ACCOUNTING PROCEDURE

THERMINOL AND PYDRAUL RETURNS FROM CUSTOMERS AND OUTSIDE WAREHOUSES

1. All Therminol and Pydraul in outside warehouses is to be eventually returned to the W. G. Krummrich Plant for reprocessing. Monsanto customers who have new, unopened material may return such material to certain designated locations for credit. Material returned to these designated locations will also eventually be returned to the W. G. Krummrich Plant for processing.

2. All costs incurred in connection with the retrieval of Therminol and Pydraul will be collected in the W. G. Krummrich Plant's goods in process accounts. Two accounts have been established as follows:

   2-0003-804-814.87 - Therminol
   2-0003-807-814.88 - Pydraul

3. All charges made to these two accounts must be identified with a three digit expense classification. This will be shown as a suffix to the account number:

   2-0003-804-814.87-(XXX expense class) - Therminol
   2-0003-807-814.88-(XXX expense class) - Pydraul

4. Material returned by the customer will be carried at zero value. Therefore, any credit allowed for the material will be charged to the appropriate 814.87 or 814.88 account, using expense classification - 667.

5. All unsold material in outside warehouses or at plant sites carrying an inventory value will be devalued to zero value. Approval through the normal authority levels must be obtained to devalue this inventory. The request for devaluation will be prepared by the W. G. Krummrich Plant when the material is returned to the plant. The write-off of inventory will be charged to the appropriate 814.87 or 814.88 account, using expense classification - 782.

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6. Other expenses associated with the retrieval and disposal of Therminol and Pydraul will be charged to the appropriate 814.87 or 814.88 account, with the proper expense classification. Such expenses will consist of, but are not necessarily limited to, the following:

Expense	Expense Class
Freight on Material Returned	597
Incineration Cost	661
Credit to Customer for Incineration	661
Credit to Customer for Conversion	804
Warehousing - Storage	893
Warehousing - Handling	899

7. Monthly cost reports will be issued for the two goods in process accounts assigned.

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