



Unified Enterprise Survey

2007 Annual Head Office Survey

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Reporting Guide

This guide is designed to assist you as you complete the 2007 Annual Head Office Survey. If you need more information, please call the Statistics Canada help line at the number below.

Statistics Canada help line: 1-888-881-3666

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A - Introduction

Survey purpose

This survey of head offices is conducted to improve the accuracy and completeness of statistics on businesses in Canada. On behalf of the enterprise as a whole, head office units purchase a wide range of services from external businesses (e.g., legal, advertising, insurance), perform general administrative functions (e.g., payroll, employment, accounting) and manage specialized units within the enterprise (e.g., sales centres, warehouses, trucking facilities, research and development centres). Because these account for significant expenses and employment, these data must be included in the statistics for the whole economy.

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

These data will be aggregated with information from other sources to produce official estimates of national and provincial/territorial 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 information

Please report information for **your 12-month fiscal period** ending between April 1, 2007 and March 31, 2008.

B - Revenue

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

Include:

- 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.

Exclude:

- federal, provincial and territorial sales taxes such as GST/HST, PST and TVQ collected for remittance to a government agency.

Revenue at this head office

Revenue from external clients, questions 2 to 7

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.

Include:

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

Exclude:

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

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

Include:

- 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. 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**, question 1.

Exclude:

- 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

Include:

- 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**, question 2.

Exclude:

- 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.

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

Include:

- management services;
- consulting services;
- data processing services;
- administrative services;
- revenue generated by research and development work;
- service revenue.

5. Revenue from rental and leasing from external clients

Include:

- 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.).

Exclude:

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

6. Other operating revenue from external clients

Include:

- commissions, royalties and franchise fees;
- other operating revenue not included above.

Revenue from internal clients, questions 8 and 9

Revenue from transactions with internal clients (e.g., other units of this firm) 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.

Include:

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

Exclude:

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

8. Management fees and any other service fees provided by and paid to this head office by other units of the firm

Please 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.

Include fees such as:

- legal;
- payroll;
- advertising;
- insurance;
- promotion fees, etc.

9. All other operating revenue from other units of the firm not reported above

Include:

- royalties, commissions and franchise fees;
- intra-company sales.

12. Non-operating revenue

Include:

- interest and dividend income;
- gains on sales of assets;
- gains from exchange rate changes;
- all other non-operating revenue.

C - Expenses

Include:

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

Exclude:

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

1. Cost of goods sold by business units affiliated with this head office and transferred to this head office for sale to external clients (The sales of these goods is to be reported in section B, question 2.)

Cost of goods sold is the amount at which an item appears in the books of accounts and financial statements of business units affiliated with this head office.

2. Cost of goods purchased for resale in the same condition as purchased, purchased from business units not affiliated with this head office (The sale of these goods is to be reported in section B, question 3.)

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.

3. Salaries and wages of head office employees ONLY.

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

Amounts reported for salaries, wages and commissions should be gross, before any deductions at source.

Include:

- vacation pay;
- overtime payments;
- bonuses;
- director's fees;
- profits shared with employees;
- commissions paid to regular employees;
- taxable allowances (e.g., car expenses).

Exclude:

- employer contributions to workers' compensation; please report these payments in section C, question 2.

- employer contributions to employee welfare and benefit plans (e.g., for pensions, insurance, medicare and supplementary employment benefits); please report these payments in section C, question 2.

4. Employer portion of employee benefits

Include:

- contributions to provincial or territorial health and education payroll taxes applicable to this business unit;
- employee life and extended health care insurance plans (e.g., medical, dental, drug and vision care plans);
- Canada Pension Plan (CPP) and Quebec Pension Plan (QPP) contributions;
- employer pension contributions;
- workers' compensation (provincial or territorial plan applicable to this head office or other business support unit);
- employment insurance premiums (EI);
- 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.

Expenses in questions 5-16 are for services purchased from **external businesses only** (e.g., third parties).

Exclude:

- management fees or any other service fees that will be reported in this section, questions 25a and b.

5. Transportation, shipping (contracted out), warehousing, storage, postage and courier expenses

Include:

- 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.

6. Telephone and other telecommunication expenses

Include:

- telephone, fax, cellular phone, or pager services for transmission of voice, data or image;
- Internet access charges and purchased cable and satellite transmission of television, radio and music programs;
- wired telecommunication services;
- wireless telecommunication services;
- satellite telecommunication services;
- online access services;
- online information provision services.

7. Rental and leasing expenses

Include:

- 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).

Exclude:

- rental and leasing of vehicles, machinery and equipment with driver or operator; please report these costs with the associated function (e.g., rental services concerning goods transported by motor vehicle with operator should be reported in this section, question 5).

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

Include:

- 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).

Exclude:

- property management fees; please report these amounts in this section, question 16.

9. Payments to employment agencies or personnel suppliers

Include:

- 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.

10. Purchased research and development expenses (contracted out)

Include research and experimental development expenses in:

- physical sciences;
- chemistry and biology;
- engineering and technology;
- agricultural sciences;
- medical sciences and pharmacy;
- cultural sciences, sociology and psychology;
- economics and law.

11. All other professional and business services

Include:

- legal fees;
- accounting and auditing fees;
- technical services;
- consulting fees;
- education and training fees.

12. Insurance premiums

Include:

- 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.

Exclude:

- payments on behalf of employees which are considered to be taxable benefits; please report these amounts in this section, question 4 above.

13. Advertising and promotion expenses

Include:

- planning, creating and placement services of advertising;
- purchase or sale of advertising space or time, on commission;
- trade fair and exhibition organization services.

14. Travel, meal and entertainment expenses

Include:

- 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.

15. Royalties and franchise fees

Include:

- franchise fees;
- patents;
- trademarks;
- copyrights.

16. All other purchased service expenses not specified above

Include:

- property management fees;
- waste and hazardous material removal fees;
- financial service fees;
- bank charges;
- credit and debit card commissions;
- sewage treatment services;
- tank emptying and cleaning services.

Exclude:

- interest expenses.

17. Office supply expenses

Include:

- paper;
- photocopier, printer and fax machine supplies;
- diskettes;

- writing instruments;
- other office supplies.

If not capitalized, also **include** computers, printers, photocopiers, computer software and office furniture, etc.

Exclude:

- postage and courier expenses; please report these amounts in this section, question 5;
- telephone and other telecommunication expenses; please report these amounts in this section, question 6.

18. Operating, repair and maintenance supply expenses

Include:

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

Exclude:

- expenses that are covered in your rental and leasing expenses; please report these amounts in this section, question 7;
- expenses that are covered in your repair and maintenance service expenses; please report these amounts, including janitorial and cleaning services, in this section, question 8.

20. Total purchased energy and water utility expenses

Include:

- electricity;
- gasoline;
- fuel oil;
- diesel fuel;
- propane;
- natural gas;
- water.

Exclude:

- motor vehicle fuel expenses;
- energy expenses that are covered in your rental and leasing expenses; please report these amounts in this section, question 7.

21. Amortization and depreciation (include this business unit's assets and capital lease obligations)

Amortization is the gradual writing off of capitalized costs.

Depreciation is the accounting process whereby the cost of capital assets is systematically allocated to

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current operations over the term of its useful life. This process recognizes the gradual exhaustion of the service capacity of the capital assets.

22. Property and business taxes, licences and other permits, including building permits and development charges

Include:

- property taxes, except those 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.

24. All other expenses

Include:

- bad debt expense;
- write-offs;
- donations and inventory adjustments.

25.a Management fees or any other service fees paid to affiliates or third parties outside Canada

Include:

- 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.

25.b Management fees or any other service fees paid to affiliates or third parties in Canada

Include:

- 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.

D - Inventory of this head office

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

Include:

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

Exclude:

- 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

Include:

- stocks of finished goods.

Exclude:

- 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

Include:

- goods which are purchased for resale without further processing.

Please note that the **purchases** and **sales** of such goods for resale are to be reported in **section B**, question 3 and in **section C**, question 2.

E - Employment at this head office

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).

Include:

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

Exclude:

- contract and subcontract workers who are not part of your payroll;
- company pensioners;
- persons working on a full commission basis for whom you are not making Canada Pension Fund (CPP) or Quebec Pension Fund (le Régime des rentes du Québec) or employment insurance (EI) contributions;
- outside directors of incorporated companies.

Thank you!