



Ratio Studies

Other Factory Expenses

- Factory Supplies and Expense.....This account covers all expenses incurred for specific factory departments or production or cost centers, but not chargeable to specific jobs. Examples are oil chemicals, electronic prepress supplies, stripping supplies, press supplies and bindery supplies.
- Packing, Shipping, Delivery Expenses ..Such items as shipping materials and supplies, freight, express, parcel post, outside delivery services, delivery vehicle expenses and other expenses applicable to receiving and delivery. This account should be offset by charges to the customer. Some firms may want to include mailing costs of catalogs.
- Repairs and Maintenance.....This account includes all repairs and maintenance expenses of buildings and factory machinery and equipment, including computer type equipment.
- Other Factory Expenses.....This account is charged with miscellaneous factory expenses, which cannot be readily allocated to any one of the above accounts.

ADMINISTRATIVE EXPENSES

- Salaries - ExecutiveAll compensation earned by executives serving in a general supervisory capacity, such as president, general manager, treasurer, etc. But, if an executive spends part of his time as general plant manager, as sales manager or in selling work, his salary should be allocated accordingly to Factory and/or to Sales. (See Classifying Employees)
- Salaries - OfficeAll amounts earned by office clerical help, such as accountants, bookkeepers, billing clerks, telephone operators, receptionists, and others.
- Payroll Taxes.....(Federal, State and Local) Government taxes for retirement, unemployment benefits, and other, but only as they cover Administrative Employees. Examples are F.I.C.A. and federal and state unemployment taxes.
- Employee BenefitsPremiums or other expenses of disability or health insurance plans, life insurance, pension, retirement or profit sharing plans, etc., as they relate to Administrative Employees.
- Bad Debts.....This account provides for losses on uncollectible accounts.
- Data Processing Expenses.....This account includes all current year expenses to maintain your management information system including software and updates.
- Office Supplies and ExpensesThis account generally includes office supplies, stationery and postage.
- Professional FeesIncludes legal, accounting, consulting and other professional fees.
- Taxes - BusinessBusiness taxes such as franchise, gross receipts, capital stock, and others. It does not include real or personal property taxes applicable to manufacturing or payroll taxes.
- TelephoneThis account is charged for telephone and related expenses.
- Other Administrative ExpensesAdministrative expenses such as: Contributions, Depreciation - Administrative, Dues and Subscriptions, Officers Life Insurance, Vehicle Expenses - Administrative, and Other Administrative Expenses.

SELLING EXPENSES

- Salaries - ExecutiveAll compensation earned by executives in proportion to the time they devote to directing and supervising salespeople, or to personal selling, contacting customers, and other sales duties. But, where an executive spends part of his time as general plant manager or in administration, his salary should be allocated accordingly to Factory and/or to Administrative. (See Classifying Employees)
- Salaries and Commissions - Salespeople..This account is charged with sales salaries, commissions and other compensation earned by sales representatives.
- Salaries - Sales Office ClericalCharge to this account the proper proportion of salaries of office employees working on sales matters. (See Classifying Employees)
- Payroll Taxes.....(Federal, State and Local) This account is charged with government taxes for retirement, unemployment benefits, and other, as they cover Sales Employees. Examples are F.I.C.A. and federal and state unemployment taxes.
- Employee BenefitsPremiums or other expense of disability or health insurance plans, life insurance, pension, retirement or profit sharing plans, etc., as they relate to Sales Employees.
- AdvertisingCost of mailing lists bought or compiled; the expense of preparing, printing and mailing the firm's advertising; the cost of newspaper, radio or television advertising or promotion; directory, novelty, and other forms of advertising.
- Travel and Entertainment.....All travel expenses related to selling and entertainment of customers or prospects.
- Other Selling ExpensesCovers such selling expenses as: Branch Office Expenses and Brokerage Expenses, Christmas Expenses, Depreciation - Selling, Selling Gifts, Other Selling Expenses not shown elsewhere.

INTERESTInterest on notes and other indebtedness incurred during the period.

OTHER INCOME AND EXPENSE

- Other incomeAll miscellaneous and extraordinary income such as: Discounts Earned on Collection of State Sales Taxes, Interest Income, Gain on Sale of Fixed Assets, Sale of Scrap, Rental Income, Commissions, Dividend Income, Extraordinary Gains, Other Non-Operational Income.
- Other ExpensesAll miscellaneous and extraordinary expenses such as: Loss on the Sale of Fixed Assets, Extraordinary Losses, Other Non-Operational Expenses.