) This account shall include expenditures incident to incorporation or other form of organization of the company.

(b) Include in this account:

Fees paid for the privilege of incorporation.

Legal and office expenses incident to organizing the company.

Cost of stock and minute books and corporate seal.

Cost of preparing and filing amendments to the certificate of incorporation.

Special counsel and other fees and expenses in mergers, consolidations, and reorganizations.

(c) Charges to income under a program to amortize organization expenses shall be credited to account 223, "Amortization reserves—Intangible assets."

NOTE A: This account shall not include discount upon securities issued or assumed; costs incident to negotiating loans, selling bonds or other evidence of debt; or discount, commissions and expense incident to the authorization, issuance and sale of capital stock.

NOTE B: When charges are made to this account for expenses in mergers, consolidations, or reorganizations, amounts previously included in this account on the books of the various companies shall not be carried over.

COMPANY SECURITIES

190 Reacquired and nominally issued long-term debt.

(a) This account shall include the par value of long-term debt of the carrier nominally issued or reacquired and held uncanceled by it, except debt held in sinking or other special funds.

(b) The difference between the par value of long-term debt and the amount paid therefor including commissions and expenses in connection with its reacquisition and the portion of unamortized premium, discount, and expense relating to the long-term debt reacquired shall be included in retained income.

(c) When reacquired long-term debt is resold, this account shall be cleared and the accounting for its sale shall be that provided for its original sale.

NOTE A: The provisions of this account shall apply to funded debt reacquired for sinking and other special funds.

NOTE B: Reacquired bonds and other evidences of indebtedness issued or assumed by the carrier and not retired shall be considered to be nominally outstanding.

191 Reacquired and nominally issued capital stock.

This account shall include the par value of capital stock of the carrier nominally issued or reacquired and uncanceled, except when held in sinking or other special funds. If no par stock, it shall be charged at the pro rata proportion at which it is credited to account 240, "Capital stock." Stock having no par value classable as nominally issued shall be recorded by the number of shares.

NOTE: The accounting for the reacquisition and resale of capital stock actually issued or assumed by the company shall be in accordance with instruction 26 (d) and (e).

LIABILITY SIDE

CURRENT LIABILITIES

200 Notes payable.

This account shall include the face value of notes, drafts, and other evidences of indebtedness issued or assumed by the carrier (except interest coupons) which are payable on demand or not more than one year from date of issue.

NOTE: Notes payable to affiliated companies subject to current settlement shall be included in account 201, "Affiliated companies—Notes and accounts payable."

201 Affiliated companies; notes and accounts payable.

This account shall include the total of amounts payable to affiliated companies which are subject to current settlement, such as credit balances in open accounts for services rendered, material furnished, traffic or interline accounts, claims, rent for use of property, and similar items; interest and dividends due to affiliated companies; and loans, notes, and drafts which are payable to affiliated companies.

NOTE A: No amount representing dividends payable shall be included in this account unless they have been declared.

NOTE B: Items which are not subject to current settlement shall be included in account 213, "Affiliated companies—Advances payable."

202 Accounts payable.

(a) This account shall include amounts payable to others (except affiliated companies) for materials and supplies, and services received, including matured rents, amounts due to public authorities, amounts of payable judgments, current accounts with officers and

employees, personal injury and property damage claims, and other similar items.

(b) This account shall also include amount of wages accrued at the date of the balance sheet; balances representing unclaimed wages; deductions from payrolls (except amounts payable to affiliated companies); outstanding drafts drawn by agents and others; amounts due sightseeing, hotel, or amusement companies for their services; and other items of the nature of demand liabilities.

203 Traffic and car-service balance—Cr.

This account shall include the net of the balances receivable from or payable to other companies representing traffic or interline accounts, when such balance results in a net credit.

NOTE: When the net of the balance is a debit, it shall be included in account 104, "Traffic and car-service balances—Dr."

204 Accrued interest.

This account shall include the amount of unpaid interest accrued to the date of the balance sheet actually outstanding on loans, funded debt and other interest-bearing obligations except interest accrued on obligations payable to affiliated companies.

NOTE A: This account shall be so kept that the carrier can report separately the amount of matured interest unpaid.

NOTE B: Interest payable to affiliated companies shall be included in account 201, "Affiliated companies—Notes and accounts payable."

205 Dividends payable.

This account shall include the amount of dividends declared on actually outstanding capital stock and unpaid at the date of the balance sheet.

NOTE: Dividends payable to affiliated companies shall be included in account 201, "Affiliated companies—Notes and accounts payable."

206 Accrued taxes.

(a) This account shall be credited each period with the amount of taxes accrued during the period, with concurrent debits to the appropriate accounts for tax charges. As credits to this account will necessarily be based upon estimates, they shall be adjusted from time to time during the year so that as nearly as possible the tax charge account may show the taxes applicable to the year. Payments of taxes for which accruals have been made shall be debited to this account. Prepayments of taxes shall be included in account 114, "Prepayments."

(b) The records supporting the entries to this account shall be kept to show sep-

arately the accrual of Federal income taxes, Federal old-age pension tax, unemployment compensation tax, and other taxes.

208 Accrued accounts payable.

This account shall include estimates of all unaudited items payable by the carrier to the date of the balance sheet which are chargeable to revenue, expense, or income and are in the nature of current liabilities. (See instruction 3.)

209 Other current liabilities.

This account shall include all liabilities of a current character not provided for in the foregoing accounts.

LONG-TERM DEBT DUE WITHIN ONE YEAR

210 Equipment obligations and other debt due within one year.

This account shall include the total amount of all funded obligations (except amounts due affiliated companies which shall be included in Account 213, "Affiliated companies—Advances payable") which are past due or which will mature within one year from the close of the accounting period and for which arrangements have not been entered into for an extension of time as to payment. This includes the portion of long-term debt maturing serially or payable in installments within one year.

LONG-TERM DEBT DUE AFTER ONE YEAR

211 Funded debt unmatured.

(a) This account shall include the total face value of funded debt, including bonds, notes, certificates and other evidences of indebtedness issued or assumed by the carrier and maturing more than one year from date of issue, which have not been reacquired and canceled.

(b) The amounts included in this account shall be further divided so as to show the amount of each class of funded debt, as follows:

(1) *Equipment obligations.* Equipment bonds or equipment notes, secured only by lien on specific equipment.

(2) *Mortgage bonds.* Bonds secured by lien on physical property and not includible in the other subdivisions of this account.

(3) *Collateral trust bonds.* Bonds and notes secured by lien on securities or other negotiable paper, and stock trust certificates that are similar in character to collateral trust bonds.

(4) *Income bonds.* Bonds which are a lien on a carrier's income alone, or bonds which, while being a lien on its property and franchises can claim pay-

ment of interest only in case interest is earned.

(5) *Miscellaneous obligations maturing more than one year after date of issue.* All funded obligations not provided for by the other subdivisions of this account, unpaid installment of assessments for public improvements, also notes, unsecured certificates of indebtedness, real-estate mortgages executed or assumed, and other similar obligations.

(6) *Receipts outstanding for funded debt.* When certificates are issued for amounts paid on account of funded debt, the face value shall be included in the account covering the class of funded debt for which the certificates are issued.

(c) A record shall be maintained for each class and series of funded debt showing:

- Amounts authorized.
- Amounts issued.
- Amounts reacquired and canceled.
- Amounts outstanding.
- Date of issue.
- Date of maturity.
- Interest dates.
- Rate of interest.

NOTE A: Advances from affiliated companies (except such as may be properly includible in account 201, "Affiliated companies—Notes and accounts payable") shall be included in account 213, "Affiliated companies—Advances payable."

NOTE B: Reacquired bonds and other evidences of indebtedness issued or assumed by the carrier and not retired shall be considered to be nominally outstanding.

212 Receivers' and trustees' securities.

When receivers or trustees acting under the orders of a court are in possession of the property of the carrier and under the order of the court issue evidences of indebtedness, or assume the payment of such indebtedness, the par value of such obligations shall be credited to this account.

NOTE: Reacquired securities issued or assumed by receivers or trustees and not retired shall be considered to be nominally outstanding.

213 Affiliated companies; advances payable.

(a) This account shall include the amount of advances from affiliated companies, whether evidenced by notes or open accounts which are not subject to current settlement, including interest accrued thereon, when such interest is not subject to current settlement.

(b) This account shall be subdivided as follows:

- Notes payable,
- Open accounts not subject to current settlement,

Interest accrued on amounts included in this account not subject to current settlement.

NOTE: Amounts of advances which are subject to current settlement shall be included in account 201, "Affiliated companies—Notes and accounts payable."

RESERVES

220 Maintenance reserves.

(a) This account shall include balances representing reserves created for the purpose of equalizing the cost of repairs to vessels in line service or other floating equipment, also the cost of repairs to buildings and structures and dredging to deepen channels. When the repairs are made, their cost, to the extent of the provision herein, shall be charged to this account. The accruals credited to these reserves shall be based on the carrier's experience and class surveys of anticipated expenditures for major repairs.

(b) This account shall be kept to show the accruals for each vessel or other item of property for which provision is made.

221 Insurance reserves.

(a) Agreed amounts for marine hull and protection and indemnity insurance deductibles (if provided in the policies) or the carrier's proportion of self-carried insurance shall be charged for each voyage or period to the appropriate expense account and the corresponding credit included in this account. When the amount of deductible losses chargeable against each voyage or period is determined, it shall be cleared from account 166, "Claims pending," by a charge to this account.

(b) This account shall also be used for equalization of other insurance risks, such as self-carried workmen's compensation, public liability insurance, and loss and damage claims.

NOTE A: The records supporting the entries in this account shall be kept to show separately the transactions with respect to hull, cargo, and liability self-carried insurance or deductible costs, and each class of other insurance risks for which reserves have been created.

NOTE B: This account shall not include appropriations of retained income (surplus) which should be reflected in account 260, "Retained income—Appropriated."

222 Pension and welfare reserves.

This account shall include the book balances representing the liability of the carrier for the amount of the assets (whether contributed by the carrier, by the employees, or by others) in the

hands of its treasurer, or of trustees or managers acting for it in the administration of employees' pension, savings, relief, hospital, and other association funds.

NOTE: Amounts deposited with a trustee under the terms of an irrevocable trust agreement for pensions or other employees' benefits shall be accounted for in accordance with the note to account 465, "Pensions and relief."

223 Amortization reserves; intangible assets.

(a) This account shall be credited with amounts charged to account 527, "Miscellaneous income charges," which will equitably distribute the cost of intangible assets over a definite period. When an intangible asset is sold or relinquished, or otherwise expires or is abandoned, the reserve shall be charged with the balance therein with respect to such asset and the remainder of the cost of the asset shall be charged to account 527.

(b) This account shall be maintained so that a separate reserve is stated for each item of intangible property.

229 Other reserves.

This account shall include the net credit balances representing reserves created by accruals to the appropriate accounts in operating expenses to meet the probable liabilities not covered by other reserves. When the liability is determined, this account shall be cleared and amount payable credited to the appropriate liability account.

NOTE A: The records supporting entries in this account shall be kept to show separately the transactions with respect to each separate reserve.

DEFERRED CREDITS

230 Incompleted voyage revenues.

This account shall include all voyage revenues of incompleted voyages or periods accrued and held in suspense until the voyage or period is completed, if the appropriate revenue accounts are not credited directly with such revenue. After each voyage or period has terminated, the revenues pertaining thereto shall be transferred to the appropriate operating-revenue accounts. The carrier may, if it so elects, credit the appropriate primary revenue account with the revenue as recorded, and at the end of each month transfer the revenue so recorded from such primary accounts to this account by voyage totals and reverse the entries in the succeeding month.

231 Premium on long-term debt.

(a) This account shall include the net total if a credit balance of all discount, expense, and premium accounts for long-term debt.

(b) When an issue of debt securities, or any part thereof, is refunded and at the date of refunding there is a balance of unamortized premium relating thereto, such amount shall be credited to retained income.

232 Other deferred credits.

(a) This account shall include the amount of all deferred credits not provided for elsewhere, such as:

Deposits by employees to assure the return of company property.

Credit balances in clearing accounts.

(b) This account shall include also the amount of credit balances in suspense accounts that cannot be entirely cleared and disposed of until additional information is received, such as:

Proceeds from passenger ticket sales representing tickets sold for future sailings or return portions of round-trip tickets.

Deposits on passenger, hotel, or shore excursion reservations, etc.

Proceeds from sales of damaged, unclaimed and over freight held awaiting claim.

(c) When the proper disposition of any item included in this account is determined, the amount thereof shall be debited to this account and concurrently credited to the appropriate account.

CAPITAL AND SURPLUS

240 Capital stock.

(a) This account shall include the total par value, or for stock without par value the money value of the consideration received, in respect to capital stock or other form of proprietary interest in the carrier which has been issued to bona fide purchasers and has not been reacquired and canceled, including the par value of capital stock nominally issued. It shall also include stock dividends representing appropriations of retained income. When capital stock is retired, this account shall be charged with the amount at which such stock is recorded herein.

(b) The credits hereto shall be divided as follows:

(1) Preferred stock (stocks having a preference or priority in respect to dividend participation).

(2) Common stock (stocks entitled to a dividend, if any, after preference stocks).

(c) A separate record shall be kept for each subclass showing the number of shares authorized by the articles of incorporation and amendments, the number of shares issued, the number of shares reacquired, the number of shares canceled, the number of shares outstanding, and their book value.

(d) The book value for nonpar stock reacquired shall be determined by a pro-rata of the amount recorded for shares of the particular subclass of stock of which the shares reacquired are a part actually outstanding immediately prior to the acquisition.

(e) In case capital stock is reacquired and held in the treasury or in sinking or other special funds, such stock shall be included in the appropriate accounts, in accordance with paragraphs (d) and (e) of instruction 26.

241 Capital stock subscribed.

This account shall include the amount of subscriptions to capital stock of the carrier. It shall be credited with the par value, or with the subscription price in case of stock without par value, exclusive of accrued dividends, if any. Concurrently, a debit shall be made to account 110, "Subscribers to capital stock," for the agreed price and any discount or premium shall be included in the appropriate account. When properly executed stock certificates have been issued, this account shall be debited and account 240, "Capital stock," credited.

243 Discount and expense on capital stock.

(a) This account shall include all discount suffered and commissions and expense incurred in connection with the issuance and sale of capital stock. Records supporting the entries to this account shall be so kept as to show the discount, commissions, and expense on each class and series of capital stock.

(b) When capital stock is reacquired, the amount in this account with respect to the shares reacquired shall be credited hereto.

245 Proprietorial capital.

This account shall include the permanent investment by one or more proprietors in the business of a water-line carrier when organized as an unincorporated firm, copartnership or otherwise than as an incorporated company subject to change only by additional investments or by withdrawals of amounts invested.

NOTE A: Amounts payable to the proprietors as fair and reasonable compensation for services performed shall be charged to the appropriate operating expense or other accounts.

NOTE B: Income and surplus accounts shall be maintained and entries thereto shall be made in accordance with the provisions thereof.

NOTE C: Separate subaccounts shall be kept to show the equity of each member of a copartnership, and the transactions affecting the interest of each partner.

250 Capital surplus.

(a) This account shall include surplus arising from sources other than those provided under retained income.

(b) Subaccounts shall be maintained as follows:

250-1 Premiums and assessments on capital stock.

(a) This account shall include the excess of actual cash value of the consideration received over the par value and accrued dividends, of par value stock issued, together with assessments against stockholders representing payments in excess of the par or recorded values as included in account 240, "Capital stock".

(b) When capital stock is reacquired the amount in this account with respect to the shares reacquired shall be charged hereto.

250-2 Paid-in surplus.

This subaccount shall include such items as gains from retirement or resale of reacquired or donated shares of capital stock; from forfeiture of subscriptions; from debt of the carrier forgiven by stockholders; and from reduction of the par or recorded value of capital stock when approved by the commission.

This subaccount shall be charged with amounts included herein capitalized by stock dividends or otherwise; losses from retirement or resale of reacquired shares up to an amount not in excess of credits herein applicable thereto; and may be charged with the amortization of discount and expense on capital stock to the extent of credits herein applicable thereto.

250-3 Other capital surplus.

This subaccount shall include capital surplus as defined herein arising from other sources.

260 Retained income—Appropriated.

(a) This account shall include the net balance of appropriations of retained income for replacement of capital assets, debt retirement, and other special or funded reserves. It shall also include income accretions to such funds when retained therein.

(b) A subdivision of this account shall be provided for each reserve, the title of which shall indicate the purpose of the reserve.

280 Retained income—Unappropriated.

(a) This account shall include the net balance, either debit or credit, of unappropriated retained income arising from earnings. It shall not include credits from reductions of the carrier's capital stock or transfers from capital surplus without the approval of the Commission.

(b) The balance of all retained income accounts (281 to 288, inclusive) shall be closed into this account at the end of each calendar year.

BALANCE SHEET STATEMENT

Form of balance sheet statement.

ASSET SIDE

I. CURRENT ASSETS

100—Cash	\$-----
101—Imprest funds	-----
102—Special cash deposits	-----
103—Marketable securities	-----
104—Traffic and car-service balances—Dr	-----
105—Notes receivable	\$-----
106—Affiliated companies—Notes and accounts receivable	-----
107—Accounts receivable	-----
108—Claims receivable	-----
109—Reserve for doubtful accounts	-----
110—Subscribers to capital stock	-----
112—Accrued accounts receivable	-----
113—Working advances	-----
114—Prepayments	-----
115—Material and supplies	-----
116—Other current assets	-----
Total current assets	=====

ASSET SIDE—Continued

II. SPECIAL FUNDS

	<i>Total book assets at close of year</i>	<i>Respond- ent's own issues included</i>	
122—Insurance funds.....	\$-----	\$-----	\$-----
123—Sinking funds.....			
124—Other special funds.....			
125—Special deposits.....			
Total special funds.....			=====

III. INVESTMENTS

130—Investments in affiliated companies.....	\$-----		
131—Other investments.....			
132—Reserve for revaluation of investments.....			\$-----
133—Cash value of life insurance.....			
Total investments.....			=====

IV. PROPERTY AND EQUIPMENT

140—Transportation property.....	\$-----		
150—Depreciation reserve—Transportation property.....			\$-----
151—Acquisition adjustment.....			
158—Improvements on leased property.....			
159—Amortization reserve—Leased property.....			
160—Noncarrier physical property.....			
161—Depreciation reserve—Noncarrier physical property.....			
Total property and equipment.....			=====

V. DEFERRED ASSETS

166—Claims pending.....			\$-----
170—Other deferred assets.....			
Total deferred assets.....			=====

VI. DEFERRED DEBITS

171—Incompleted voyage expenses.....			\$-----
174—Debt discount and expense.....			
175—Other deferred debits.....			
Total deferred debits.....			=====

VII. ORGANIZATION

180—Organization expense.....			\$-----
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VIII. COMPANY SECURITIES

190—Reacquired and nominally issued long term debt.....	\$-----		
191—Reacquired and nominally issued capital stock.....			
Total assets.....			\$-----

LIABILITY SIDE

IX. CURRENT LIABILITIES

200—Notes payable.....			\$-----
201—Affiliated companies—Notes and accounts payable.....			
202—Accounts payable.....			
203—Traffic and car-service balances—Cr.....			
204—Accrued interest.....			
205—Dividends payable.....			
206—Accrued taxes.....			
208—Accrued accounts payable.....			
209—Other current liabilities.....			
Total current liabilities.....			=====

X. LONG-TERM DEBT DUE WITHIN ONE YEAR

210—Equipment obligations and other long-term debt due within one year.....			\$-----
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LIABILITY SIDE—Continued

XI. LONG-TERM DEBT DUE AFTER ONE YEAR

	<i>Total issued</i>	<i>Held by or for re- spondent</i>
211—Funded debt unmatured.....	\$-----	\$-----
212—Receivers' and trustees' securities.....	-----	-----
213—Affiliated companies—Advances payable.....	-----	-----
Total long-term debt.....	-----	-----

XII. RESERVES

220—Maintenance reserves.....	\$-----
221—Insurance reserves.....	-----
222—Pension and welfare reserves.....	-----
223—Amortization reserves—Intangible assets.....	-----
229—Other reserves.....	-----
Total reserves.....	-----

XIII. DEFERRED CREDITS

230—Incompleted voyage revenue.....	\$-----
231—Premium on long-term debt.....	-----
232—Other deferred credits.....	-----
Total deferred credits.....	-----

XIV. CAPITAL AND SURPLUS

CAPITAL STOCK

	<i>Total issued</i>	<i>Held by or for re- spondents</i>
240—Capital stock.....	\$-----	\$-----
241—Capital stock subscribed.....	-----	-----
243—Discount and expense on capital stock.....	-----	-----
Total capital stock.....	-----	-----
245—Proprietorial capital.....	-----	-----

CAPITAL SURPLUS

250—Capital surplus:	
1. Premiums and assessments on capital stock.....	\$-----
2. Paid-in surplus.....	-----
3. Other capital surplus.....	-----
Total capital surplus.....	-----

RETAINED INCOME

260—Retained income—Appropriated.....	\$-----
280—Retained income—Unappropriated.....	-----
Total retained income.....	-----
Total capital and surplus.....	-----
Total liabilities.....	\$-----
NOTE: Amount of cumulative dividends in arrears.....	\$-----
Amount of principal, interest, or sinking fund provisions of long-term debt in default.....	\$-----

Retained Income Accounts

281 Net income balance.

This account shall include the net balance of the income accounts for the calendar year.

CREDIT ACCOUNTS

282 Profits from unusual sales of property.

This account shall include profits (excess of net proceeds over book cost less recorded depreciation) realized from unusual sales of carrier and noncarrier property when such profits are so material in amount that their inclusion in the

income statement would impair the significance of net income for the year so that misleading inferences might be drawn therefrom. Ordinary profits or credit adjustments of a recurring nature incident to sale or other disposition of equipment or other property shall be included in income account 508, "Profits from sale or disposition of property."

283 Miscellaneous credits.

This account shall include amounts creditable to retained income, including amounts representing increases of resources, not properly assignable to other accounts. Among such items are:

1. Adjustments of depreciation reserve authorized by the Commission.

2. Cancellation of liability accounts (including unclaimed wages) written off because of carrier's inability to locate the creditor.

3. Credits resulting from adjustments required to bring to par long-term debt obligations issued or assumed by the carrier and reacquired at a cost less than par value.

4. Items, except unrefundable revenue overcharges, erroneously collected and retained on account of inability to make refund.

5. Profit derived from the sale of securities of others held as investments.

6. Delayed items and credit adjustments, other than ordinary adjustments of a recurring nature, including material adjustments of Federal income taxes. (See instruction 4, Delayed items and adjustments.)

7. Recovery of fines previously charged to Account 285, "Miscellaneous debits."

8. Remittances received from anonymous sources.

9. Unamortized premiums on long-term debt reacquired before maturity.

DEBIT ACCOUNTS

284 Losses from unusual sales of property.

This account shall include losses (deficiency between net proceeds and book cost less recorded depreciation) from unusual sales of carrier and noncarrier property when such losses are so material in amount that their inclusion in the income statement would impair the significance of net income for the year so that misleading inferences might be drawn therefrom. Ordinary losses or debit adjustments of a recurring nature incident to sale or other disposition of equipment or other property shall be included in income account 525, "Losses from sale or disposition of property."

285 Miscellaneous debits.

This account shall include amounts chargeable to retained income, including amounts not properly assignable to other accounts. Among such items are:

1. Adjustments of land values.

2. Book cost (in excess of reserve provisions) of improvements on leased property at time of reversion to lessor.

3. Debits resulting from adjustments required to bring to par long-term debt obligations issued or assumed by the carrier and reacquired at a cost exceeding par value.

4. Discount and expense on capital stock remaining unextinguished at the time of its retirement, in excess of the pro rata portion includible in account 250-2, "Paid-in surplus."

5. Adjustments of depreciation reserve authorized by the Commission.

6. Loss of funds due to bank failures.

7. Losses resulting from revaluation or sale of securities of others held as investments.

8. Delayed items and debit adjustments, other than ordinary adjustments of a re-

curring nature, including material adjustments of Federal income taxes. (See instruction 4, Delayed items and adjustments.)

9. Payments of liabilities previously written off through retained income.

10. Penalties and fines for violations of the Interstate Commerce Act, and other Federal or State laws when not specifically provided for elsewhere.

11. Unextinguished discounts and expenses on funded debt reacquired before maturity.

286 Miscellaneous reservations of retained income.

(a) This account shall include appropriations of retained income set aside in special reserve, including amounts appropriated to sinking fund and other special funds maintained by the carrier.

(b) Amounts charged to this account shall be credited to account 260, "Retained income—Appropriated." The use of this account is conditional upon the carrier's having an adequate credit balance in retained income.

287 Dividend appropriations of retained income.

(a) This account shall include amounts definitely declared payable from retained income as dividends on actually outstanding capital stock issued or assumed by the carrier, other than debenture stock. If a dividend is not payable in cash, the consideration shall be described in the entry with sufficient particularity to identify it.

(b) This account shall be subdivided so as to show separately the dividends on the various subclasses of capital stock.

NOTE: This account shall not include dividends on capital stock issued or assumed by the carrier and owned by it, whether pledged as collateral or held in its treasury, in special deposits, or other special funds.

288 Federal income taxes assigned to retained income.

This account shall include the estimated Federal income tax consequences (debit or credit) assignable to profits and losses from sale of property and other amounts when, for accounting purposes, such amounts are recorded directly in retained income accounts.

Income Accounts

300 Water-line operating revenues.

This account shall include the total revenues derived from transportation service as detailed in primary operating revenue accounts number 301 to 355, both inclusive.

OPERATING REVENUE; LINE SERVICE

301 Freight revenue.

This account shall include the revenue accruing from the transportation of

freight upon the basis of lawful tariff rates or special contracts.

Items to be credited:

1. Revenue upon the basis of local freight tariff rates.
2. The carrier's proportion of revenue upon the basis of just freight tariff rates.
3. Revenue from the transportation of mail matter and empty mail pouches at freight rates.
4. Arbitraries in the division of joint freight rates for such allowances as cargo insurance, and similar items
5. Revenue from transportation of freight on basis of special contract excluding towing in line service for other regulated carriers.
6. Revenue from towing service performed for private carriers.
7. Revenue from charter rental of vessels to shippers when such rental is dependent upon the commodities and volume of freight transported.
8. Revenue from the transportation of automobiles at special rates when incident to the transportation of passengers.
9. The proportion accruing to the carrier of revenue from pools for the purpose of equalizing revenues.

Items to be charged:

1. Refunds of overcharges due to erroneous weights, measurements, rate classifications, or computations.
2. The carrier's proportions of refunds on account of errors in routing and billing.
3. The carrier's proportions of uncollected charges on lost, damaged, or destroyed shipments where neither shipper nor consignee is liable.
4. Foreign lines' proportions of overcharges assumed by the carrier under reciprocal rule establishing a voucher minimum.
5. Amounts payable for switching service and collection and delivery service when performed as part of the transportation of freight.

NOTE A: Other carriers' proportions of uncollectible undercharges paid by the carrier on account of its errors in routing and billing shall be charged to account 450, "Other terminal operations."

NOTE B: Other carriers' proportions of uncollected tariff charges paid by the carrier on freight lost, destroyed, or damaged in transit shall be charged to account 452, "Loss and damage—Freight," when not recoverable from insurance.

NOTE C: This account shall be maintained to show separately payments and allowances (a) to rail carriers, (b) to motor truck operators and others, and (c) allowances to shippers and consignees for collection and delivery service and switching service when performed at terminals as part of the transportation of freight on basis of tariff rates.

302 Passenger revenue.

This account shall include the revenue accruing from the transportation of passengers based upon lawful tariff fares.

The credits to this account shall appear under appropriate subheads as follows:

1. Revenue from transportation of passengers not including sleeping accommodations and meals.
2. Revenue from the rent of staterooms, berths in staterooms, and other sleeping and living accommodations.
3. Revenue from the sale of meals and food supplies.
4. Revenue from the transportation of passengers, including sleeping accommodations and meals (when not separable).

Items to be credited:

1. Revenue upon the basis of local fares.
2. The carrier's proportion of revenue from joint tariff fares.
3. Revenue from extra fares for limited service.
4. Revenue from mileage and scrip coupons honored.
5. Revenue from the transportation of corpses.

Items to be charged:

1. Redemptions of unused or partially used local passenger tickets.
2. The carrier's proportion of redemptions of unused or partially used joint tariff passenger tickets.
3. Refunds of overcharges resulting from collections in excess of lawful fares.

NOTE: No credits shall be included in this account for transportation, accommodations, and meals furnished employees.

303 Baggage.

This account shall include the revenue accruing from the transportation of baggage in excess of free authorized allowance; also the revenue from the transportation of packages, baby carriages, bicycles, animal pets, and other articles at other than freight or express tariff rates.

304 Mail.

This account shall include the revenue accruing from the transportation of mail at established rates for specific routes; from the use of special facilities; from bonuses for special mail transportation; and all other revenues accruing under the terms of general mail contracts with the Government.

Items to be charged: Fines and penalties imposed by the Government when not collected from agents or employees.

NOTE A: The revenue from the transportation of mail matter and empty mail pouches as freight shall be included in account 301, "Freight revenue."

NOTE B: When contracts with the Government provide specific amounts for the rent of mail facilities at stations, such amounts shall be included in account 342, "Other rent revenue."

305 Express.

This account shall include the revenue accruing from transportation of ex-

press matter and from the use of facilities on vessels and at stations incident to such transportation.

When a carrier transacts an express business through its regular organization, the revenue therefrom shall be credited to this account.

NOTE: When contracts for express privileges provide specific amounts for the rent of facilities at stations, such amounts shall be included in account 342, "Other rent revenue."

306 Miscellaneous voyage revenue.

This account shall include the revenue earned by a carrier from sources incidental to transportation service and not provided for elsewhere.

Items to be credited:

1. Receipts from the sale of tobacco, cigars, cigarettes, beverages, mineral waters, ice cream, and buffet and bar supplies.
2. Receipts from the sale of books, periodicals, and other newsstand supplies.
3. Revenue from the rent of steamer chairs, rugs, and cushions.
4. Revenue from parcel rooms on vessels.
5. Revenue from weighing and vending machines on vessels.
6. Revenues from pay toilets on vessels.
7. Commissions from baggage insurance sold.
8. Tolls on radio messages.
9. Revenue from concession given to others to sell buffet and other supplies on vessels.
10. Revenue from the furnishing of exclusive service of stewardesses, stewards, or other vessel employees to passengers.
11. Revenue from barber or valet services rendered to passengers.
12. Revenue from telephone calls made from ship.
13. Revenue from refrigeration aboard vessels.
14. Revenue from special services by vessels in assisting other craft when aground, helping through cutoffs, catching vessels adrift, and other similar services.

312 Demurrage.

This account shall include per diem earned by the carrier for use of equipment on account of delay in excess of free time in loading and discharging cargo or releasing equipment.

313 Revenue from towing for regulated carriers.

This account shall include the revenue derived from services performed for other regulated water carriers in towing loaded or empty barges, and other similar equipment by line vessels.

NOTE A: Charges assessed against the carrier for whom such services are performed shall be included in account 429, "Outside towing expenses."

NOTE B: Revenue derived from towing performed for private carriers shall be included in account 301, "Freight revenue."

OTHER OPERATING REVENUE

320 Special services.

This account shall include the revenue from short excursions or special trips at lump-sum charges for such service between designated points.

321 Ferry service.

(a) This account shall include the revenue from the transfer by ferry of freight, passengers, vehicles, and livestock upon the basis of tariff rates for services performed.

(b) The credits to this account shall be recorded under appropriate subheads as follows:

1. Freight.
2. Passengers.
3. Vehicles and livestock.
4. Other.

REVENUE FROM TERMINAL OPERATIONS

331 Revenue from cargo-handling operations.

This account shall include the revenue derived from the performance by the carrier of stevedoring and other cargo-handling services for others, such as checking, tallying, receiving, transferring, delivering, cooperating, and use of gear and equipment, including wharfage, transfer, handling and car loading and unloading when allowed as arbitraries in division of rates.

332 Revenue from tug and lighter operations.

This account shall include the revenue derived from services performed by the carrier for others by its tugs, lighters, barges, scows, launches, floating cranes, and similar floating equipment, including rental of equipment, arbitraries allowed in division of lighterage rates and demurrage on lighter and other harbor equipment.

333 Agency fees, commissions, and brokerage.

This account shall include revenue derived from agency fees, commissions, and brokerage covering services rendered to others when acting as agents for their vessels.

334 Miscellaneous operating revenue.

This account shall include revenue derived from shore operations incidental to the shipping business for which no other accounts are provided.

Items to be credited:

1. Revenue from advertising space in time-tables, folders, and magazines.
2. Revenue from amusement parks.
3. Forwarding fees.
4. Revenue from clergy bureaus.
5. Revenue from commissions for collecting from employees premiums on insurance policies and installment payments for books, watches, etc.
6. Revenue from commissions received on ticket sales.
7. Revenue from garnishment fees.
8. Revenue from penalties for loss of baggage and parcel-check.
9. Revenue from operation of parcel rooms and lavatories at terminals.
10. Revenue from public telephone messages.
11. Revenue from sale of electricity.
12. Revenue from the sale of tariffs.
13. Revenue from sight-seeing tickets sold
14. Revenue from storage of freight.
15. Revenue from ticket-validation agencies.
16. Revenue from vending machines at terminals.
17. Revenue from waste paper and old records sold.
18. Revenue from water sold.
19. Revenue from protective service such as refrigeration and precooling.
20. Insurance collections in excess of expenses applicable to maintenance or operation.
21. Revenue from watchmen's services.
22. Revenue from holding charges.
23. Revenue from terminal operations not provided for elsewhere.

RENT REVENUE

341 Revenue from charters.

(a) This account shall include the revenue receivable by the carrier under contract for the charter of its vessels to other carriers (or to shippers when the amount receivable for charter is not dependent upon the commodities and volume of freight transported) such as bare boat and time charters.

(b) The carrier shall include the charter revenue receivable under the contract in this account and shall include in the appropriate operating-expense accounts, the operating expenses, if any,

incurred and borne by it in operating vessels so chartered.

NOTE: Charter revenue derived from rental of vessels to shippers where such revenue is dependent upon the commodities and volume of freight transported shall be included in account 301, "Freight revenue."

342 Other rental revenue.

This account shall include the amounts derived from rental or lease of terminal facilities by the carrier to others including dockage, side wharfage, top wharfage, use of doorways, lights, etc., including revenue from freight and passenger privileges over the carrier's wharves and docks

MOTOR-CARRIER OPERATIONS

351 Motor-carrier revenue.

(a) This account shall include the operating revenues accruing to the carrier from the transportation of passengers, freight, express, and mail by motor vehicles operated in highway service in addition to or in lieu of services performed by vessels.

(b) The carrier shall maintain the primary revenue accounts prescribed by the Commission in the uniform systems of accounts for motor carriers of property and persons.

355 Interdepartmental credits.

If a carrier so elects, this account may include amounts which are credited to appropriate primary revenue accounts and concurrently charged to appropriate primary operating expense accounts representing interdepartmental items in connection with the operation of the carrier's terminal facilities while used by its own vessels in its own service. The carrier shall maintain subaccounts corresponding to the primary revenue accounts to which such credits shall be first allocated, and after closing the accounts, the amounts in these subaccounts shall be transferred to this account. In preparing and rendering reports to this Commission, the amounts in this account shall be omitted.

Small Carriers

CONDENSED REVENUE ACCOUNTS FOR SMALL CARRIERS

Accounts To Be Kept by Class A Companies

I. Operating Revenue—Line Service

301. Freight revenue.
302. Passenger revenue.
303. Baggage.
304. Mail.
305. Express.
306. Miscellaneous voyage revenue.
312. Demurrage.
313. Revenue from towing for regulated carriers.

Accounts To Be Kept by Class B Companies

I. Operating Revenue—Line Service

301. Freight revenue.
302. Passenger revenue.
303. Other line service revenues.
313. Revenue from towing for regulated carriers.

Small Carriers—Continued

CONDENSED REVENUE ACCOUNTS FOR SMALL CARRIERS—Continued

Accounts To Be Kept by Class A Companies

Accounts To Be Kept by Class B Companies

II. Other Operating Revenue

- 320. Special services.
- 321. Ferry service.

III. Revenue from Terminal Operations

- 331. Revenue from cargo-handling operations.
- 332. Revenue from tug and lighter operations.
- 333. Agency fees, commissions, and brokerage.
- 334. Miscellaneous operating revenue.

IV. Rent Revenue

- 341. Revenue from charters.
- 342. Other rent revenue.

V. Motor-Carrier Operations

- 351. Motor-carrier revenue.

II. Other Operating Revenue

- 320. Special services.
- 321. Ferry service.

III. Revenue from Terminal Operations

- 331. Terminal revenues.

IV. Rent Revenue

- 341. Charter and other rents.

V. Motor-Carrier Operations

- 351. Motor-carrier revenue.

OPERATING EXPENSES

400 Water-line operating expenses.

This account shall include the total expenses incurred in conducting transportation services as detailed in primary operating expense accounts number 401 to 495, both inclusive.

MAINTENANCE EXPENSES

401 Supervision.

This account shall include the pay of department heads and their assistants directly in charge of and engaged in maintenance, including clerks and attendants and the office and other expenses of the employees whose pay is chargeable to this account.

ITEMS

- Auto service.
- Books.
- Directories.
- Express charges.
- Heat.
- Ice.
- Light.
- Maps and plans.
- Membership in association.
- Newspapers.
- Periodicals.
- Photographs.
- Supplies for cleaning.
- Supplies for office.
- Stationery and printing.
- Telegraph and telephone.
- Traveling expenses.
- Wireless service.

NOTE: When department heads have direct supervision over other operating departments, the pay and expenses of their office shall be apportioned equitably over the departments under their supervision.

402 Repairs of floating equipment.

This account shall include the cost of material and labor expended in making repairs to vessels and other floating equipment directly attributable to replacement or restoration to a satisfactory condition of damaged and worn parts of vessels and other floating equipment, their machinery and fixtures comprising integral parts of such units.

The following is a representative list of items:

- (a) *Repairs to hull.*
 - Beam frames, floors, girders, stringers.
 - Bulkheads and watertight.
 - Cargo lights and accessories.
 - Cargo ports and hatches.
 - Caulking decks.
 - Cost of surveys.
 - Credit for salvage material.
 - Deck houses, doors, windows, canvas decks, companionways, skylights.
 - Decks and superstructure.
 - Degaussing-Depermining, wiping and flashing.
 - Derricks, cargo cranes.
 - Dry-docking and painting bottom.
 - Fire and general alarm systems.
 - Hold stanchions and ladders.
 - Loud speakers.
 - Other mechanical work on deck fitting and appliances.
 - Other miscellaneous hull work.
 - Railings, port lights, scuttles, coal holes, and ventilators.
 - Rudder and attachments (including quadrant).
 - Sea chests and sea valves.
 - Shell plating, deck plating, bulkheads, casings, built-in tanks, tank tops.
 - Sluice gates, bilge suction systems, sounding pipes, scuppers, fire-main.
 - Spinklers.
 - Steering-gear loads, sheeves controlling gear.

(b) *Repairs to machinery.*

Air conditioning equipment.

All pumps, independent and attached to engine.

Ash-hoisting apparatus, discharge pipe and hopper.

Auxiliary condenser.

Boiler ash pans, ash guards and boiler repairs.

Boiler casting for furnace, connecting doors (labor).

Boiler furnaces and combustion chambers

Boiler heads and shell.

Boiler smoke pipe, uptakes, furnace fronts.

Boiler tubes.

Boiler valves and mounting.

Blowers and airducts.

Capstans.

Cargo winches.

Dynamos and electrical fittings.

Electric generators and switchboards (including those for space occupied by machinery only).

Engine and boiler room floor plates and supporting structures.

Evaporators, distiller, filter tanks, donkey tank.

Hoisters.

Insulation on machinery, boilers, piping (not including sanitary lines, heating system, refrigerating or fresh water service).

Large ventilating fans.

Main condenser.

Main engine cylinders, pistons, valves, main engine parts, thrust bearings.

Piping fixtures, valves (not including sanitary, heating, refrigerator, or fresh water system).

Propeller, shafting and stern tube.

Refrigerating apparatus as far as loads to storage boxes.

Steering engine.

Windlass.

(c) *Repairs to fixtures.*

Brickwork on floors, tiling, asphaltting cementing.

Drinking tanks, filters, fountains.

Emergency escape panel kickout.

Ice boxes, refrigerating pipes and insulation.

Labor and material on heating system, steam to galley and pantry.

Labor and material—sanitary, drains, fresh water, hand pumps, sinks.

(d) *Miscellaneous.*

All repairs to floating equipment not provided elsewhere. Towage of floating equipment to and from repair yards and docking and undocking.

NOTE: The cost of repairs resulting from casualties shall be charged to account 166, "Claims pending," when covered by insurance. See account 473, "Hull insurance and damage," with respect to amounts not recoverable from insurance companies.

404 Repairs of buildings and other structures.

This account shall include:

1. Cost of material used and labor expended in repairing fixed improvements of all classes, such as wharves, docks, and other

landings or structures; pontoons, slips, sea walls, bulkheads, jetties, drydocks, and inclines thereto, including filling, strengthening, bracing, and painting.

2. Cost of repairing crib-work, racks, and bulkheads constructed for preserving the depth of water secured by dredging.

3. Cost of dredging to restore the depth of water.

4. Cost of repairs to guard and other piling, also cutting ice around docks and wharves to prevent damage, expenditures for protection against fire, and other expenses of a like nature.

5. Cost of repairs to general office and other buildings or structures, platforms, inclines to buildings.

6. Cost of repairing fixtures, machinery, and appurtenances.

Labor and material used in repairing the following:

Alarm system.

Arc lights.

Asbestos covering for boilers and pipes.

Asphalt.

Awnings.

Baggage rooms.

Bars and window.

Bins for material.

Blacksmith shops.

Boiler foundations.

Boiler rooms.

Boilers.

Boiler shops.

Boiler tubes.

Booths, telephone.

Bracing.

Breakwaters for protection of structures.

Buildings.

Bulkheads.

Canopies.

Carpenter shops.

Chutes.

Cisterns.

Coaling trestles.

Cofferdams.

Cord, window sash.

Counters.

Cross ties.

Docks.

Doors.

Door stops.

Drainage and sewage systems.

Drinking fountains.

Driveways.

Dynamos.

Eating rooms.

Electric light plants.

Electric wiring.

Elevators and machinery.

Express on repair material.

Faucets.

Fences.

Fenders, dock.

Fire buckets

Fire houses.

Fire escapes.

Fire lines.

Fire sprinkler lines.

Floors.

Foundations.

Foundries.

Freight charges on repair material.

Freight cranes and derricks attached to buildings.
 Freight house.
 Fuel stations.
 Garage buildings.
 Gates.
 General office buildings.
 Grain elevators.
 Grain warehouses.
 Greenhouses.
 Heating plants.
 Hedges.
 Hoisting engines for handling freight.
 Hosehouses.
 Hydrants.
 Icehouses.
 Lighting plants.
 Lumber sheds.
 Machine shops.
 Office buildings.
 Paint shops.
 Pavement within grounds.
 Paint and painting.
 Partitions.
 Piers.
 Piling.
 Pipe lines, interior
 Plumbing.
 Power plants.
 Pumping stations.
 Rallings.
 Radiators.
 Ramps.
 Refrigeration plants.
 Roofing.
 Screens, window and door.
 Shelving.
 Shops.
 Sidewalks.
 Sprinkler systems.
 Stables.
 Stairs.
 Steam and hot water distributing system.
 Storehouses.
 Skylights.
 Toilets.
 Tracks.
 Vaults.
 Ventilators.
 Waiting rooms.
 Wash bowls.
 Wash rooms.
 Watchhouses.
 Water meters.
 Water-supply systems.
 Wharves.
 Windows.
 Window shades.

NOTE A: The cost of repairs of movable equipment of fixed structures shall be included in account 405, "Repairs of office and other terminal equipment."

NOTE B: The cost of repairs resulting from casualties shall be charged to account 166, "Claims pending," when covered by insurance. See account 477, "Other insurance" with respect to amounts not recoverable from insurance companies.

405 Repairs of office and terminal equipment.

This account shall include the cost of material and repair parts used and labor

expended in repairing all movable equipment of building and other fixed terminal structures.

SHOP EQUIPMENT

Acetylene cutting and welding machines.
 Anvils.
 Assorted dies and blocks.
 Belting.
 Bench vises.
 Blue printing machines
 Bolt cutter.
 Boring bar.
 Boring brasses.
 Burning torches.
 Cages.
 Cast iron face plate.
 Chain blocks.
 Charging boards.
 Chisels.
 Compressed-air equipment.
 Crosscut saw.
 Die stock ratchet.
 Drill press.
 Drills.
 Electric drills.
 Emery grinder.
 Forges.
 Furnaces.
 Hydraulic jacks.
 Iron horse.
 Lathe.
 Magnetos.
 Motors.
 Mould filling brasses.
 Paint burners.
 Paint spraying machine.
 Pipe cutter.
 Photostatic machine.
 Portable boring bars.
 Portable electric grinder
 Power machine.
 Power saw.
 Propeller fan.
 Punch and shears.
 Reamers.
 Riveters' hammers
 Saws.
 Scales.
 Scaling hammers.
 Sewing machines.
 Shapers.
 Sledges.
 Stamping tools.
 Stationary engine.
 Steam hammer.
 Steam-test pump.
 Stencil machine.
 Stillson wrenches.
 Swedges.
 Taper shanks.
 Tools.
 Torches.
 Tube expanders.
 Twist drills.
 Twist drill and tool grinder
 Ventilating set.
 Vises.
 Wire cutters
 Wrenches.

OFFICE EQUIPMENT

Adding machines.
 Addressing machines.

Billing and bookkeeping machines.
 Blackboards.
 Blueprinting machines.
 Book cases.
 Brief cases.
 Cabinets.
 Calculating machines.
 Cameras.
 Carpets.
 Chairs.
 Check protectors.
 Clocks.
 Comptometer machines.
 Costumers.
 Counters.
 Desks.
 Dictaphones.
 Display racks.
 Drafting and engineering instruments.
 Duplicating machines.
 Filing cabinets
 Fire extinguishers.
 Floor covering.
 Floor scrubbing and polishing equipment.
 Guns.
 Lamps.
 Linoleum.
 Lockers.
 Mailing machines.
 Mimeograph machines.
 Numbering machines.
 Pictures.
 Polishing machines.
 Printing press and printing equipment.
 Refrigerators.
 Rugs and floor coverings.
 Safes
 Scales.
 Settees.
 Shelving, portable.
 Stools.
 Stoves.
 Tables.
 Typewriters.
 Vacuum cleaners.
 Vending machines.

WHARF EQUIPMENT

Airplane platforms.
 Batteries.
 Bumpers.
 Canvas covers.
 Canvas slings.
 Cargo blocks.
 Cargo chutes.
 Cargo hooks.
 Cargo rollers.
 Chains.
 Chain slings.
 Coal buckets.
 Conveyors and belts, castors and rollers.
 Cranes, movable.
 Crow bars.
 Derricks, movable.
 Drum holsters.
 Electric truck warehouse.
 Escalators and castors, chains, and gears.
 Fire barrels.
 Fire buckets.
 Fire hose.
 Freight-handling equipment.
 Gangplanks.
 Gangways.
 Gas tanks.

Hand trucks.
 Hardware.
 Lawn mowers.
 Lift jacks.
 Motor trucks, warehouse.
 Mechanical parts for wharf equipment.
 Paper slings.
 Platforms.
 Platform scales.
 Platform trays.
 Platforms, truck.
 Pontoons.
 Racks.
 Rope.
 Rope slings.
 Scales, dock.
 Seats.
 Skids.
 Tarpaulins.
 Tents, canvas.
 Tools, miscellaneous.
 Tractors, warehouse.
 Trailers, warehouse.
 Trucks and truck bodies, warehouse.
 Ventilator and heaters.
 Wharf fenders.
 Wheels.
 Wire falls.
 Wire-rope slings.

GARAGE EQUIPMENT

Air compressors and tanks.
 Anvils.
 Arbor presses.
 Battery-charging outfits.
 Belts, shafts, and countershafts.
 Boring and reaming machines.
 Car washing machines.
 Cranes and hoists (portable).
 Creepers.
 Drill presses.
 Electric equipment.
 Engines and boilers.
 Forges.
 Gasoline, oil pumps, and portable tanks.
 Greasing racks and pumps.
 Grinders.
 Jacks.
 Lathes.
 Lockers.
 Machine tools.
 Motor-driven hand tools.
 Oil reclaiming machines.
 Paint sprayers.
 Pneumatic tools.
 Storage bins and shelves (portable).
 Storeroom equipment, except office.
 Stoves.
 Testing equipment.
 Tire-changing equipment.
 Tool racks.
 Vises.
 Vulcanizing equipment.
 Weighing devices.
 Welding apparatus.
 Wheel pullers.
 Work benches.

406 Repairs of highway equipment.

This account shall include the cost of labor, material, and other expenses incurred in the maintenance of highway vehicle and service equipment used in

motor operations subject to parts I and III of the Interstate Commerce Act.

HIGHWAY EQUIPMENT

Automobiles.
Buses.
Lift vans.
Tractors, trailers, and semitrailers.
Trucks.

NOTE: The cost of repairing motor highway equipment subject to part II of the Interstate Commerce Act is chargeable to account 491, "Motor-carrier expenses."

407 Shop expenses.

This account shall include the cost of labor, material, and other expenses incurred in the operation of machine shops at which mechanical work is done.

ITEMS OF EXPENSE

Cleaning shops and yards.
Fuel, lubricants, etc.
Heat, light, and power.
Ice used in shops.
Portable hand tools of short life.
Supplies used in shops.

NOTE: When work done is chargeable to others, the expenses of operating the shop shall be included in a suspense account and only the carrier's proportion shall be cleared to this account.

408 Other maintenance expenses.

This account shall include all expenses incident to the maintenance of property used in transportation service for which no other account is provided.

DEPRECIATION AND AMORTIZATION

411 Depreciation; transportation property.

This account shall include the amount of depreciation charges applicable to the accounting period for all depreciable transportation property currently operated in the service of the carrier.

413 Amortization of investment; leased property.

(a) This account shall include the amount of amortization charges applicable to the accounting period relating to the carrier's investment in improvements on leased property.

(b) The amortization charges shall be computed to distribute as nearly as practicable the book cost of such investments in equal annual charges over the period of their useful life in the service of the carrier.

TRANSPORTATION EXPENSES

LINE SERVICE

421 Supervision.

This account shall include the pay of department heads and their assistants

in charge of or engaged in the operation of vessels in line service, including the pay of clerks and attendants and office and other expenses of employees whose pay is chargeable to this account.

ITEMS OF EXPENSE AND SUPPLIES

Auto service.
Books.
Directories.
Express charges.
Heat.
Ice.
Light.
Maps.
Membership in associations.
Newspapers.
Painting signs on office doors.
Periodicals.
Photographs.
Supplies for cleaning.
Supplies for office.
Stationery and printing.
Telegraph and telephone.
Traveling expenses.
Wireless service.

NOTE: When department heads have direct supervision over other operating departments, their pay and expenses, and the pay and expenses of their employees, shall be apportioned equitably among the departments over which they have supervision.

422 Wages of crews.

This account shall include the wages of crews of vessels engaged in line service.

(a) *Deck department.* The pay of captains and all other employees of the deck department.

LIST OF EMPLOYEES

Boatswains
Captains.
Carpenters.
Chief officers
Deck hands.
Mates.
Pilots.
Portmen.
Quartermasters.
Sailors.
Seamen.
Watchmen, deck, cargo, and saloon.
Wireless telegraph operators.

(b) *Engineers' department.* The pay of chief engineers and all other employees of the engineers' department.

LIST OF EMPLOYEES

Assistant engineers.
Chief engineers.
Coal passers.
Electricians.
Firemen.
Oilers.
Plumbers.
Watertenders.
Wipers.

(c) *Stewards' department.* The pay of pursers and all other employees of the stewards' department.

LIST OF EMPLOYEES

Bakers.
Barbers.
Bellboys.
Butchers.
Cashiers.
Chefs.
Cooks.
Cruise directors
Dishwashers.
Doctors.
Entertainers.
Food checkers.
Hostesses.
Messboys.
Messmen.
Musicians.
Nurses.
Pantrymen.
Porters.
Printers.
Pursers.
Scullions.
Stewardesses
Stewards.
Storekeepers.
Telephone operators.
Waiters.

NOTE: When vessels are laid up in inactive service, the pay of the crews while engaged in repair work shall be charged to the appropriate accounts for repairs. If not engaged in repair work, the pay of the crews shall be charged to account 433, "Lay-up expenses."

423 Fuel.

This account shall include the cost of coal (including trimming when purchased f.o.b. lighters), oil, wood, and other fuel used for generating power, heat, and light on vessels in line service. This account shall also include the cost of analyzing or testing the quality of ships' fuel.

NOTE: When vessels are laid up in inactive service, the cost of fuel consumed during such period shall be charged to account 433, "Lay-up expenses."

424 Lubricants and water.

This account shall include the cost of oil, grease, tallow, graphite, and other lubricants; also of water and cost of analyzing and treating water for boilers of vessels in line service.

NOTE: When vessels are laid up in inactive service, the cost of lubricants and water used during such period shall be charged to account 433, "Lay-up expenses."

425 Food supplies.

This account shall include the cost of food furnished to the stewards' department of vessels in line service and consumed by officers, crew, and passengers,

including cost of delivery on board and inspection.

LIST OF SUPPLIES

Bread.
Butter.
Cakes.
Cereals.
Cheese.
Coffee.
Condiments.
Crackers.
Cream.
Dry provisions.
Eggs.
Extracts.
Fish, fresh, salted and canned, shell, and frozen.
Flour.
Fruits, fresh, preserve and dry.
Groceries.
Honey.
Ice cream,
Ices.
Jams.
Jellies.
Juices, fruit, berry, and vegetable.
Milk.
Molasses.
Meats, fresh, salted, and prepared.
Nuts.
Olives.
Pickles.
Poultry.
Preserves
Relishes.
Rolls.
Salt.
Sauces.
Sugar.
Spices
Tea.
Vegetables, fresh, and canned.
Yeast products.

NOTE A: Food, such as fruit, ice cream, ices, etc., sold as buffet supplies shall be charged to account 427, "Buffet supplies."

NOTE B: When vessels are laid up in inactive service, the food consumed during such period shall be charged to account 433, "Lay-up expenses."

426 Stores, supplies and equipment.

This account shall include the cost of stores, supplies and equipment used by the deck department, the engineer's department, and the stewards' department of vessels in line service.

DECK AND ENGINEER'S DEPARTMENT

Acids.
Alcohol.
Ammonia.
Antiseptics.
Asbestos.
Ash bags.
Asphalt.
Atomizers
Axes.
Babbitt metal.
Badges.
Barometer charts.
Batteries.
Beeswax.

Bits.
Blocks.
Boiler compound.
Bolts.
Borer.
Braces.
Brass sheet.
Bricks.
Brooms and brushes.
Buckets.
Bulbs, electric light.
Burlap.
Buttons for uniforms.
Calipers.
Can, squirt.
Candles.
Cans oil.
Canvas.
Caps.
Carbonic acid gas.
Carbons, searchlight.
Cement.
Chalk.
Charts.
Cheesecloth.
Chemicals.
Chisels.
Clamps.
Coal bags.
Coils.
Cost of delivery on board of stores.
Couplings, hose and pipe.
Cups, oil and grease.
Curled hair.
Dies.
Disinfectants.
Drayage on stores.
Drills.
Drinking cups.
Dry cells.
Drugs and medicines.
Dusters.
Dustpans.
Elbows.
Electric plugs.
Emery.
Emery cloth.
Epaulets.
Extinguishers, fire.
Falls.
Files.
Filter sheets.
Fire clay.
Fire extinguishing supplies.
First-aid kits.
Flags.
Flashlights.
Freight or express charges on stores.
Funnels.
Fuses.
Gaskets.
Gasoline.
Gauze, wire.
Glass, ground.
Globes.
Glue.
Glycerine.
Grommets.
Halyards, signal.
Hammers.
Hand tools.
Hatchets.
Hinges.
Hooks.
Hooks, boat.

Hose, water, steam, and metallic.
Hydrometers.
Ice.
Kerosene.
Lampblack.
Lamp burners.
Lamp chimneys.
Lamp guards.
Lamp oil.
Lamp wicks.
Lantern globes.
Lead, red.
Lead, white.
Line.
Linseed oil.
Lumber for dunnage.
Mail bags.
Maps.
Marline.
Marline spikes.
Master's permit.
Matches.
Medical and surgical supplies.
Medicine.
Metal polish.
Mop wringer pails.
Mops.
Nails.
Nipples.
Nozzles, hose.
Nuts.
Oil.
Oxalic acid.
Packing.
Padlocks.
Pails.
Paint.
Paint remover.
Paper cups.
Paste, polishing.
Pennants.
Plugs, fusible.
Plugs, pipe.
Polish, metal and other.
Potash.
Powder, soap.
Pumice stone.
Putty.
Rags.
Rat traps.
Rivets.
Rockets.
Rope.
Sail needles.
Sand.
Sandpaper.
Sawdust.
Saws.
Screw drivers.
Screws.
Sheet rubber.
Shellac.
Shovels.
Signal oil.
Small tools.
Soap.
Soda ash.
Solder.
Soldering supplies.
Sponges.
Springs.
Staples.
Stoppers.
Tacks.
Tallow.

Tape.
 Tar.
 Telephone charges.
 Thermometers.
 Tin, sheets of.
 Tobacco cloth.
 Torches, blow.
 Trowels.
 Turpentine.
 Twine.
 Uniforms.
 Valves.
 Varnish.
 Washers.
 Waste.
 Wicks.
 Wire.
 Wrenches.
 Zinc, white.

STEWARDS' DEPARTMENT

Aprons, coats, caps, uniforms for employees.
 Badges, waiters.
 Bed sheets.
 Bedding.
 Blankets.
 Books for library.
 Bowls.
 Chinaware.
 Cooking utensils.
 Counterpanes.
 Covers, pillow and mattress.
 Crew eating gear.
 Crockery.
 Dishes.
 Drinking cups, paper.
 Epaulets.
 Floral or other decorations.
 Fresh water for drinking.
 Freight or express charges on stores.
 Fuel for cooking.
 Galley fuel.
 Glassware.
 Ice.
 Kettles.
 Kitchen utensils.
 Linen.
 Matches.
 Mattresses.
 Mattress covers.
 Menu.
 Musical instruments.
 Music rolls.
 Napkins.
 Neckties.
 Nut crackers.
 Pans.
 Paper cups, napkins, and towels.
 Phonograph records.
 Pillows and pillow cases.
 Pots.
 Radio tubes, batteries, and parts (for passenger entertainment).
 Sheets.
 Sheet music.
 Silverware.
 Slips, pillow.
 Soap.
 Stationery and post cards for passenger use.
 Suits.
 Tableware.
 Tablecloths.
 Toilet paper.

Toothpicks.
 Towels and towelings.

NOTE: When vessels are laid up in inactive service, the cost of stores, supplies, and equipment consumed during such period shall be charged to account 433, "Lay-up expenses."

427 Buffet supplies.

This account shall include the cost of buffet supplies for vessels in line service.

LIST OF BUFFET SUPPLIES

Alcoholic beverages.
 Candy.
 Carbonic acid gas.
 Cigarettes.
 Cigars.
 Fruit.
 Ice cream.
 Mineral water.
 Periodicals.
 Post cards.
 Souvenirs.
 Tobacco.

428 Other vessel expenses.

This account shall include expenses incurred incident to the operation of vessels in line service and not properly chargeable to other accounts.

ITEMS OF EXPENSE

Ashes, removal of.
 Ballast expense.
 Board and room allowance for crew on shore.
 Canal tolls.
 Capacity plans.
 Carrier's proportion of expenses incurred in operating pools for the purpose of equalizing revenues.
 Chronometers, rating.
 Compass, adjusting.
 Crew, transportation and cost of securing.
 Emblems.
 Fresh water.
 Garbage service.
 Inventory expense.
 Launch hire.
 Lights furnished from shore.
 Masters, expenses of.
 Medical examinations of ship personnel.
 Payroll expense.
 Pianos, tuning.
 Postage and petties.
 Rental of motion picture reels.
 Rental of radio equipment.
 Rental of submarine signal apparatus.
 Seaworthy certificate.
 Stationery and printing.
 Steam furnished.
 Taxi hire.

NOTE: When vessels are laid up in inactive service, such expenses shall be charged to account 433, "Lay-up expenses."

429 Outside towing expenses.

This account shall include amounts paid to others for towing services performed for the carrier by line vessels of others not under charter.

430 Wharfage and dockage.

This account shall include expenditures for the privilege of using docks, wharves, piers, trestles, or floats belonging to others, for loading and discharging cargo, and for mooring vessels in line service.

This account may be subdivided in order to allocate wharfage and dockage expenses between those incurred for boats and those incurred for barges.

NOTE A: Tollage charge assessed on cargo on a per ton basis for the privilege of handling freight over docks is chargeable to account 443, "Stevedoring."

NOTE B: When vessels are laid up in inactive service, the expenditures for wharfage and dockage incurred by such vessels during such period shall be charged to account 433, "Lay-up expenses."

431 Port expenses.

This account shall include expenses and charges incident to port service of vessels in line service.

LIST OF CHARGES

Anchorage dues.
Bridges, opening.
Brokerage, customs.
Buoy hire.
Cargo dues.
Certificates, loading and discharging.
Chamber of Commerce dues.
Clearance dues and fees.
Consular fees and tonnage charges.
Customhouse dues.
Customs house, overtime.
Entry dues and fees.
Fumigation.
Handling lines.
Harbor dues.
Health office dues and fees.
Lighthouse dues.
Mooring and unmooring.
Packet privileges.
Permit for loading and discharging.
Pilotage.
Port dues and taxes.
Quarantine expenses.
Running lines.
Sanitary dues.
Shifting vessels.
Stamp for manifests.
Stamp tax and stamp paper.
Tonnage dues.
Towage.
Tug operation or hire.
Watching vessel.

NOTE: When vessels are laid up in inactive service, the expenses incident to port service shall be charged to account 433, "Lay-up expenses."

432 Agency fees and commissions.

This account shall include amounts payable as fees, commissions, and brokerage to outside agents as sub-agents appointed to look after the carrier's op-

erations and who are compensated on the basis of an allowance or charge for agency or attendance fee.

NOTE: The agency fees paid agents engaged exclusively in canvassing and soliciting traffic shall be included in account 457, "Outside traffic agencies."

433 Lay-up expenses.

This account shall include the pay of crews while not engaged in repairs of vessels which are laid up in inactive service, including the cost of fuel, food, stores, supplies, and equipment; port expenses, wharfage, dockage, and other expenses.

NOTE A: When vessels are laid up in inactive service undergoing repairs, the pay of crews while actually engaged in making repairs shall be charged to the repair account.

NOTE B: Expenses of vessels in an inactive status, for a limited number of days or awaiting cargo, etc., shall be charged to appropriate line-service accounts.

TERMINAL SERVICE

441 Supervision.

This account shall include the pay of department heads and their assistants in charge of or engaged in the operation of terminals, and their clerks and attendants, including office and other expenses of employees whose pay is chargeable to this account.

ITEMS OF EXPENSE AND SUPPLIES

Books.
Business-auto service.
Directories.
Express charges.
Fees and dues in associations having a direct or immediate relation to the operation of equipment in terminal service.
Heat.
Ice.
Light.
Maps.
Membership in associations.
Newspapers.
Periodicals.
Photographs.
Supplies for cleaning.
Telegraph and telephone.
Traveling expenses.
Wireless service.

NOTE: Where department heads have direct supervision over other operating departments, their pay and expenses and the pay of their employees shall be apportioned equitably among the departments over which they have supervision.

442 Agents.

This account shall include the pay of agents, clerks and attendants and other agency employees, and the office and other expenses of those engaged in operating stations, wharves, and docks.

OFFICE EMPLOYEES

Accountants.
Agents.
Assistant agents.
Baggagemen.
Bookkeepers.
Cashiers.
Charwomen.
Clerks.
Collectors.
Comptometer operators.
Messengers.
Porters.
Stenographers.
Telephone operators.
Tellers.
Ticket agents.
Typists.

WHARF EMPLOYEES

(When not chargeable to account 443,
"Stevedoring.")

Cleaners.
Clerks.
Gatemen.
Roundsmen.
Timekeepers.
Warehouse foremen.
Watchmen.

ITEMS OF EXPENSE AND SUPPLIES

Advertising for help.
Books.
Brooms and brushes.
Business-auto service.
Changing combination of safes.
Cleaning offices.
Cleaning supplies
Directories.
Express charges.
Heat.
Ice.
Light.
Licenses of ticket agents.
Maps.
Membership in associations.
Messenger service.
Newspapers and periodicals.
Office supplies.
Polish.
Telephone and telegraph.
Traveling expenses.
Uniforms for employees.
Weighing and inspection bureaus.

443 Stevedoring.

This account shall include the following:

(a) The pay of stevedores, foremen, and longshoremen, engaged in:

1. Loading, stowing, or unloading cargoes of vessels.
2. Breaking down piles on docks and loading trucks for trucking to vessels.
3. Breaking down cargoes in vessels and loading trucks for discharging cargoes.
4. Loading and discharging baggage, express, and mail.
5. Trucking from dock, lighters or cars to vessels or from vessels to dock, lighters, or cars.
6. Rigging and unrigging gear.
7. Operating escalators or conveyors.

8. Opening holds, placing skids and nets.
9. Closing holds, taking in skids, nets, etc.
10. Piling or trucking cargo discharged from vessels.
11. Winchmen, switchmen, and routers.
12. Installation of cargo battens, cargo trimmers, cattle fittings, grain fittings, shifting boards and dunnage, and heading cotton.
13. Loading and discharging lighters direct to and from vessels.

(b) The pay of laborers and clerks engaged in:

1. Receiving, delivering, checking, tallying, measuring, and weighing cargo.
2. Stenciling and marking cargo.
3. Coopering cargo.
4. Sorting cargo.
5. Tiering cargo received for shipment and high piling of discharged cargo.
6. Loading and unloading and sealing freight cars when performed by carrier.
7. Cleaning holds and tanks for reception of cargo.
8. Shifting cargo on docks and watching cargo.
9. Tollage charges assessed on cargo on a per ton basis for the privilege of handling freight over docks.

(c) Hire of cranes, derricks, stevedore gear and equipment, including cargo slings, hatch bridles, save-alls, tarpaulins, hatch tents, and heavy lift charges.

(d) Transportation, traveling time, and feeding of stevedores and longshoremen; demurrage on lighters awaiting cargoes or transfers; landing charges and collections; and shifting barges and lighters at terminals.

(e) Inspection of fruit, vegetables, cotton, grain, etc.

(f) Barrel hoops, staves, heads, and metal strips; cooperage supplies and material, crayon and chalk for marking; lumber for coopering; material for packing and tagging freight; hardware, sawdust, burlap, and shaving; and seals for cars.

(g) Cost of gasoline and other fuel used in operating wharf equipment.

(h) This account shall also include amounts paid to others covering the cost of labor, material, and hire of equipment in the checking, receiving, loading, and unloading of vessels including Federal old-age pensions and unemployment compensation taxes. Such expense paid to others shall be kept in a separate sub-account from amounts expended by the carrier for labor and supplies.

444 Precooling and cold-storage operations.

This account shall include all expenses in connection with the operation of plants for precooling and cold storage of freight shipments. It shall include the pay and expenses of engineers, me-

chanics, and other employees, and the cost of fuel, lubricants, electric power, salt, and other supplies consumed in the operation of the plants.

445 Light, heat, power, and water.

This account shall include the expenses of light, heat, power, and water used in operations, except as otherwise provided for, whether produced by the carrier or purchased from others.

446 Stationery and printing.

This account shall include the cost of all stationery, stationery supplies, printing, books, and blank forms used in connection with the operation of terminals, including capacity plans, cargo plans, stowage plans, waybills, tickets, baggage checks, bills of lading, etc.

For list of items see account 466, "Stationery and printing."

447 Tug operations.

This account shall include all expenses in connection with the operation of tugs employed in transfer service, including expenses in connection with the operation of lighters and other similar floating equipment employed in such service and engaged in handling, loading, transporting and discharging lightered cargo when not incurred in connection with line service operations.

NOTE: When tug operations are incurred in connection with line service operations, they shall be charged to account 431, "Port expenses."

448 Operation of highway vehicles.

This account shall include expenses incurred in the operation of highway vehicles in connection with the transportation of passengers, freight, express, or mail in connection with handling cargo or passengers in loading and unloading vessels.

ITEMS OF EXPENSE

Bridge and tunnel charges.
Ferriage.
Fuel.
Garage supplies and expenses.
Gasoline.
Labor cleaning and preparing equipment for service.
Loading or unloading vehicles.
Lubricants.
Medicine.
Pay of operators and helpers, including the time held for duty.
Water and other supplies.

NOTE: Operating expenses incurred by the carrier in transporting passengers, freight, express, and mail by highway vehicles operated in addition to or in lieu of performing line service by vessels shall be included in account 491, "Motor-carrier expenses."

449 Local transfers.

This account shall include amounts expended for transfer service in connection with the transportation of passengers, freight, express, or mail by others when such payments are not includible in account 301, "Freight revenue."

450 Other terminal operations.

This account shall include all expenses incident to operation of terminal for which no other account is provided.

TRAFFIC EXPENSES

456 Supervision.

This account shall include the pay of department heads and their employees in charge of or engaged in supervising the soliciting and advertising of traffic; also the office, traveling, and other expenses of employees whose pay is includible in this account.

ITEMS OF EXPENSE AND SUPPLIES

Books.
Business-auto service.
Cleaning supplies.
Directories.
Heat.
Ice.
Light.
Maps.
Newspapers.
Periodicals.
Stationery and printing.
Telegraph and telephone.
Traveling expenses.

NOTE A: The pay and expenses of commercial, city, district, and other agents, their clerks, and attendants engaged exclusively in canvassing and soliciting traffic shall be charged to account 457, "Outside traffic agencies."

NOTE B: When department heads have direct supervision over other operating departments, their pay and expenses, and the pay and expenses of their employees shall be apportioned equitably among the departments over which they have supervision.

457 Outside traffic agencies.

This account shall include the pay of commercial, city, district, and other agents engaged exclusively in canvassing and soliciting traffic; employees of their offices, traveling solicitors; and the cost of supplies, office, traveling, and other expenses of employees whose pay is included in this account.

Commissions paid to tourist agents and other companies for securing passengers, commissions and brokerage paid others for securing freight traffic, and fees paid outside agents engaged exclusively in canvassing and soliciting traffic shall also be included in this account.

458 Advertising.

This account shall include the pay and expenses of employees in connection with advertising for the purpose of increasing traffic, including expenses incurred in the preparation, printing, and distribution of advertising matter.

This account shall also include commissions paid outside advertising agents or firms.

NOTE: Amounts received from the sale of advertising space in timetable folders, shall be credited to account 334, "Miscellaneous operating revenue."

459 Other traffic expenses.

This account shall include expenses in connection with securing traffic not properly chargeable to other traffic accounts, including the cost of printing freight and passenger tariffs, classifications, and division sheets.

GENERAL EXPENSES

461 General officers and clerks.

This account shall include the pay of general officers not otherwise provided for and their assistants, clerks and attendants, including salaries and fees of receivers and traveling and other expenses of such employees.

LIST OF OFFICERS

Auditor.
Auditor of Disbursements.
Auditor of Revenue.
Chairman of the Board.
Comptroller.
Executive Committee.
General Accountant.
General Auditor.
General Manager.
Local Treasurer.
President.
Purchasing Agent.
Receiver.
Secretary.
Transfer Agent.
Treasurer.
Vice-president.

LIST OF EMPLOYEES

Accountants.
Bookkeepers.
Cashiers.
Charwomen.
Chief accountants.
Cleaners.
Clerks.
Comptometer operators.
Elevator operators.
Janitors.
Key-punch operators.
Machine operators.
Messengers.
Paymasters.
Porters.
Secretaries of officers.
Statisticians.

Stenographers.
Telephone operators.
Traveling accountants.
Traveling auditors.
Typists.
Watchmen.

462 General office supplies and expenses.

This account shall include the office expenses of general officers, their clerks, and attendants.

ITEMS OF EXPENSE AND SUPPLIES

Atlases.
Books.
Brushes.
Brooms.
Cable tolls.
Changing combination on safes.
Cleaning offices.
Cloth towels.
Directories.
Express charges.
Fee for transportation of cash.
Heat.
Laundering.
Light.
Local messenger service.
Maps.
Paper drinking cups and towels.
Periodicals and newspapers.
Radio service.
Rent of general offices.
Repairs of rented general offices.
Reports of commercial standings.
Safety deposit box rent.
Tabulating machine rent.
Telegraph service.
Telephone service.
Uniforms and caps for porters, janitors, and watchmen.
Water.
Watchman service.

463 Law expenses.

This account shall include the pay of officers in charge of the law department; of solicitors and attorneys, their clerks and attendants; and fees and retainers for services of attorneys not regular employees of the carrier; also office and traveling expenses of such officers and of their clerks; cost of lawbooks, printing briefs, legal forms, testimony and reports. It shall also include cost of suits and payments of special fees, notarial and witness fees not provided for in other accounts; fees paid arbitrators for settlement of disputed questions, and law and court expenses not provided for elsewhere.

OFFICERS AND EMPLOYEES

Attorney.
Clerks.
Counsel.
General attorney.
General counsel.
General solicitor.
Law agent.

Law clerk.
Librarian.
Office and staff forces.
Patent attorney.
Solicitor.
Special counsel.
Tax attorney.

ITEMS OF EXPENSE AND SUPPLIES

Agreements, briefs, contracts, legal forms, and reports, cost of preparing and printing.
Arbitrator's services in settlement of disputed questions.
Collecting revenue and other accounts, law expense in connection with.
Cost of taking depositions.
Cost of testimony.
Cost of suits.
Court bonds.
Court expenses.
Drawing and recording agreements.
Fees and retainers of attorneys (not regular employees).
Law books.
Legal forms.
Legal reports.
Membership fees and dues in law associations.
Notarial fees not provided for elsewhere.
Office expenses.
Special fees.
Telegraph services.
Telephone services.
Witness fees not provided for elsewhere.

464 Management commissions.

This account shall include amounts payable as commissions and fees to other concerns acting for the carrier in supervising and managing its operations, in instances where the carrier does not maintain an operating organization.

NOTE: The customary agency fees, commissions, and brokerage paid general and sub-agents at outports shall not be included in this account.

465 Pensions and relief.

(a) *Pensions.* This account shall include pensions or gratuities paid out of the carrier's funds to retired employees or the heirs of former employees and the expenses incurred solely in connection therewith.

(b) *Relief.* It shall include premiums on policies under which employees are insured, and they or their heirs are the beneficiaries, and also expenses incurred and amounts contributed toward funds or other provisions for the relief of employees.

NOTE: If, under a contractual pension plan which definitely established the payment, of specific pensions to employees regularly retired for superannuation or disability, the carrier elects to set aside in an irrevocable trust fund each month amounts, determined through the application of equitable actuarial factors to the current payrolls, which,

together with interest accruals thereon, will, as nearly as may be, meet its liabilities for the payment of pensions or for the purchase of annuities for employees upon their retirement, it shall concurrently charge to this account and credit to account 222, "Pension and welfare," amounts equal to those set aside in the trust fund. The carrier shall maintain a complete record of the actuarial computations through which the accrual each month of its pension liabilities is established.

Before adopting the accrual plan of accounting for pensions, the carrier shall inform the Commission of complete details of its pension plan, giving full statement of the facts which in its judgment establish an irrevocable contractual obligation for pension payments, together with actuarial formula under which it proposes to create its pension fund.

No charge to this account shall be made in anticipation of discretionary pension payments in the future.

466 Stationery and printing.

This account shall include the cost of stationery, office supplies, passes, printing, tabulating cards, books, and blank forms, including contracts, leases, and stationery and printing of law department not provided for elsewhere, except cost of law books and the cost of printing briefs, legal forms, testimony and reports for the law department.

STATIONERY AND PRINTING ITEMS

Arm rests.
Baskets, letter.
Binders.
Blank books.
Blotters.
Blueprint paper.
Calendars.
Carbon paper.
Cardboard.
Card, blank and printed.
Circulars.
Clips, paper.
Computing tables.
Copy (impression) books.
Copying brushes.
Copying cloths.
Crayons.
Cross-section books.
Cross-section paper.
Dating stamps and ribbons.
Desk baskets.
Desk trays.
Drawing paper.
Electrotypes.
Envelopes.
Erasers.
Eyelet punches.
Eyelets.
Fasteners.
Filing cases.
Forms, blank and printed.
Glue.
Indexes.
Ink.
Inkstands.
Invoice books.

Lease blanks.
 Ledgers.
 Legal-cap paper.
 Letter paper.
 Letter presses.
 Manifold paper.
 Manifold pens.
 Mending tissue.
 Mucilage.
 Mucilage brushes.
 Notebooks.
 Note paper.
 Notice blanks.
 Oil paper.
 Order blanks.
 Pads, blank and ruled paper.
 Pad, ink.
 Paper.
 Paper baskets.
 Paper clips.
 Paper cutters.
 Paper fasteners.
 Paper files.
 Paperweights.
 Paper, writing.
 Pass forms.
 Paste.
 Pay checks.
 Pencil sharpeners.
 Pencils.
 Penholders.
 Penracks.
 Pens.
 Perforators.
 Pins.
 Postage.
 Profile books and paper.
 Punches.
 Ribbons.
 Rubber bands.
 Rubber stamps.
 Rulers.
 Ruling pens.
 Scissors.
 Scrapbooks.
 Sealing wax.
 Seals.
 Shears.
 Shipping tags.
 Sponge cups.
 Sponges.
 Stamps, impression.
 Tablets, blank and printed.
 Tacks, thumb.
 Tags.
 Tape.
 Telegraph blanks.
 Tickets, time.
 Tissue (impression) paper.
 Tracing cloth.
 Tracing paper.
 Twine.
 Typewriter ribbons.
 Wage tables.
 Wastebaskets.
 Water colors.
 Wrapping paper.
 Wringers, copying press.

NOTE: The cost of dictionaries, periodicals, and technical books shall be charged to the appropriate supervision account. The cost of law books, etc., shall be charged to account 463, "Law expenses."

467 Other expenses.

This account shall include expenses of a general nature not properly chargeable to other general accounts.

ITEMS OF EXPENSE

Annual audits or investigations.
 Annual reports, printing and publishing.
 Association membership fees and dues.
 Bank charges for services.
 Contributions.
 Corporate and fiscal notices of general character.
 Cost of valuations and appraisals.
 Donations to local fire departments.
 Donations to YMCA and similar institutions.
 Election of directors.
 Exchange, domestic, on checks cashed or deposited and drafts bought.
 Fees and expenses paid directors.
 Fees paid for collection of insured loss.
 Loss by fire or burglary of funds, or from defalcation of employees when not recoverable from insurance.
 Loss from acceptance of counterfeit money.
 Notice of dividends.
 Pay to former employees separated from service.
 Premiums paid less cash surrender value of insurance on lives of officers when carrier is the beneficiary.
 Stockholders' meetings.

CASUALTIES AND INSURANCE

471 Supervision.

This account shall include the pay, traveling and other expenses of the departmental heads and their employees in charge of or engaged in the supervision, adjustment, investigation and settlement of claims for loss and damage to cargo and baggage, damage to property, and injuries to persons.

NOTE: Legal expenses of conducting suits or settling claims arising in connection with insurance coverage shall be charged to the appropriate insurance accounts.

472 Baggage insurance and losses.

(a) This account shall include insurance premiums paid to insure against amounts payable for loss, damage, delays, or destruction of baggage and other personal property as well as amounts payable when not recoverable through insurance or from other carriers; also pay and expenses of adjusters of baggage claims or while engaged as witnesses in lawsuits.

(b) This account shall be credited with the net amount received from the sale of unclaimed or damaged baggage.

473 Hull insurance and damage.

This account shall include the cost of insurance to protect the carrier against loss or damage sustained in the opera-

tion of floating equipment in line service or terminal service due to marine accidents, perils of the sea, fire and other losses covered by usual hull insurance policies.

This account also shall include the cost of repairs to floating equipment arising from such causes borne by the carrier under the deductible provisions of insurance policies or otherwise not collectible from underwriters or others. The account may be charged each month with an amount estimated to be sufficient to meet the probable liability for deductibles or the carrier's proportion of self-carried risks with concurrent credit to account 221, "Insurance reserves," and this latter account shall be charged when the liability is determined. Amounts recovered from underwriters or others less expenses in connection with such recovery shall be credited to this account or to account 221, "Insurance reserves," as appropriate.

474 Cargo insurance, loss and damage.

This account shall include the cost of insurance to protect the carrier against loss and damage to cargo.

This account also shall include amounts payable for loss, damage, delay, or destruction of freight shipments not recoverable through insurance or from other carriers. The account shall include uncollectible freight charges payable on lost, damaged, or refused shipments, and costs of repacking and boxing damaged freight. The account may be charged monthly with an amount estimated to be sufficient to meet the probable liability for freight claims with concurrent credit to account 221, "Insurance reserves," and this latter account shall be cleared when liability is determined. Amounts receivable from the sale of refused, unclaimed and damaged freight shall be credited to this account or to account 221, "Insurance reserves," as appropriate.

475 Liability insurance and losses, marine operations.

This account shall include the cost of insurance to protect the carrier against losses resulting from injury and illness of crew and passengers on its vessels, crew repatriation, damage to property of others caused by carrier's vessels, and other losses covered by protection and indemnity or other marine liability insurance policies, as well as penalties imposed by governmental authorities.

This account shall also include (1) amounts payable by the carrier for damage to or destruction of property

owned by others, but excepting freight and baggage entrusted to the company for transportation, and (2) payments and expenses connected with injuries or death of persons and employees which occur in connection with marine operations in performing transportation service when such payments and expenses are borne by the carrier under the deductible provisions of insurance policies or not otherwise collectible from underwriters or others. The account may be charged each month with an amount estimated to be sufficient to meet probable liability for personal injuries and property damage claims arising from marine operations with concurrent credit to account 221, "Insurance reserves," and this latter account shall be cleared when liability is determined.

476 Liability insurance and losses, non-marine operations.

This account shall include the cost of insurance to protect the carrier against liability for claims of employees who are employed on shore such as stevedores, shop employees, fleet employees, general and branch office employees ordinarily covered by workmen's compensation insurance, and cost of insurance to protect the carrier against claims arising from public liability in connection with shore operations.

This account also shall include (1) amounts payable by the carrier for damage, arising from shore operations, to or destruction of property owned by others, but excepting freight or baggage entrusted to the company for transportation, and (2) payments and expenses connected with injuries or death of persons and employees which occur in connection with shore operations where such payments and expenses are borne by the carrier under the deductible provisions of insurance policies or otherwise not collectible from underwriters or others. The account may be charged each month with an amount estimated to be sufficient to meet the probable liability for personal injury and property damage claims arising from shore operations with concurrent credit to account 221, "Insurance reserves," and this latter account shall be cleared when liability is determined.

This account shall include expenses of consultants, witnesses in connection with personal injury claims, payments to hospitals and payments to physicians, surgeons, and nurses attending injured shore employees or other persons injured in shore operations.

477 Other insurance.

This account shall include the cost of insurance to protect the carrier against loss or damage not provided elsewhere, such as fire, theft, collision, public liability and property damage insurance on motor vehicles; fire insurance on structures, machinery, and equipment; and burglar, fidelity, and holdup insurance, including any payments and expenses borne by the carrier under the deductible provisions of such insurance policies or otherwise not collectible from underwriters or others.

OPERATING RENTS

481 Charter rents—Transportation property.

(a) This account shall include the rent payable by the carrier under contract for the charter of vessels (when the amount payable as charter rent is not dependent upon the commodities and volume of freight transported), such as bare boat or time charters.

(b) The carrier shall include the rent payable under the contract in this account, and shall include in other appropriate operating expense accounts additional expenses incurred by it in operating vessels chartered from others.

483 Other operating rents.

This account shall include, when not provided for elsewhere, rents payable for the use of land, structures, terminal facilities, and equipment used for transportation purposes.

OPERATING TAXES

485 Pay-roll taxes.

This account shall include old-age benefit, unemployment compensation, social security, and other similar taxes that are computed on basis of the pay-rolls.

486 Water-line tax accruals.

(a) This account shall include provisions for Federal, capital stock, state, county, municipal and other taxing district taxes (excluding income and excess profit taxes) applicable to the period for which the income account is stated. Taxes accruing prior to their payment shall be credited to account 206, "Accrued taxes."

(b) This account shall be kept in such a manner as to show the amount of each class of taxes.

(c) This account shall include:

(1) Taxes on earnings or income when in lieu of taxes on transportation property.

(2) Taxes on franchises or privileges of conducting transportation operations.

NOTE A: Taxes on other than transportation operations or property shall be charged to account 523, "Expenses of noncarrier operations." When taxes are levied so that the amount applicable to each class of property is not definitely stated, the total amount of the levy shall be apportioned on an equitable basis.

NOTE B: Special assessments for street and other improvements, and special benefit taxes, such as water taxes and the like, shall be included in operating expenses.

NOTE C: Discount allowed for prompt payment of taxes shall be credited to the account to which the taxes are chargeable.

NOTE D: Interest and penalties on tax assessments shall be charged to account 529, "Interest on unfunded debt."

NOTE E: Taxes on interest on carrier's long-term debt paid at the source under tax-free covenants shall be charged to account 527, "Miscellaneous income charges."

NOTE F: Where sales or other taxes are assessed as part of the cost of tangible personal property, they shall be included in the cost of the property purchased.

NOTE G: Taxes assessed against carriers for electric energy, telegraph, telephone, radio, cable messages, checks, and safe-deposit boxes, social security taxes, and motor vehicle drivers' licenses shall be included in operating expenses.

NOTE H: Taxes collected which are payable to governmental agencies shall be included in account 202, "Accounts payable."

MOTOR CARRIER OPERATIONS

491 Motor-carrier expenses.

(a) This account shall include the operating expenses incurred by the carrier in transporting passengers, freight, express, and mail by motor vehicles operated in highway service, in addition to or in lieu of services performed by line vessels.

(b) The carrier shall maintain the primary operating-expense accounts prescribed by the Commission in the uniform systems of accounts for motor carriers of property and persons.

495 Interdepartmental debits.

If a carrier so elects, this account may include amounts which are debited to appropriate primary operating-expense accounts and concurrently credited to appropriate primary revenue accounts representing interdepartmental items in connection with the operation of the carrier's terminal facilities while used by its own vessels in its own service.

The carriers shall maintain subac-

counts corresponding to the primary operating-expense accounts to which such debits shall be first allocated, and after closing the accounts the amounts in

these subaccounts shall be transferred to this account. In preparing and rendering reports to this Commission, the amount in this account shall be omitted.

Small Carriers

CONDENSED EXPENSE ACCOUNTS FOR SMALL CARRIERS

Accounts To Be Kept by Class A Companies

Accounts To Be Kept by Class B Companies

I. Maintenance Expenses

I. Maintenance Expenses

- 401. Supervision.
- 402. Repairs of floating equipment.
- 404. Repairs of buildings and other structures.
- 405. Repairs of office and terminal equipment.
- 406. Repairs of highway equipment.
- 407. Shop expenses.
- 408. Other maintenance expenses.

- 401. Maintenance of vessels and other property.

II. Depreciation and Amortization

II. Depreciation and Amortization

- 411. Depreciation—Transportation property.
- 413. Amortization of investment—Leased property.

- 411. Depreciation and amortization.

III. Transportation Expenses

III. Transportation Expenses

A. Line Service

A. Line Service

- 421. Supervision.
- 422. Wages of crews.
- 423. Fuel.
- 424. Lubricants and water.
- 425. Food supplies.
- 426. Stores, supplies, and equipment.
- 427. Buffet supplies.
- 428. Other vessel expenses.
- 429. Outside towing expenses.
- 430. Wharfage and dockage.
- 431. Port expenses.
- 432. Agency fees and commissions.
- 433. Lay-up expenses.

- 421. Operation of vessels.

- 433. Lay-up expenses.

B. Terminal Service

B. Terminal Service

- 441. Supervision.
- 442. Agents.
- 443. Stevedoring.
- 444. Precooling and cold-storage operations
- 445. Light, heat, power, and water.
- 446. Stationery and printing.
- 447. Tug operations.
- 448. Operation of highway vehicles.
- 449. Local transfers.
- 450. Other terminal operations.

- 441. Terminal expenses

IV. Traffic Expenses

IV. Traffic Expenses

- 456. Supervision.
- 457. Outside traffic agencies.
- 458. Advertising.
- 459. Other traffic expenses.

- 456. Traffic expenses.

V. General Expenses

V. General Expenses

- 461. General officers and clerks.
- 462. General office supplies and expenses.
- 463. Law expenses.
- 464. Management commissions.
- 465. Pensions and relief.
- 466. Stationery and printing.
- 467. Other expenses.

- 461. General expenses.

Small Carriers—Continued

CONDENSED EXPENSE ACCOUNTS FOR SMALL CARRIERS—Continued

Accounts To Be Kept by Class A Companies

Accounts To Be Kept by Class B Companies

VI. Casualties and Insurance

- 471. Supervision.
- 472. Baggage insurance and losses.
- 473. Hull insurance and damage.
- 474. Cargo insurance, loss and damage.
- 475. Liability insurance and losses, marine operations.
- 476. Liability insurance and losses, non-marine operations.
- 477. Other insurance.

VI. Casualties and Insurance

- 471. Casualties and insurance.

VII. Operating Rents

- 481. Charter rents—Transportation of property.
- 483. Other operating rents.

VII. Operating Rents

- 481. Charter and other rents.

VIII. Operating Taxes

- 485. Payroll taxes.
- 486. Water-line tax accruals.

VIII. Operating Taxes

- 485. Payroll and other water-line tax accruals.

IX. Motor-Carrier Operations

- 491. Motor-carrier expenses.

IX. Motor-Carrier Operations

- 491. Motor-carrier expenses.

OTHER INCOME

500 Other income.

This account shall include the net of all items of income, other than revenues from water-line operations, and all items of income deductions, other than expenses incurred in water-line operations, as both such income and income deductions are detailed in primary income accounts number 502 to 532, both inclusive.

CREDIT ACCOUNTS

502 Income from noncarrier operations.

This account shall include the income derived from noncarrier physical property and also from noncarrier physical property leased from others.

503 Dividend income.

(a) This account shall include dividends declared on stocks of other companies whether such stocks are owned by the carrier and held in its treasury, or deposited in trust, or controlled through lease or otherwise.

(b) Dividends may be credited prior to actual collection if their payment is reasonably assured by past experience, guaranty, anticipated provisions, or otherwise.

NOTE A: Dividends on stocks of other companies held in sinking or other special funds shall be credited to account 505, "Income from sinking and other special funds."

NOTE B: This account shall not include credits for dividends on stocks issued or assumed by the carrier, whether held in the treasury, in sinking or other reserve funds, or pledged as collateral.

504 Interest income.

(a) This account shall include the interest on securities and debenture stock of other companies, whether such securities are owned by it and held in its treasury or deposited in trust, or controlled through lease or otherwise. It shall include also interest on bank balances, certificates of deposit, open accounts, and other analogous items. Interest shall not be credited before actual collection unless its payment is reasonably assured.

(b) There may be included in this account for each fiscal period the applicable amount requisite to extinguish, during the interval between the date of acquisition and the date of maturity, the discount or premium on funded securities owned, the income from which is includible in this account. Amounts thus credited or charged shall be concurrently included in the accounts in which the investment in the securities is carried. Any discount or premium remaining unextinguished upon the maturity and satisfaction of such securities shall be cleared to retained income.

NOTE A: Interest on securities of other companies, held in sinking or other special funds shall be included in account 505, "Income from sinking and other special funds."

NOTE B: Discount on bills for material purchased shall operate to reduce the cost of the material.

NOTE C: This account shall not include interest on securities issued or assumed by the carrier whether held in the treasury, in sinking or other funds or pledged as collateral.

505 Income from sinking and other special funds.

(a) This account shall include the income accrued on cash, securities of other companies, and other assets (not including securities issued or assumed by the carrier) held in sinking and other special funds.

(b) There may be included in the accounts for each fiscal period the applicable amount requisite to extinguish during the interval between the date of acquisition and the date of maturity the discount or premium on funded securities of other companies held in sinking or other reserve funds. Amounts thus credited or charged shall be concurrently charged or credited to the accounts in which the book cost of the securities is included.

NOTE A: Credits to this account representing income from special funds (retainable in them) shall be concurrently charged to account 286, "Miscellaneous reservations of retained income," and credited to account 260, "Retained income—Appropriated."

NOTE B: No dividends or interest on securities issued or assumed by the carrier shall be credited to this account.

506 Release of premium on long-term debt.

This account shall include during each fiscal period such proportion of the premiums on outstanding long-term debt as is applicable to that period.

507 Miscellaneous income.

This account shall include items not provided for elsewhere properly creditable to income during the fiscal period.

ITEMS

1. Profits derived from conversion of money of a foreign country into United States money.
2. Fees collected in connection with the exchange of coupon bonds for registered bonds.
3. Profits from sale of temporary cash investments.
4. Proceeds from the sale of mineral deposits in excess of the cost thereof including cost of recovery.

508 Profits from sale or disposition of property.

This account shall include profits realized from the sale or other disposition of carrier or noncarrier property. The amount includible in this account is the net proceeds or salvage realized or recovered in excess of the net book value (book cost less recorded depreciation). The account shall also include insurance

proceeds in excess of net book value. (See account 282, "Profits from unusual sales of property.")

DEBIT ACCOUNTS

523 Expenses of noncarrier operations.

This account shall include the expenses (including depreciation, taxes, rent, and insurance) of maintaining and operating noncarrier physical property; also of noncarrier physical property leased from others. The rental for such property and directly assignable organization or administration expenses incident to investment in noncarrier physical property shall be included in this account.

524 Uncollectible accounts.

This account shall be charged each month with amounts estimated as the loss from uncollectible accounts. Concurrently, credits shall be made to account 109, "Reserve for doubtful accounts," which latter account shall be charged with amounts determined to be uncollectible and credited with amounts written off and subsequently collected. The estimates shall be adjusted at the end of the calendar year to conform to the experience of the carrier as determined by an analysis of its accounts. This account shall also be charged with amounts determined to be uncollectible when no reserves are provided for doubtful accounts.

525 Losses from sale or disposition of property.

This account shall include losses sustained from the sale or other disposition of carrier or noncarrier property. The amount includible in this account is the deficiency between the net proceeds, insurance, or salvage realized or recovered and the net book value (book cost less recorded depreciation). See account 284, "Losses from unusual sales of property."

526 Maintenance of investment organization.

This account shall include the directly assignable organization and administration expenses of a lessor company which are incident to its investment in water-line property leased to others, and in stocks, bonds, or other securities.

NOTE: Organization and administration expenses incident to operations are provided for in operating expenses.

527 Miscellaneous income charges.

This account shall include items not provided for elsewhere properly chargeable to income.

ITEMS OF EXPENSE

1. Calls for bids in accordance with provisions of mortgages.
2. Cost of advertising bonds drawn for redemption.
3. Losses due to conversion of money of a foreign country into United States money.
4. Premiums on bonds to assure performance of agreements when chargeable to income accounts.
5. Taxes on interest on carrier's funded debt paid at the source under tax-free covenants.
6. Trusts, current expenses of maintaining and administering.
7. Trustee's commissions and fees for paying out bond interest and expenses including registrars' fees connected with such payments.

528 Interest on funded debt.

This account shall include current accruals of interest on all classes of debt the principal of which is includible in long-term debt.

NOTE A: This account shall not include charges for interest on funded-debt obligations issued or assumed by the carrier and owned by it.

NOTE B: Interest provided for in the face amount of securities issued in the acquisition of equipment or other property shall be charged at the time of issuance to account 114, "Prepayments," and cleared to this account as the interest accrues.

NOTE C: Interest on matured debt shall be included in account 529, "Interest on unfunded debt."

529 Interest on unfunded debt.

(a) This account shall include current accruals of interest payable, except that chargeable to account 528, "Interest on funded debt." Discount and expense on short-term notes shall be charged to this account.

(b) A list of representative items follows:

ITEMS

1. Advances other than investment advances from affiliated companies.
2. Bond coupons, matured and unpaid.
3. Claims and judgments.
4. Long-term debt matured.
5. Open accounts (other than those includible in account 213, "Affiliated companies—Advances payable").
6. Short-term notes payable on demand or having maturity dates one year or less from date of issue.
7. Tax assessments, past due.

530 Amortization of discount on long-term debt.

This account shall include during each fiscal period such proportion of the discount and expenses on outstanding long-term debt as is applicable to that period.

532 Income taxes.

This account shall include accruals for Federal and State income taxes, when not in lieu of a property tax, payable on amounts includible in the carrier's income accounts.

NOTE: Federal income tax charges or credits attributable to items of taxable income or deductions from taxable income, recorded directly in retained income accounts, shall be included in account 288, "Federal income taxes assigned to retained income."

Income Statement

FORM OF INCOME STATEMENT

The classified form of income statement is designed to show the net income or loss from water-line transportation operations and from other sources during any specified period.

As of the end of the calendar year, all accounts enumerated in the following statement shall be closed and the net balance transferred to retained income.

I. Water-line operating income:

300. Water-line operating revenues.....	\$_____	
400. Water-line operating expenses.....	_____	
Net revenue from water-line operations ¹		\$_____

II. Other income:

502. Income from noncarrier operations.....	_____
503. Dividend income.....	_____
504. Interest income.....	_____
505. Income from sinking and other special funds.....	_____
506. Release of premium on long-term debt.....	_____
507. Miscellaneous income.....	_____
508. Profits from sale or disposition of property.....	_____
Total other income.....	_____
Total income ¹	_____

See footnote at end of statement.

Income Statement—Continued

FORM OF INCOME STATEMENT—Continued

III. Miscellaneous deductions from income:	
523. Expenses of noncarrier operations.....	\$-----
524. Uncollectible accounts.....	-----
525. Losses from sale or disposition of property.....	-----
526. Maintenance of investment organization.....	-----
527. Miscellaneous income charges.....	-----
Total income deductions.....	\$-----
Net income before fixed charges ¹	-----
IV. Fixed charges:	
528. Interest on funded debt.....	-----
529. Interest on unfunded debt.....	-----
530. Amortization of discount on long-term debt.....	-----
Total fixed charges.....	-----
Net income before provision for income taxes ¹	-----
V. Provision for income taxes:	
532. Income taxes.....	-----
Net income after income taxes ¹	\$=====

¹ If a loss, show the amount in red.

Clearing Account

601 Material and stores expenses.

(a) This account shall include the cost of supervision, labor, material, and other expenses incurred in the operation of storehouses, including stationery stores. The charges shall include the cost of storing, handling, and distributing materials, supplies, and stationery.

(b) Cash discount shall be credited hereto when such discount cannot be applied to the cost of particular classes of material.

(c) This account shall be cleared by adding to the cost of material and supplies a suitable loading charge which will distribute the charges equitably over the store issues.

LIST OF CHARGES

Adjustment of stock inventories when not assignable to specific classes of material.
 Books and stationery supplies.
 Building service.
 Collecting and handling scrap material in stores.

Communication service.

Discount on purchases when not assignable to specific classes of material.

Freight, express and drayage, including vehicle and service equipment expenses when not assignable to specific classes of material.

Inspecting and testing material and supplies when not assignable to specific classes of material.

Losses due to breakage, leakage, evaporation, fire, or other causes. Credit amounts received from insurers, transportation companies, and others to reduce such losses.

Pay and expenses of storekeepers, clerks, laborers, and others engaged in storing, handling, and distributing materials and supplies.

Postage and printing.

NOTE: Pay and expenses of purchasing agent, clerks, and attendants in purchasing materials and supplies shall be included in accounts 461, "General officers and clerks," and 462, "General office supplies and expenses."

(Sec. 313, 54 Stat. 944, as amended; 49 U.S.C. 913)

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