



Unified Enterprise Survey - Annual

2004 Survey of Head Office and Other Business Support Units

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ce document en français,
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Reporting Guide

This guide is designed to provide additional information as you work through your questionnaire.
If further assistance is required, please call us. A Statistics Canada employee will be happy to assist you.

Help Line: 1 888 881-3666



A - Introduction

Survey Purpose

This survey of head offices and other business support units is conducted to improve the accuracy and completeness of statistics on businesses in Canada. Head office units, by purchasing services and performing general administrative functions for the enterprise as a whole, account for significant expenses and employment. Consequently, these data must be included in the statistics for the whole economy.

Other business support units (i.e., those which provide specialized functions in support of other units of the firm) have a similar importance to general economic statistics. Such support units include warehouses, sales centres, trucking facilities, data processing facilities, research and development centres, etc.

Some head offices and support units undertake additional actions, such as allocating their expenses to other business units, or generating revenue, either through transactions with other operating units, or with external clients. These issues are vital to providing a complete picture of how the firm performs and they are covered by the content of this survey form.

These data will be aggregated with information from other sources to produce official estimates of national and provincial economic production in Canada, as well as official estimates of activity by industry. Those estimates are used by government for national and regional programs and policy planning and by the private sector for industry performance measurement and market development.

Confidentiality

Statistics Canada is prohibited by law from publishing any statistics which would divulge information obtained from this survey that relates to any identifiable business. **The data reported on this questionnaire will be treated in strict confidence**, used for statistical purposes and published in aggregate form only. The confidentiality provisions of the *Statistics Act* are not affected by either the *Access to Information Act* or any other legislation.

Coverage

Please complete this questionnaire only for the business unit(s) described in the pre-printed area on the front page of the questionnaire.

Reporting Period

Please report information for **your most recent 12-month fiscal period** ending between April 1, 2004 and March 31, 2005.

B - Revenue

Inclusions:

- All Canadian revenue (including electronic commerce) recorded in your accounts for sales or transfers to other businesses and to other units of your business. All revenue (including electronic commerce) received from outside Canada by this business unit.

Exclusions:

- Federal or provincial sales taxes collected for remittance to a government agency.

Note: Revenue in this section has been classified into two main categories, revenue from transactions with external clients and revenue from transactions with internal clients.

Revenue of this Head Office or Other Business Support Units

Revenue from external clients

Inclusions:

- Only revenue from a third party or non-affiliated businesses.

Exclusions:

- Receipts from billings to other business units of the firm.

Note: In addition to the sales of goods and services to external clients, some head offices act as a wholesale arm for the enterprise and record all revenue from transactions with external clients, while still performing the administrative functions for the enterprise.

2. Sales of goods manufactured and/or assembled by business units affiliated with this head office, and transferred to this head office for sale to external clients

Inclusions:

- Any and all goods manufactured or assembled at plants of this firm (or on location where installation is an extension of the manufacturing process) where the final selling price is collected through this head office or other business support units. The value for the above would be reported at the manufacturing location at book transfer value or cost. Please report this value in **Section C** at question 7.

Exclusions:

- Any and all goods manufactured or assembled at plants of this firm where final selling price is billed through the plant directly to the customer.

3. Sales of goods purchased for resale, in the same condition as purchased, bought from business units not affiliated with this head office (i.e., third party) for sale to external clients

Inclusions:

- Value of shipments of goods purchased and resold in the same condition as purchased - billed through this head office;
- All sales of consignment goods from abroad and goods manufactured abroad from own materials billed through this head office;
- Costs relating to the above items should be reported in **Section C** at question 8.

Exclusions:

- Any goods purchased and sold in the same condition as purchased, sales of consignment goods from abroad and goods manufactured abroad from own materials that are billed through other business units of the firm.

Note: If your accounting records do not permit you to make the distinction between goods purchased for resale, in the same condition as purchased, and goods of own manufacture, please provide your best estimate.

4. Sales of services produced by employees of this business unit for sale to external clients**Inclusions:**

- Management services;
- Consulting services;
- Data processing services;
- Administrative services;
- Revenue generated by research and development work;
- Service revenue.

5. Revenue from rental and leasing (e.g., office space or other real estate, goods and equipment) from external clients**Inclusions:**

- Any revenue accruing from the rental or lease of real estate property, whether or not any buildings involved have been produced by business units of your firm;
- Machinery and equipment purchased by this head office and leased or rented out to other business units or to the general public (machinery of all kinds, engines, trucks of all types, trailers, other equipment, etc.).

Exclusions:

- Revenue from the rental or lease of machinery and equipment produced by business units of your firm.

6. Other operating revenue (e.g., commissions, royalties, franchise fees) from external clients**Inclusions:**

- Other operating revenue not included above.

Revenue from internal clients**Inclusions:**

- Only revenue received from other business units of this firm.

Exclusions:

- Receipts from billings to a third party or non-affiliated businesses.

Note: Revenue from transactions with internal clients are identified because head offices may account for significant expenses (e.g., legal, advertising, insurance) and employment in an enterprise. Some head offices allocate these expenses to other business units of the enterprise.

These allocated expenses (cost recovery) are recorded as Management fees or any other service fees provided by and paid to this head office by other business units of the firm (e.g., legal, advertising, insurance) from **internal clients** in the revenue section of the head office questionnaire.

8. Management fees or any other service fees provided by and paid to this head office by other units of the firm from internal clients**Inclusions:**

- Report all management or any other service fees received by this head office from other business units of the firm for services provided by this head office and other business support units. The types of service fees provided by head office, that could be allocated to other business units of the firm could include legal, payroll, advertising, insurance, promotion fees, etc.

Note: Please refer to **Section C** at question 25, for the percentage (%) of purchased service expenses allocated to other business units of this firm.

9. Revenue from royalties and/or franchise fees from internal clients**10. Revenue from commissions from internal clients****11. All other operating revenue from other units of the firm not reported above from internal clients****Inclusions:**

- Intra-company sales.

14. Non-operating revenue

Inclusions:

- Interest and dividend income;
- Gains on sales of assets;
- Gains from exchange rate changes;
- All other non-operating revenue.

C - Expenses

Inclusions:

- All expenses (including expenses for electronic commerce) within or outside Canada recorded by this business unit.

Exclusions:

- GST/HST and TVQ;
- Expenses incurred by business units located outside Canada.

Labour Remuneration

Employees are defined as those workers for whom you completed a Canada and Revenue Agency T4 - *Statement of Remuneration Paid*.

1. Salaries and wages of employees

Note: Figures reported for salaries and wages of your employees should be gross, before any deductions from employees for income tax and employee contributions for sickness, accident, pension, insurance, or other benefits but net of fringe benefit contributions by the employer.

Inclusions:

- Vacation pay;
- Overtime payments;
- Bonuses;
- Director's fees;
- Profits shared with employees;
- Commissions paid to regular employees.

Exclusions:

- Employer contribution for workman's compensation. Please report these payments in **Section C** at question 2.
- Employer contribution to employee welfare and benefit plans (e.g., for pensions, insurance, medicare and supplementary employment benefits). Please report these payments in **Section C** at question 2.

2. Employer portion of employee benefits

Inclusions:

- Employee life and extended health care insurance plans (e.g., medical, dental, drug and vision care plans);
- CPP/QPP contributions;
- Employer pension contributions;
- Workers' compensation (provincial plan applicable to this head office or other business support unit);
- Employment Insurance Premiums (E.I.);
- Retiring allowances or lump sum payments to employees at time of termination or retirement;
- All other employee benefits such as childcare and supplementary unemployment benefit (SUB) plans;
- Contributions to provincial health and education payroll taxes applicable to this business unit.

Material, Component and Supply Expenses

Note: Please **exclude** capital expenditures.

4. Office supply expenses

Inclusions:

- Paper;
- Photocopier, printer and fax machine supplies;
- Diskettes;
- Writing instruments;
- Other office supplies, etc.;
- Also, **if not capitalized**, include: computers, printers, photocopiers, computer software and office furniture, etc.

Exclusions:

- Postage and courier expenses. Please report these payments in **Section C** at question 12;
- Telephone and other telecommunication expenses. Please report these payments in **Section C** at question 13.

5. Operating, maintenance and repair supply expenses

Inclusions:

- Supplies for the operation, maintenance and repair of your equipment, vehicles and buildings.

Exclusions:

- Expenses that are covered in your rental and leasing expenses. Please report these payments in **Section C** at question 14.
- Expenses that are covered in your repair and maintenance service expenses. Please report these payments in **Section C** at question 15, including janitorial and cleaning services.

6. All other material, component and supply expenses**Book Transfer Value**

Note: Book transfer value (e.g., cost price, standard cost) is the amount at which an item appears in the books of accounts and financial statements of business units affiliated with this head office. **Also**, the sale or **final selling price** of these goods should be reported in **Section B** at question 2.

Purchases of Goods for Resale**8. Purchases of goods for resale from external clients (non-affiliated) in the same condition as purchased**

- Please report the laid-down cost to head office (or other business support unit). If your accounting records do not permit you to make the distinction between goods purchased from outside the firm and goods manufactured by establishments of your own firm, please provide your best estimate.

Purchased Energy and Water Utilities**Inclusions:**

- Electricity;
- Gasoline;
- Fuel oil;
- Diesel fuel;
- Propane;
- Natural gas;
- Water.

Exclusions:

- Motor vehicle fuel expenses;
- Energy expenses that are covered in your rental and leasing expenses. Please report these payments in **Section C** at question 14.

International Activities**Management Fees or Any Other Service Fees Paid or Received Within or Outside Canada****10a. Management fees or any other service fees paid to affiliates or third parties outside Canada****Inclusions:**

- Management fees **or any other service fees** paid by this head office (or other business support unit) to other units of the firm located outside Canada.

10b. Management fees or any other service fees paid to affiliates or third parties in Canada**Inclusions:**

- Management fees **or any other service fees** paid by this head office (or other business support unit) to other units of the firm located in Canada.

Purchased Service Expenses**Inclusions:**

- The expenses in this section are for services purchased from **external businesses only (e.g., third party)**.

Exclusions:

- Purchased services that have been reported in questions 10a. and 10b. in International Activities above.

12. Transportation, shipping, warehousing storage, postage and courier expenses**Inclusions:**

- Railway transport services of freight, letters and parcels;
- Road transport services of freight, letters and parcels;
- Moving services of household and office furniture and other goods;
- Transport services via pipeline;
- Coastal and transoceanic water transport services of freight;
- Air transport services of freight, letters or parcels;
- Rental services of truck, vessels for coastal and transoceanic transport, inland water vessels or aircraft with operator;
- Refrigerated storage services;
- Bulk liquid or gas storage services;
- Inland water transport services of freight;
- Postage and courier services.

13. Telephone and other telecommunication expenses**Inclusions:**

- Telephone, fax, cellular phone, or pager services for transmission of voice, data or image. Also

include Internet access charges and purchased cable and satellite transmission of television, radio and music programs.

- Wired telecommunication services;
- Wireless telecommunication services;
- Satellite telecommunication services;
- On-line access services;
- On-line information provision services.

14. Rental and leasing expenses

Inclusions:

- Rental of office space or other real estate;
- Motor vehicles (without driver);
- Computers and peripherals (without operator);
- Other machinery and equipment (without operator);
- Rental or leasing services concerning other goods (e.g., video tape, televisions, furniture);
- Purchased energy, fuel and water expenses (if applicable).

Exclusions:

- Rental and leasing of vehicles, machinery and equipment with driver or operator and report these costs with the associated function. For example: Rental services concerning goods transported by motor vehicle with operator should be reported in **Section C** at question 12.

15. Purchased repair and maintenance service expenses, including janitorial and cleaning services

Inclusions:

- Materials, parts and labour;
- Purchased repair and maintenance service expenses for buildings, structures and motor vehicles;
- Purchased repair and maintenance service expenses for other goods (e.g., fabricated metal products or furniture repair services).

Exclusions:

- Property management fees should be included in **Section C** at question 23.

16. Payments to employment agencies or personnel suppliers (e.g., pay for temporary workers paid through an agency and charges for personnel search services)

Inclusions:

- Executive search services;
- Employment agency services;
- Supply of office support personnel services;
- Supply of domestic help personnel services;
- Supply of other commercial or industrial workers services;
- Supply of medical personnel services;
- Supply of other personnel services.

17. Purchased research and development expenses (contracted out)

Inclusions:

Research and experimental development in:

- Physical sciences;
- Chemistry and biology;
- Engineering and technology;
- Agricultural sciences;
- Medical sciences and pharmacy;
- Cultural sciences, sociology and psychology;
- Economics and law.

18. All other professional and business services

Inclusions:

- Legal fees;
- Accounting and auditing fees;
- Architectural fees;
- Consulting fees;
- Education and training fees.

19. Insurance premiums (e.g., liability, auto, building, equipment)

Inclusions:

- Life insurance and individual pension services;
- Accident and health insurance services;
- Motor vehicle, marine, aviation and other transport insurance services;
- Freight insurance services;

- General liability insurance services;
- Credit and surety insurance services.

Exclusions:

- Payments on behalf of employees which are considered to be taxable benefits. These payments should be included in **Section C** at question 2.

20. Advertising and promotion expenses

Inclusions:

- Planning, creating and placement services of advertising;
- Purchase or sale of advertising space or time, on commission;
- Trade fair and exhibition organization services.

21. Travel, meal and entertainment expenses

Inclusions:

- Passenger transportation, accommodation, meals while travelling, and other travel allowances;
- Meal serving services with full restaurant services;
- Catering services, providing meals to outside;
- Performing arts event promotion and organization services;
- Performing arts facility operation services;
- Other performing arts and live entertainment services.

22. Royalties and franchise fees

Inclusions:

- Franchise fees;
- Patents;
- Trademarks;
- Copyrights.

23. All other purchased service expenses not specified above

Inclusions:

- Property management fees;
- Waste and hazardous material removal;
- Financial service fees;
- Bank charges;

- Credit and debit card commissions;
- Sewage treatment services;
- Tank emptying and cleaning services.

25. Proportion of purchased service expenses allocated to other units of this firm

Inclusions:

- Head office expenses allocated to other units of this firm should be reported by those units in the Expenses Section of their industry specific questionnaire in , "Management fees or any other service fees paid to head office or other business support units". The management fees received by this head office from other units of this firm, should be reported in this questionnaire in **Section B**, as revenue from internal clients. Please enter these fees at question 8.

Other Operating Expenses

26. Amortization and depreciation (including this business unit's assets and capital lease obligations)

Definitions:

Depreciation is the accounting process whereby the cost of capital assets is systematically allocated to current operations over the term of its useful life. This process recognizes the gradual exhaustion of the service capacity of the capital assets. Amortization is the gradual writing off of capitalized costs.

27. Property and business taxes, licences and other permits

Inclusions:

- Property taxes - except those which are covered in your rental and leasing expenses;
- Property transfer taxes;
- Large corporation capital taxes;
- Vehicle licence fees;
- Lot levies;
- Lease fees to governments (e.g., access to shoreline, stumpage fees);
- Building permits and development charges.

28. All other operating expenses

Inclusions:

- Bad debt expense;
- Write-offs;
- Donations.

D - Inventory of this Head Office or Other Business Support Units

Inventories are to be reported at book value (i.e., the value maintained in the accounting records).

Inclusions:

- Inventory **owned** by this business unit within or outside Canada (including inventory: held at any warehouse, selling outlet, in transit, or on consignment).

Exclusions:

- Inventory held on consignment for others.

1. Goods manufactured and/or produced by business units affiliated with this head office and transferred to this head office for sale to external clients

Inclusions:

- Stocks of finished goods.

Exclusions:

- Raw materials, goods in process.

2. Goods purchased for resale in the same condition as purchased, from business units not affiliated with this head office and sold to external clients (i.e., third party)

Inclusions:

- Goods which are purchased for resale without further processing.

Please note that the **purchases** and **shipments** of such goods for resale are to be reported in **Section C** at question 8, and in **Section B** at question 3.

E - Employment at this Head Office or Other Business Support Units

To calculate the average number of people employed, add the number of people employed in the last pay period of each month and divide this sum by the number of months in the reporting period (usually twelve).

Inclusions:

- Full-time, part-time and temporary employees;
- Employees absent with pay which are part of your payroll including those working in ancillary units which form part of the head office.

Exclusions:

- Contract workers who are not part of your payroll;
- Company pensioners;
- Persons working on a full commission basis for whom you are not making Canada or Québec Pension Fund (le Régime des rentes du Québec) or Unemployment insurance contributions;
- Outside directors of incorporated companies.

**Thank you for completing this questionnaire.
Please retain a copy for your records.**