

TO: Cleveland - L. Reese

DATE September 6, 1939

FROM Dayton - W. T. Loges

REPLYING TO LETTER DATED

COPIES TO D. P. Haber

SUBJECT Goods in Transit

In accordance with the request in your note of August 31 addressed to Mr. Kohr, we are listing below invoices covering shipments of raw materials that had not been received at our plant by August 31.

INVOICES THAT WILL APPEAR ON GAV

<u>Invoice Date</u>	<u>Vendor</u>	<u>Material</u>	<u>Quantity</u>	<u>Price</u>	<u>Value</u>
8-29-39	Binney & Smith	Red Oxide	150 lbs.	9 $\frac{1}{4}$ ¢ f.o.b. Trenton, N.J.	\$ 13.88
8-31-39	American Cyanamid & Chemical Company	R.S. 5 Sec. Cotton	575 " Cotton 36.25 Gal. Alcohol	22¢ lb. 20 $\frac{1}{2}$ ¢ gal. f.o.b. Tremley, N.J.	133.93

INVOICES FOR MATERIAL SHIPPED FROM S-W PLANTS

8-30-39	Coffeyville	412 Zinc Oxide	60,000 lbs.	6.00 cwt. frt. allowed	
8-31-39	Cleveland	Activator "L" 1984 Dry	90 lbs.		

INVOICE FOR MATERIAL PURCHASED DIRECT BY US

8-25-39	B. H. Roettker Co.	White Talc #140	2,000 lbs.	\$14.00 ton Henry, Va.	14.00
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The invoice for the American Cyanamid material has not been received. The information given relative to this shipment on the price is based on the price of our previous shipments. We have not received the invoices for the two shipments forwarded to us from the Sherwin-Williams Plants. The Zinc Oxide, of course, will be invoiced at \$6.00 per hundred, freight allowed, and we understand the Activator "L" 1984 Dry will be invoiced at 29¢ per pound, freight allowed.

WTL:PKM

W. T. Loges
closing
ppro

N15899

Cleveland

9/1
Controller's

The Lowe Bros. Co.,
Dayton
B. A. Zehr

Aug. 31, 1939

- Goods in Transit

We have had under discussion with Ernst & Ernst the disposition of goods in transit at August 31 - that is, the raw materials which are purchased on contract F.O.B. vendor's plant and not yet received at our plant at August 31, the inventory date.

Legally we are responsible for the raw material shipped F.O.B. vendor's plant when it is loaded in the car and delivered to the railroad. In past years we have sometimes followed the procedure of having the vendor delay invoicing until Sept. 1 and thus not including the raw material in our inventory. We have a contingent liability and any raw material that has been shipped F.O.B. vendor's plant should be inventoried by us as in transit and taken into our balance sheet.

Will you please have your Purchasing Department, at August 31 - that is, as of today - check over all of the raw material that is in transit, shipped F.O.B. vendor's plant, and give us a complete statement of the value?

Freight on the inbound raw material will not be inventoried, inasmuch as freight does not become a liability until the goods are delivered and on our property.

LR.B

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