C. L. Gilmore
Safety

MONSANTO CHEMICAL COMPANY
Texas City, Texas

BULLETIN P-50 December, 1957

REQUESTS FOR CAPITAL APPROVALS

Capital requests can be initiated by any supervisor at Texas City if supported by the management level equivalent to manufacturing superintendent, plant engineer, personnel director, technical service manager, production co-ordinator, engineering manager, research section leader or their respective superiors.

The procedure to be used to obtain capital approval of a request follows:

1) Capital Approvals under $25,000

The justification basis and form are as described in Texas City Bulletin No. P-21, Revision 4, dated August 1, 1956. Also refer to Bulletin No. P-5.

2) Capital Approvals - $25,000 to $50,000

Justification will be prepared by the initiating department following a simplified variation of the format used for major capital requests as outlined in the Management Guide. A sample form of the simplified format containing pertinent comments is attached (See Exhibit I). Engineering Planning will supply guidance on investment analysis as requested; or, if requested, Engineering Planning will carry out the investment analysis. The completed request will be submitted to Engineering Planning for review and approval in the investment analysis area only prior to its submission to the General Manager's office.

3) Capital Approvals - $50,000 to $250,000

The requests for capital additions falling in this capital range will be prepared by the Engineering Planning Group with the aid of the initiating party. Three months notice prior to the date the actual request is submitted will be required by Engineering Planning to be sure that the project is properly forecast so Division and St. Louis Management are alerted. A sample form for giving notice to Engineering Planning is attached as Exhibit II.

4) Capital Additions - $250,000 and up

The requests will be prepared by Engineering Planning with the help of the initiating party. A minimum of 6 months prior to the date the actual request is submitted will be required by Engineering Planning to forecast the project so Division and St. Louis Management are aware of our cash requirements. Exhibit III lists the information required by Engineering Planning for the forecast.

C. A. B.

PLAINTIFF'S EXHIBIT
MON-745

SC 005218

LAM006428

Texas City, Texas

Date:

REQUEST FOR PROJECT AUTHORITY FOR EXPENDITURE AND/OR RETIREMENT

Title:

Attachments: Authority for Expenditure, Justification, Estimate, Engineering Work Order, Drawings, Sketches, Etc.

Discussion of Estimate and Proposed Method of Handling Construction:

Actual costs may be +____% or -____% of the amount requested. Checked by___ Signed by___

Process Engineering is approximately ____% Complete. Date______ Signed By_________

Mechanical Engineering is approximately ____% Complete. Date______ Signed By_________

Drafting is approximately ____% Complete. Date______ Signed By_________

Department		Signed	Date
Divisional Engineering Department	The facilities described in the attached papers will accomplish what is desired by the Initiating Department and this is the best alternate of those investigated.		
Plant Engineering Department	The money provided by this estimate is sufficient to do the work as described and the proposed method of handling the construction is satisfactory.		
Initiating Department	The attached papers describe the scope of the proposed facilities requested and this is the best alternate of those investigated. The expenditure of $__________ for this job is hereby requested.		

Personnel signing above agree that if increases or changes in scope, procedure, methods of materials occur, the work shall be stopped immediately and held in abeyance until a re-estimate of the capital costs can be made.

A236

MONSANTO CHEMICAL COMPANY

PROJECT AUTHORITY FOR EXPENDITURE AND/OR RETIREMENT

(THIS FORM TO BE USED FOR AUTHORITIES REQUIRING GENERAL MANAGER AND LOWER LEVEL OF APPROVAL)

PLANT	BUDGET ITEM NO.	DEPT. NO.	DATE	ENG. JOB NO.	AUTHORITY NO.

DESCRIPTION, REASON AND JUSTIFICATION FOR WORK:

PREPARED BY	REVIEWED BY	APPROVALS							
		GENERAL MGR.	DATE	PROD. MGR.	DATE	PLANT MGR.	DATE	OTHER	DATE

ITEM	DESCRIPTION	EQUIPMENT		CONTR. WORK	MAT. & SUPP.	STORES O'HEAD	DIRECT LABOR	SHOP O'HEAD	TOTAL
		TRANS.	NEW						

INFORMATION FOR RETIREMENTS		INFORMATION FOR EXPENDITURES			
SUMMARY OF ITEMS TO BE RETIRED		CLASSIFICATION OF AMOUNT AUTHORIZED		PROJECT SUMMARY	
1. INSTALLED COST		8. CAPITAL EXPENDITURE		14. PROJECT TOTAL (ORIG OR REV.)	
2. VALUE NOT RETIRED		9. REPAIR OR OTHER EXPENSE		15. LESS PREVIOUSLY AUTH.	
3. VALUE TO BE RETIRED (1-2)		10. LEASEHOLD IMPROVEMENTS		16. PROJECT TOTAL — THIS REQ. (14-15)	
4. ACCRUED DEPRECIATION ON VALUE TO BE RETIRED		11. TRANSFERRED EQUIPMENT		17. LESS TRANSFERRED EQUIP.	
5. [illegible]CIATED VALUE (3-4)		12. DISMANTLING EXPENSE		18. NET CASH REQUIRED (16-17)	
6. AMT. EXPECTED FROM SALE, TRADE-IN, ETC.		13. TOTAL AMT. AUTHORIZED		19. AMOUNT AUTHORIZED = (16)	
7. RETIREMENT LOSS (5-6)		8 + 9 + 10 + 11 + 12 = 13 & 19 8 = LEVEL FOR CAPITAL APPROVAL			

USE FORM A-823-1 TO DETAIL RETIREMENTS

LAM006430

SC 005220

APPLICABLE ONLY FOR REQUESTS INVOLVING NEW FIXED CAPITAL IN EXCESS OF $25,000 BUT LESS THAN $50,000

MONSANTO CHEMICAL COMPANY

Plastics Division — Date ______________

TO: R. K. Mueller, General Manager, Plastics Division

FOR: (Descriptive Title)

Here should be inserted an abbreviated description of the project including, if pertinent, increase in plant capacity new rated production capacity of plant, reduction in operating costs, improvement in working conditions, improvement in safety of operations. Only the main reason for the request should be stressed. The descriptive matter should be limited to 2 or 3 sentences.

APPROPRIATION REQUESTED: $______________

TOTAL CAPITAL TO BE EMPLOYED IN THIS PROJECT:

New Property	$ ________
New Working Capital	$ ________
Total New Investment	$ ________

EXPENSES: (if any)

Here briefly insert any expense items associated with the cost of demolition. Reference should be made to the attached Project Authority for Expenditure form detailing salvage and retirement allowance occasioned by the project.

NEW NET INCOME OR SAVINGS:

Before Taxes:	$ ________
After Taxes:	$ ________

These should be based on the most probable annual level of operation of the project.

I. REASONS FOR RECOMMENDATION:

A. Profitability

Under profitability, if applicable, include a paragraph citing the percent return that new earnings or savings amount to on new capital required.

Another paragraph should be included indicating in what year the savings are calculated and at what rate of operation of the plant. A statement of whether these savings will apply in future years should be included.

B. Discussion

Here should be included a statement of the problem and a description of the recommended solution. If the project does not show new earnings or savings, discussion of the reasons for recommending the expenditure of the capital should be included in this portion of the request. Sufficient information should be provided so that the reader, without being expertly familiar with this particular area of the plant, can understand the effect of the expenditure on the particular operating area, whether this expenditure will lead to future commitments, what chance of success the recommended action has, and what alternates have been considered. This section of the request should be about half a page long and consist of two or three informative paragraphs.

II. DISCUSSION OF CAPITAL ESTIMATES

A. Scope

Briefly describe what major items of equipment are included in the requested capital and any unusual conditions of temperature, pressure or corrosion that are encountered.

B. Basis of Capital Estimate

Describe the basis of the new fixed capital requirements. State whether capital requested is based on preliminary equipment, quotations and our estimated costs of installation, or on firm competitive bids for the installed equipment.

C. Status of Project

Describe the status of Research and Engineering work, the equipment delivery time, the anticipated completion date.

III. PERSONNEL

An estimate should be provided of the number and type of employees that will be added as a result of this project. If none are added, this section can be eliminated.

IV. SCHEDULES

Material presented graphically, pertinent to the expenditure and included to clarify an important point should be assigned a Schedule Number and attached to the request.

Submitted by:____________________

APPLICABLE ONLY TO FORECASTS INVOLVING NEW FIXED CAPITAL IN EXCESS OF $50,000 BUT LESS THAN $250,000

MONSANTO CHEMICAL COMPANY

Plastics Division **Date** ______________

TO: W. H. Stanton, Manager of Engineering Planning, Texas

FOR: (Insert descriptive title)

A summary of the more important statistics relating to this forecast follows:

INDICATED:

I.	New Fixed Capital Required	$ ______________
II.	New Fixed & Working Capital Required	$ ______________
III.	Timing by quarters for new capital requirement	______________
IV.	Estimated date of submission of Appropriation Request	______________

STATUS OF TECHNOLOGY:

If information is available, provide a brief discussion of the product and process proposed herein. State the patent position, if any.

STATUS OF PROJECT:

(a) Research) Brief comments on each as of date.
) State what has been done, what remains
) to be completed, and what completion
(b) Engineering) date is expected.

Submitted by: ______________________________

SC 005224

APPLICABLE ONLY TO FORECASTS INVOLVING NEW FIXED CAPITAL IN EXCESS OF $250,000

MONSANTO CHEMICAL COMPANY

________________ **DIVISION** **DATE** ________________

To: THE EXECUTIVE OFFICES OF THE PRESIDENT

____________ ____________

____________ ____________

____________ ____________

____________ ____________

CONSTRUCTION FORECAST NO. ______

or **FROM** ____________ **DIVISION**

INVESTMENT FORECAST NO. ______

FOR: (Insert descriptive title) ____________________

____

____

A summary of the more important statistics relating to this forecast follows:

INDICATED

I.	**New Fixed Capital Required**	**$** ____________
II.	**New Fixed & Working Capital Required**	____________
III.	**Timing by quarters for new capital requirement**	____________
IV.	**Estimated date of submission of Appropriation Request**	____________
V.	**This forecast is "Must" or "Deferrable"**	____________

(continued - 1)

STATUS OF TECHNOLOGY

(If information is available, provide a brief discussion of the product and process proposed herein. State the patent position, if any)

STATUS OF PROJECT

(a) Research	)	
	)	
(b) Engineering	)	**Brief comments on each as of date.**
	)	
(c) Market Development	)	

RECOMMENDATION

The ______________ Division recommends that this Forecast has reached the stage where it should be included in the Cash Forecast.

____
General Manager

SC 005226