ACME WHITE LEAD & COLOR WORKS

COST FIGURING FORMS

In line with our conversation, I am sending you herewith, copies of the forms used in connection with our cost figuring.

Form marked "A" is the order written out by the Stock Department on the Production Department. When this is received in the Production Department, they decide how much of this number shall be made and in what sizes of packages. They then issue form "B" to the Grinding Department and enter thereon the standard formula, as indicated in the ink figures. In the Grinding Department the workmen report their time on a Time Card, form "C". Thus, in this sample, 8-1/4 hours have been reported against Filling on June 7th, and on the back of the card 3-3/4 hours are distributed to this particular order and 4-1/2 hours to another order. The Time Cards go to the Timekeeper each day and the time is drawn off or posted against the orders issued to the Factory. Form "D" is the slip held in the Factory Office as the tracer on the formula slip "B" You will see that the time is posted from card "C" to card "D"

Day by day the Department Foreman is entering on form "E-a" the number of mills and time for grinding on this order When the order is completed, he sends up to the Factory Office forms "B" and "E-a". This is a notice to the Factory Office that the job is completed, for our filling always follows immediately after the grinding. Each day the Foreman of the Filling Department reports on form "E-b" the number of packages of the different sizes filled on all the orders in his Department. You will notice that on June 7th there was filled on this order, 50 pints, 431 quarts, 151 gallons and 5-5's The number of packages filled each day is drawn off in the Factory Office to the back of the form "D"

The Capping Report, "F" is made out in the depart ment and is the source of the information shown on form "E-b". When forms "B" and "E-a" are received in the Factory Office, they take from their files form "D", on which has been posted the labor and the different sizes of packages filled These are totaled and carried into the proper places on the order "B". The raw materials are priced and extended and the order is figured as shown. It is then entered on card "G", showing the number of packages of each size and their cost

You will notice on form "E-b" some ink figures at the bottom; that is the classification of the filled output shown on the slip and at the end of the month that is tabulated and reported on form "J" under the proper classification The total of all of these filling reports ("E-b") will equal the total gallons shown on the output cards "G". The total value of output for the month is then drawn off from the cards "G" to Value of Output Report, "I", and at the close of each month we give the Factory credit for their total output, as shown by the Value of Output Report, "I".

At the time that the order "B" is entered on the card "G", it is also entered on the Analysis of Formula sheet, "H", and there analyzed. At the end of each month that analysis is compared with the actual costs of operations for the month, to see if the full grinding cost has been absorbed, if all of the productive labor has been distributed or charged to orders, and the same with Department and General Burdens. The total of the "Amount" column on all of the Analysis Sheets, "H", must agree with the total of all of the values taken off from the cards "G" to the Value Report "I".

You will see that this is really a double entry check all the way through.

I have some other information in preparation, particularly regarding the bookkeeping, which ties up with this cost figuring. All of this I am sending, of course, only for your information and such use as you may be able to make of it.

Yours very truly,

JD/B

Comptroller