Cleveland Executive

D F L W
Detroit

August 3, 1921

J G Burns

June Abstract

8/2/21

JGB

P & S DEPARTMENT PURCHASES

From your explanation it is plainly to be seen that this account is misnamed, and it will be agreeable to us for you to re-name it "Operations". Please also show opposite the first P & S entry - "Inv. 9/1".

MERCHANDISE RETURNS, OVER-CHARGES, AND ERRORS IN BILLING

Warehousing should be deducted from all monthly reports of sales beginning September 1st.

GHG/B
cc ELH

Executive Assistant

N17535

DETROIT WHITE LEAD WORKS

Mr G. H. Griffiths, Executive Assistant

Detroit Mich., Aug. 2, 1921

Subject June Abstract

Answering Letter of 7-29-21 Dictated by GHG

Dear Mr. Griffiths:

GHG 8 3 1921

Below we are pleased to answer the questions raised in connection with our June Abstract of General Ledger Balance.

P & S DEPARTMENT PURCHASES

In reality the figures shown under this caption do not represent merely purchases but the full month's operations of that department including deliveries as well. In other words, it is nothing but a controlling account and in previous years has been shown in but one amount. In lining up the new abstract it was thought advisable to show the inventory for the previous fiscal period from month to month, and the purchases and deliveries of necessity had to be shown under another caption. I have suggested that instead of using the word "purchases" hereafter we use the word "operations". From this explanation you will quickly realize that the decrease in the figures has been due to the deliveries exceeding the amount of the purchases.

ACCOUNTS RECEIVABLE

We regret the omission of the number of open accounts, which on June 30th numbered thirteen hundred and fifteen.

BILLS RECEIVABLE

It certainly was stupid on our part to list any notes that were payable before June 30th, as it is thoroughly understood that when notes are not paid at maturity they should be charged back to the open account. These have since been properly adjusted.

MDSE. RETURNS, OVERCHARGES AND ERRORS IN BILLING

Here again we must admit to uncalled-for carelessness on the part of this office. The figures shown on the Abstract under these two captions are correct, and the Sales Report is out to the extent of the difference amounting to $5956.96. You probably noticed that this difference in each case is the same. As a further explanation we might say that during the month of May an error was made in using this amount in the wrong account on the General Ledger, and I believe you were duly notified. In June the necessary adjustment was made correcting the error in question, but this was not taken into consideration by the classification clerk and a still further adjustment was made in manipulating her figures. There is absolutely no ex-

Mr. G. H. Griffiths Aug. 2, 1921.

cuse for a mistake of this kind, and it clearly shows that there was not the proper check between the Classified Sales Report and Abstract that there should have been. The necessary adjustment will be made on the July Classified Sales Report.

We will also arrange to adjust the warehousing items on the July Abstract in accordance with your wishes. These figures up to June 30th amount to $16,674.09. After September 1st is it your wish that we deduct these warehouse items from the sales shown on our Consolidated Expense Report?

LOSS & GAIN ACCOUNT

We are also arranging to make the necessary separation of the major items of this account on our July Abstract. This should have had our attention on the June Abstract, but as you intimate, the matter was overlooked.

As I have explained in a little session held with those who are largely responsible for the compilation of these reports, I am getting sick and tired of having mistakes of this kind brought to my attention, and I am hopeful of better work from this time on. Drastic measures will be taken if these unnecessary mistakes continue.

Yours very truly,

James G. Burns

Secretary-Treasurer.

JGB:RS
cc ELH-JVC-HCV

Cleveland Executive

D W L W
Detroit

July 29, 1921

J G Burns

June Abstract

P & S DEPT. PURCHASES

On the June Abstract you show Printing & Sampling Department purchases $3,500.00 less than at May 31. What is the explanation?

You have not given us the number of open accounts as required each month. Please do so.

BILLS RECEIVABLE

Some of the Bills Receivable listed were payable before June 30. Mr. Gorrell will take this up with you in detail.

MERCHANDISE RETURNS

Abstract shows	$90,736.16
Classified Sales Report shows	84,779.20.

Which is correct?

OVERCHARGES AND ERRORS IN BILLING

Abstract shows	$74,965.19
Classified Sales Report shows	80,923.15.

Which is correct? In respect to this account you have evidently overlooked our letter of June 24, part of which reads--

"For the remainder of the year we suggest that you show them (re-shipments) total to date as a separate item "Warehousing" on your Abstract".

Kindly see that the separation is made on June Abstract, and in the meantime give us the warehousing figures to June 30.

LOSS & GAIN ACCOUNT

In a letter which we wrote to you on June 24 we asked for a separation of the major items of this account. Our letter has evidently been overlooked. Please see that the separation is made on July Abstract.

GHG/B
cc ELH

Executive Assistant

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