

1998 Survey of Small Business Finances

Annotated Survey Questionnaire with forward and appendices

Survey of Small Business Finances Group
Division of Research and Statistics
Board of Governors of the Federal Reserve System
Washington, DC 20551

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FORWARD

OVERVIEW:

The questionnaire provided is an exact copy that was used with the computer assisted telephone interview (CATI) instrument. The questionnaire has been annotated to reflect the data editing changes and variables that were added, dropped, or moved from the data set. The annotated text is in italics, bold, underlined and highlighted to stand out from the original text. These annotations can be found to the right of most questions. (An example is provided below on page 3.)

The following classifications of variables are used in the annotations:

CONFIDENTIAL	=	Variable is confidential and is not available on the public use data set.
DROP	=	Variable was removed from the data set.
MOVED	=	Variable was moved to new variable and then "older" variable was removed from the data set.
ADD	=	Variable is new and added to the data set.

This questionnaire is to be used in conjunction with the technical codebook.

***There are 1514 variables on the public use data set, including 584 shadow variables (indicated by XCODE=YES in dictionary).

Users of this data base should also consult the codebook (data dictionary), which is available on this site. The codebook should be used in conjunction with the questionnaire. It gives you important information about the survey, discusses editing and imputing procedures, and gives examples of how to use the data base. The codebook provides for each variable on the data set the variable name, a label, a brief explanation of the variable, and whether the variable has a shadow variable, or XCODE. The codebook does not, however, indicate specific range restrictions and values, skip patterns, or other instructions used by the interviewers. These are available only in the annotated questionnaire.

For your convenience, Appendices A-C contains some of the major changes to variable names, which are reflected in the marked up questionnaire, as well as detailed information on sections E, F, G, MRL and H. Appendix D contains the expanded code frames for selected questions from the questionnaire.

VARIABLE NAMING CONVENTION:

Variables were named similarly to their question number, except a "." is replaced by a "_". For example, the variable F6.1 from the questionnaire is denoted by F6_1 in the data set.

There are questions that are multiple categorical questions. These multiple categorical questions are a series of yes-no questions collapsed into one in the questionnaire text, but are actually multiple variables on the data set. These questions have "T" after the question number. For example MRL13.1, would be MRL13T1, MRL13T2, MRL13T3, MRL13T4, MRL13T5, MRL13T6, MRL13T7. The multiple categorical questions do not follow the above conventions with regard to the periods and underscore substitution.

In section F, it is possible that certain respondents were asked the same question up to 3 different times (for different institutions). The questionnaire notes this by having the question name followed by "_ (1-3)". For example, this would occur if the respondent answered yes to F27 (Did the firm have any loans on motor vehicles used primarily for business purposes...?) and the respondent had motor vehicle loans at more than one institution. The value in F29_1 would refer to the number of loans that the firm had at the institution whose flag was set to 1 (e.g., TMV3=1, means the firm had a motor vehicle loan at institution 3 and the information regarding that loan is in the first loop of the motor vehicle loan section in Section F). F29_2 would refer to the number of vehicle loans that the firm had at the institution whose flag was set to 2 (e.g., if the loans were at institution 5, then TMV5 would equal 2), etc. A more detailed explanation of the flags is provided in Appendix C below.

Section H has similar loops, but the respondent could have been asked the same questions up to 8 times for different institutions. Thus, in the questionnaire all variables that begin with H have an "_ (1-8)" following it. However, the values for all H variables, except for H1R_ (1-8) have been moved to the I-variables and the H variables were subsequently dropped from the public data set. See Appendix B below.

XCODES:

The xcodes are shadow variables that indicate whether or not the variable was imputed. For additional information, see the codebook. Generally, the xcode is the originally variable name with "X" concatenated to the front of it. For example, F27's xcode would be XF27. One exception to this rule is DB_SCORE, which has an xcode of XDB_SCOR. See the technical codebook for a more detailed discussion of xcodes.

NOTE: Not every variable has an xcode. The codebook indicates if the variable is accompanied by an xcode.

ADDED, MOVED AND COLLAPSED VARIABLES:

The attached questionnaire is a marked up version. It reflects how variables were collapsed, moved/added, or dropped.

It is important for the user to understand that a variable was first collapsed and then moved. For example, the question about C_EXP asks "how many years of experience did the owner have managing or owning a business?"

If the respondent answered "Don't know" or "Refuse" to C19, then the respondent was asked C19_1. During our editing, we first collapsed C19_1 to C19 by taking the mid-point of the pre-imputed range and placing it back in C19. C19_1 was then dropped. Then the value of C19 was moved to C_EXP and C19 was also dropped. Only the variable C_EXP remains on the final data set.

When a range variable was collapsed it was collapsed to the midpoint of the reported range before imputation. In the questionnaire provided, the mid-point values of the ranges are placed to the right of the range choices.

To illustrate the above points, an example (C19) is extracted from the annotated questionnaire:

C19. How many years of experience has the principal owner had managing or owning a business, including this business? **MOVED TO C_EXP**

YEARS_____ GO TO C20
 EX.....EX GO TO C20
 DK or RF.....DK or RF

C19.1 Can you please tell me the approximate number of years of business experience the principal owner has? Is it... **COLLAPSED TO C19**

VALUES WERE COLLAPSED TO THE MIDPOINTS OF THEIR RANGE

Less than 1 year.....1	0
1-3.....2	2
4-6.....3	5
7-9.....4	8
10-15.....5	13
More than 15 years.....6	16
DK or RF.....DK or RF	

Other Notes

There are some variables that were not asked in the questionnaire, but do provide additional information about the firm or the interview. These are listed below:

TABLE 1: Variables derived from sources other than main questionnaire

NAME LABEL

SU_ID	Case ID (character variable length 10)
FIN_WGT	Final Sample Weight
SCRTYPE	Organization type from Screener
SCRFYMO	Fiscal year end month from Screener
SCRFYDA	Fiscal year end day from Screener
SCRELIG	Eligibility flag from Screener
SCRNDT	Date Screener completed
SIC2R	Two Digit SIC Code
RACESZ	Major Strata
NEWSTRAT	Strata for Stage 2 Sampling
SZCLSS	Sampling Size Class
MSA_DB	MSA/ Non MSA from D&B
MSA	Sample MSA/NON MSA indicator
REG_DB	Census region from D&B
REGION	Sample from Region Indicator
DB_SCORE	Credit Scores from D&B (1-5)
HHI3_B	Banking Market Concentration 1999-100%BANK
HHI3_BT	Banking Mkt Concentration 99-100% Bank+50% Thrift Deposits
IWBEGDT	Interview Date Began
IWBEGTM	Time Interview Began
CALLNUM	Number of Calls
INCENT	Incentive type used

Sections P, R, and S

PROFIT calculated as $P2 + P4 - P5$.

P2, P4, P5, and profit scaled to represent full fiscal year. P2MON indicates the number of months covered in the accounting period. P2, P4, P5, and PROFIT are each multiplied by $12/P2MON$ to convert to full year equivalents. Only about 94 firms reported balance sheet information for a partial year.

EQUITY calculated from R12 - S8.

Section U

NEW	NAME	LABEL	Explanation
1)	U_HOME	Home owned by owner	Combines U5 & U7
2)	U_HEQ	Value of home equity	Combines U5_1 & U7_1
3)	U_NETW	Owner net worth (excl.home)	Combines U6 & U8

Missing Values:

Nearly all values on the public data set have been imputed. Consequently, there are few missing values other than those designated by a ".S" (not in quotes). The code ".S" indicates a legitimate skip or an inapplicable question. Other missing values that occur in a very few instances include: ".D" = don't know; ".R" = refused; ".N" = not asked (because of some error); and "." = missing. (Note: missing values on the ASCII data sets are coded differently than the SAS data set. Please consult the ASCII instructions.)

APPENDIX A: Demographic Variables

The variables of Section C have been collapsed into 13 variables.

LABEL	FINAL VARIABLE	PROPRIETORSHIP OR SINGLE OWNER CORPORATION	PARTNERSHIP	S- OR C CORPORATION
Hispanic owned	C_HIS	C1	C11	C23
Race if minority owned	C_RACE	C2	C13	C25
Minority owned	C_MINOR	C2	C12	C24
Female owned	C_SEX	C3	C14	C26
Management Responsibility	C_MGR	C7	C16	C28
Owner age	C_OAGE	C4	C17	C29
Owner education	C_EDUC	C5	C18	C30
Owner experience	C_EXP	C6	C19	C31
Ownership share of principal owner	C_OWNSH	equals 100*	C20	C32
How Firm Acquired	C_ESTR	C8	C21	C35 or C33**
Age of firm in years	C_FAGE	C9	C22	C36 or C34**
Family owned	C_FAM	equals 1*	C15	C27
Number of owners	C_NOW	equals 1*	C10	C37

*Not asked of single owner firms.

**Ten firms indicated they were publicly traded. These firms have their method of acquisition set to purchased, or C_ESTR=2.

APPENDIX B: Source Characteristics- I-Variables

Definitions and Derivation of Source Characteristics - I-Variables

I-Variable	Label	Source
ITYPE1- ITYPE20	Type of Source/Institution	H2_(1-8) or coded from other information coded from other information (see Codebook).
IH3A1- IH3A20	Reason #1 for using Source	H3_(1-8)
IH3B1- IH3B20	Reason #2 for using Source	H3_(1-8)
IH3C1- IH3C20	Reason #3 for using Source	H3_(1-8)
IMONS1- IMONS20	Months with Source	H4_(1-8)
ISAME1- ISAME20	Source in same area as firm Headquarters Office	H6_(1-8)
IDIST1- IDIST20	Distance between the firm & source	H7_(1-8), or if not asked, calculated from firm and source zip codes(see Codebook)*
IMETH1- IMETH20	Most frequent interface	H8_(1-8)
H1R_1	Primary institution/source number	H1

NOTE: The suffix of the I-variable is the institution or source number.

H1R_1 contains the number of the firm's primary institution.

If H1R_1=3, then the firm identified source 3 as its primary institution. Characteristics of the primary institution are stored in variables named ITYPE3, IDIST3, IMONS3, ISAME3, IMETH3, IH3A3, IH3B3, AND IH3C3.

*Number of miles is calculated from zip code information whenever the question was not asked of the respondent (e.g., whenever respondents answered H6_(1-8) =2 (NO))The calculation is based on the latitude and longitude of the zip-code center of the firm's headquarters office and the zip code center of the location of the office of the source used most often by the firm. The exact distance in miles can be calculated as:

$$\text{Miles}(\text{zip1}-\text{zip2}) = 3958.75 * \arccos [\sin(\text{zip1.lat}/57.2958) * \sin(\text{zip2.lat}/57.2958) + \cos(\text{zip1.lat}/57.2958) * \cos(\text{zip2.lat}/57.2958) * \cos(\text{zip2.lon}/57.2958-\text{zip1.lon}/57.2958)]$$

Appendix C: List of Financial Service Flags: T-Flags

FLAG	DESCRIPTION	POSSIBLE VALUES
<u>Section E</u>		
TCK0	Number of CHECKING sources	0-20
TCK1-TCK20	Have CHECKING at source #	0,1,2,3,30,.S
TSV0	Number of SAVINGS sources	0-20
TSV1-TSV20	Have SAVINGS at source #	0,1,2,3,30,.S
<u>Section F</u>		
TLC0	Number of LINE OF CREDIT sources	0-20
TLC1-TLC20	Have LINE OF CREDIT at source #	0,1,2,3,30,.S
TLE0	Number of LEASE sources	0-20
TLE1-TLE20	Have LEASE at source #	0,1,2,3,30,.S
TMG0	Number of MORTGAGE sources	0-20
TMG1-TMG20	Have MORTGAGE at source #	0,1,2,3,30,.S
TMV0	Number of MOTOR VEHICLE loan sources	0-20
TMV1-TMV20	Have MOTOR VEHICLE loan at source #	0,1,2,3,30,.S
TEQ0	Number of EQUIPMENT loan sources	0-20
TEQ1-TEQ20	Have EQUIPMENT loan at source #	0,1,2,3,30,.S
TOT0	Number of OTHER loan sources	0-20
TOT1-TOT20	Have OTHER loan at source #	0,1,2,3,30,.S
<u>Section MRL</u>		
TMRA0	Number of MOST RECENT APPROVED loan sources	0, 1
TMRA1-TMRA20	Have MOST RECENT APPROVED loan at source #	0,1,.S
TMRD0	Number of MOST RECENT DENIED loan sources	0, 1
TMRD1-TMRD20	Have MOST RECENT APPROVED loan at source #	0,1,.S
<u>Section G</u>		
TTR0	Number of TRANSACTIONS services sources	0-20
TTR1-TTR20	Have TRANSACTIONS SERVICES at source #	0-20, .S
TCA0	Number of CASH MANAGEMENT services sources	0-20
TCA1-TCA20	Have CASH MANAGEMENT services at source #	0-20, .S
TCR0	Number of CREDIT RELATED services sources	0-20
TCR1-TCR20	Have CREDIT RELATED services at source #	0-20, .S
TBK0	Number of BROKERAGE service sources	0-20
TBK1-TBK20	Have BROKERAGE service at source #	0-20, .S
TTRST0	Number of TRUST services sources	0-20
TTRST1- TTRST20	Have TRUST services at source #	0-20, .S

NOTES: See next page.

Each flag is denoted as T??#?, where ??? indicates the service (e.g., CK, or SV) and # indicates the source number (1-20) or 0 for number of sources.

The T???0 flags contain the number institutions that the firm used for the service ????. The T???# (T???1-T???20) flag indicates whether or not the firm obtained service ??? from source #, as well as which loop of the Section E, or F variables describes the characteristics of service ??? from source #. Any value larger than zero indicates the firm obtained service ??? from source #. If the number equals 1, 2, or 3 then the characteristics of service ??? are found in loop 1, loop2, or loop3, respectively, of the relevant section E or section F of the questionnaire. The T-flag equals 30 when there are more than three sources for service ????. In that case, the information on the accounts at all sources with a value of 30 are accounted for in the third loop of the relevant section of E or F.

For example, if TCK1=2 TCK2=0 TCK3=1, then the value of E6_1 is associated with the savings account the firm had at institution 3, and the value in E6_2 is associated with the savings account the firm had at institution 1. If TCK1=30, TCK2=2, TCK3=30, TCK4=1 and TCK5=0, then the value of E3_1 is associated with checking at source 4, E3_2 with checking at source 2, and E3_3 will contain the combined checking balances of sources 1 and 3. For this example, the firm had four checking sources (TCK0=4). TCK5=0 means the firm did not obtain checking from institution 5

For additional information, please consult the Codebook.

Appendix D
Code frames for Selected Questions

IH3A1-IH3A20, IH3B1-IH3B20, IH3C1-IH3C20

What factors influenced the firm's decision to use this source?

Credit policies or experience

- 10=Credit availability
- 11=Previous loan, loan when starting business
- 12=Only institution to grant credit
- 13=Turned down by other institutions
- 14=No or less collateral, no personal guarantees
- 15=SBA loan availability or assistance
- 16=Lending policies or terms
- 17=Credit availability contingent on use of other services
- 18=Large loan capability

Institution characteristics and offerings

- 20=Service availability
- 21=Quality of service or of services
- 22=Location, proximity
- 23=Convenience/ease of use
- 24=Hours
- 25=Reputation, soundness, aggressiveness, progressivity
- 26=Small size of institution
- 27=Large size of institution
- 28=Size of institution (small/large N.A.)
- 29=One-stop shopping, able to obtain multiple services at same institution
- 30=Internet, electronic services
- 31=Knowledge of Industry
- 32=Local Bank
- 33=Willing/Specialize in Small business services

Account terms

- 40=Good prices/terms
- 41=Low fees or prices
- 42=High interest rate (savings or checking)
- 43=Low interest rate and/or low loan (origination) fees
- 44=Interest rate (high or low not ascertainable)
- 45=Good credit-card processing terms

Relationships and referrals

- 50=Captive finance(e.g. used financial institution owned by seller)
- 51=Seller referral (e.g. car dealer suggested loan company)
- 52=Obtained from supplier of equipment &/or automobile company
- 53=Other referral
- 54=Owner has personal/other business with institution
- 55=Owner knows (an) officer(s) or employee(s), relative, or bank owner(s)
- 56=Friendly, knowledgeable employees or management
- 57=Long-term relationship/ ongoing relationship
- 58=Reciprocity, institution does business with firm
- 59=Primary Bank

Miscellaneous reason

- 70=Only institution in town, limited choice
- 71=Institution or salesman solicited firm
- 72=Original institution taken over by current one
- 73=Loan assumption, old institution sold loan
- 74=Diversification, convenient to have multiple institutions
- 75=Minority ownership in institution
- 76=Other requirements of institution
- 77=Dissatisfaction with previous institution

Special codes

- 90=No Reason
- 92=Denied loan Institution, Do not use Institution
- 93=No longer use institution
- 94='Other'
- 97='Other'
- 99='Non-ascertainable'

MRL9R1, MRL9R2, MRL9R3

What factors influenced the firm's decision to apply for credit from (name2)?

Credit policies or experience

- 10=Credit availability
- 11=Previous loan, loan when starting business
- 12=Only institution to grant credit
- 13=Turned down by other institutions
- 14=No or less collateral, no personal guarantees
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- 94='Other'
- 97='Other'
- 99='Non-ascertainable'

MRL13_1

What Collateral was required? Was it ...

MRLT1: Inventory and accounts receivable
MRLT2: Equipment or vehicles
MRLT3: Business securities or deposits
MRLT4: Business real estate
MRLT5: Personal real estate
MRLT6: Other personal assets
MRLT7: Other
MRLT8: Business assets not otherwise specified
MRLT9: Other assets, personal or business not ascertainable
.S: Legitimate skip

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QUESTION BY QUESTION NOTES

PROXY BREAKPOINT If at any point during the interview, the owner transfers the interview over to a proxy, enter<CTRL><PAGE UP> and complete the proxy questions, the proxy's name, the proxy's title and the point in the questionnaire where the proxy took over the interview.

A1. Identifies the owner of the firm for purposes of interviewing that person. For firms with more than one owner, we'd like the owner that has the largest ownership share of the firm.

A1.1

A1.2 Identify a time when the owner will be available and reschedule an appointment for that time. The beginning portion (Sections A-C) of the questionnaire should be done with an owner.

In the event that the owner requests that we complete the remaining portion of the questionnaire with a proxy, ask the owner to select a person who is a top executive, or someone who can speak knowledgeably about the firm's finances. The top executive is the person who has decision-making power for the firm. The top executive and the person most knowledgeable about the firm's finances may or may not be the same person, depending on the size and structure of the business. Be sure to get past any gatekeepers, who are not familiar with the business' finances.

In larger firms, a knowledgeable proxy may be a comptroller, a CEO, a vice president of finances, or an accountant. In smaller firms, this person may be a bookkeeper or an office manager.

QUESTION BY QUESTION NOTES

- A3.** Verify mailing address of firm. Prompt respondent for a Yes/No response before accepting a Don't Know or Refused response. If firm mailing address is correct, go to A3.2. If incorrect, go to A3.1 to update preloaded firm mailing address.
- A3.1** Enter correct mailing address of firm. You may need to ask the respondent to spell the street address or city.
- A3.2** This question determines whether the main office of the firm is physically located in a different area than where the firm receives mail. Often businesses have a P.O. Box for mail, or for convenience, may have mail routed to a different address; in this question we want to be certain we've identified the physical place the business is located.
- A3.3** Enter correct address of the physical location of the firm. We want to know the city, state, and ZIP code of the physical location of the firm's headquarters or main office only. This question requires the full city name, two letter state abbreviation, and the complete 5 digit ZIP code.
- A3.4** Enter the county/borough/parish name where the main office is physically located.

READ1: We sent you a package of materials describing the Survey of Small Business Finances, which we are conducting on behalf of the Federal Reserve Board. Your firm has been selected to represent other businesses like yours across the country. The survey is being conducted to provide the Federal Reserve Board with information on the cost and availability of financing to small businesses. With a better understanding of the experiences of small businesses and their owners, public policy affecting the cost and availability of financial services can be more accurately evaluated and improved for small businesses.

A3. Is [FIRM]'s mailing address [ADDRESS, CITY, STATE, ZIP]? **CONFIDENTIAL**

- YES 1 GO TO A3.2
- NO 2 GO TO A3.1
- DK or RF DK or RF GO TO A3.2

A3.1 What is [FIRM]'s correct mailing address? **CONFIDENTIAL**

UPDATE PRELOADED MAILING ADDRESS INFORMATION

ADDRESS: _____ **A3 1 1**

CITY: _____ **A3 1 2**

STATE: _____ **A3 1 3** ZIP: _____ **A3 1 4**

A3.2 Is the physical address of the main office the same as the mailing address? **CONFIDENTIAL**

- YES 1 GO TO A3.4
- NO 2 GO TO A3.4
- DK or RF DK or RF GO TO A3.4

A3.3 What is the street address, city, state, and ZIP Code area of the physical location of the main office of the business? **CONFIDENTIAL**

ADDRESS: _____ **A3 3 1**

CITY: _____ **A3 3 2**

STATE: _____ **A3 3 3** ZIP: _____ **A3 3 4**

A3.4 In what [county/borough/parish] is the firm's main office located? **CONFIDENTIAL**

USE "COUNTY" UNLESS STATE=LA (SUBSTITUTE "PARISH") OR STATE=AK or NY (SUBSTITUTE "COUNTY OR BOROUGH")

IF NOT LOCATED IN A COUNTY, ENTER "NONE"

COUNTY: _____

DK or RF DK or RF

QUESTION BY QUESTION NOTES

- A4.** Verify owner's correct title. Prompt respondent for a Yes/No response before accepting a Don't Know or Refused response. If title of owner is correct, go to A5. If incorrect, go to A4.1 to update preloaded title for owner.
- A4.1** Enter correct title for owner.
- A4.2** Determines why the ownership of the business appears to have changed since the time of screening. In the event that there are multiple owners of the firm or the owner has just simply changed his/her name, code as such and continue on past the eligibility questions to Section B. If the ownership appears to have changed for any reason, including death of the previous owner, reask the eligibility questions of the current owner.
- A5.** If the firm was in business for any part of December 1998 under the current ownership, even for one day, it would be eligible.

QUESTION BY QUESTION NOTES

A6. You should be talking with the firm's headquarters or main office. We wish to talk to the office in which financial decisions are made. Typically, this will be the firm's headquarters or main office. Other locations of the firm such as a branch office, retail outlet, warehouse or the like are not eligible unless the headquarters of the firm is also located there. In some cases, the headquarters will also be the residence of the owner.

A7. This question tries to establish if the firm is an independently operated business.

NOTE: A firm would be eligible for the study even if they are a subsidiary of another firm as long as that other firm does not own 50 percent or more of the sampled business.

NOTE: A franchise is a right granted by a large business chain (e.g. fast-food company) allowing an investor to operate an outlet for its product or service by using its chain name and management know-how. Being franchised does not necessarily mean over 50 percent ownership by another company. Therefore, franchised firms should be included in the survey if otherwise eligible.

NOTE: A firm is ineligible for the survey if a holding company owns 50 percent or more of the firm. A holding company is a corporation that owns enough stock in another corporation to influence its board of directors and therefore control its policies and management.

A8. Most businesses are "for-profit" firms. For-profit firms may report either profits (revenues are larger than expenses) or losses (expenses are larger than revenues) in any given year. Even if a firm has losses, it is probably a for-profit enterprise. The key factor is whether profits go to the owners. If so, the firm is for-profit.

In order to be a non-profit or not-for-profit firm, the business must be recognized by the IRS as non-profit. Examples of non-profit firms are membership organizations such as business associations, labor organizations, civic and social organizations, religious groups, political groups, and collective or cooperative organizations. However, do not assume without asking that a firm of one of these types is non-profit. Sometimes these organizations are for-profit and therefore eligible for this study.

A9. Firms owned by local (city, county), state, or federal governments or by government agencies are to be excluded from the sample. Examples of such firms might include fire departments, police departments, sewage or public utilities such as gas and electric companies. However, be sure that the firm is owned by a government entity. There are firms such as those above that are privately owned (although they may hold a government contract or charter to provide these services), and if privately owned, they are eligible for the study. Furthermore, private firms that do work for or have business contracts with government agencies are also eligible.

A6. I have recorded that this is the headquarters or main office of [FIRM]. Is that correct?

-
- YES 1
- NO 2
- DK or RF DK or RF

DROP

**⊖ GO TO CLOSE1
⊖ PROMPT FOR YES/NO RESPONSE BEFORE ACCEPTING DK/RF; GO TO CLOSE2**

A7. Does another company own 50% or more of [FIRM]?

PROMPT: That is, is [FIRM] a majority-owned subsidiary of another business?

- YES 1
- NO 2
- DK or RF DK or RF

DROP

**⊖ GO TO CLOSE1
⊖ PROMPT FOR YES/NO RESPONSE BEFORE ACCEPTING DK/RF; GO TO CLOSE 2**

A8. My records show that [FIRM] is a for-profit organization. Is that correct?

PROMPT: Not-for-profit firms have a special designation from the IRS. I understand that [FIRM] **does not** have this special designation or recognition from the IRS as a not-for-profit organization. Is that correct?

- YES, [FIRM] IS FOR-PROFIT 1
- NO, [FIRM] IS NOT-FOR-PROFIT 2
- DK or RF DK or RF

DROP

**⊖ GO TO CLOSE1
⊖ PROMPT FOR A YES/NO RESPONSE BEFORE ACCEPTING DK/RF; GO TO CLOSE2**

A9. Is [FIRM] owned by a local, state, or federal government agency?

- YES 1
- NO 2
- DK or RF DK or RF

DROP

**⊖ GO TO CLOSE1
⊖ PROMPT FOR A YES/NO RESPONSE BEFORE ACCEPTING DK/RF; GO TO CLOSE2**

QUESTION BY QUESTION NOTES

A10.1 This question establishes the number of owners actively working at the firm, not the number of people who own the firm. A firm may have multiple owners, only some of which work at the firm. Other businesses are run by hired employees and none of the owners actually work at the firm themselves.

A10.2 Individuals working for the firm should be counted if they were on the payroll or not. Individuals, including friends and family, are considered as working for the firm if they are on the payroll, or if taxes and FICA contributions were deducted from gross pay, or if they received profits, sales commissions or payment in the form of other non-monetary goods and services, such as room and board, from the firm. Contractors and people provided by a temp agency, even if they work on the premise of the firm, are generally NOT considered employees. Finally, full-time and part-time employees are counted in the same way. One full time and three part time individuals is equal to four employees (1 + 3). If the respondent responds with an answer like "three and a half" (3 1/2), PROBE with "Was that 3 or 4 individuals in total?"

A10.3 If an owner or proxy refuses or doesn't know the exact number of workers, encourage them to report a range. If the respondent will not give a range but indicates that there are less than 500 workers, select "Eligible, other" and record the explanation.

Employment

TOTEMP=A10 1 + A10 2. Total employment is the sum of A10 1 and A10 2. ADD.

READ2: We would like to confirm the total number of individuals that worked at [FIRM] during a typical pay period in 1998. First, I'm going to ask about the owners:

A10.1 How many owners worked in [FIRM] during a typical pay period in 1998?

NUMBER: _____
 DK or RF DK or RF

A10.2 Other than owners, how many individuals worked for [FIRM] during a typical pay period in 1998?

NOTE: PART-TIME & FULL-TIME WORKERS ARE EACH COUNTED AS "ONE" INDIVIDUAL WORKER

NUMBER: _____ GO TO SKIP2
 DK or RF DK or RF GO TO SKIP2

RANGE CHECK: A10.1 and A10.2 >= 0

SKIP2

CALCULATE: TOTAL EMPLOYEES = A10.1 + A10.2

TOTAL EMPLOYEES <500 & >0	<input type="checkbox"/>	GO TO B1
TOTAL EMPLOYEES = DK OR RF	<input type="checkbox"/>	GO TO A10.3
TOTAL EMPLOYEES = 0	<input type="checkbox"/>	GO TO A10.4
TOTAL EMPLOYEES >=500	<input type="checkbox"/>	GO TO CLOSE1

A10.3 I understand that you may not be able to tell me the exact number of employees, however, can you tell me the approximate number of individuals, including owners, that worked for [FIRM] during a typical pay period in 1998, was it (**READ RANGES**)... **DROP**

Less than 5	1	<input type="checkbox"/>	GO TO B1
Between 5 and 9	2	<input type="checkbox"/>	GO TO B1
Between 10 and 19	3	<input type="checkbox"/>	GO TO B1
Between 20 and 49	4	<input type="checkbox"/>	GO TO B1
Between 50 and 99	5	<input type="checkbox"/>	GO TO B1
Between 100 and 499	6	<input type="checkbox"/>	GO TO B1
Greater than or equal to 500	7	<input type="checkbox"/>	GO TO CLOSE1
ELIGIBLE, OTHER: Please specify: _____	8	<input type="checkbox"/>	GO TO B1
DK or RF	DK or RF	<input type="checkbox"/>	GO TO CLOSE2

QUESTION BY QUESTION NOTES

A10.4 Generally, most firms will have at least one individual working for the firm (owner or employee) during a typical pay period. One possible reason for zero workers could be that the firm was inactive during that time period. Another possibility is that the respondent is thinking of times when the owner might have worked for the firm, but there were no individuals on the payroll who received pay in any form including sales commissions and non-monetary payment in the form of goods and services, such as room and board. Please carefully record the explanation for zero workers provided by the respondent.

CLOSE1: Closes out the interview after the business has been determined ineligible. The case is complete and will be coded as ineligible and removed from circulation.

CLOSE2: Closes out the interview when the owner refuses or is unable to answer one of the six eligibility questions. The cases will be filed as a refusal and recontacted later.

A10.4 You're reporting that zero individuals worked for [FIRM] during a typical pay period. Most companies have at least one worker during a typical pay period. How is it that [FIRM] operated in 1998 with zero workers? **DROP**

SPECIFY: _____ GO TO B1

CLOSE1: This is a survey of independent, privately owned, for-profit small businesses that were in business and are filing business tax forms for 1998. Unfortunately, your business does not qualify for this survey. However, I appreciate your taking the time to talk with me. Thank you. Goodbye.

CLOSE2: Thank you very much for your help. This is a survey of independent, privately owned, for-profit small businesses that were in business and are filing business tax forms in 1998. We need to be certain that [FIRM] qualifies in this way before we proceed. Since we were unable to verify all of these qualifications, I'll have to thank you for your time for now. Goodbye.

QUESTION BY QUESTION NOTES

- B1.** Verification of firm's principal activity as given by the SIC description. The SIC code for each firm was abstracted from the computer sample file used to select the sample of firms. Principal activities can include services as well as the manufacturing of a product. It can include both wholesale (selling to other sellers who resell to consumers) and retail trade.
- B1.1** If the principal activity of the firm has been recorded incorrectly on the sample frame, we need to collect a complete verbal description of the principal activity of the firm that will enable us to determine the firm's SIC code. We wish to find out what the firm does or what it produces. Some probing may be necessary. Examples of probes to obtain the necessary information are:
- a) if "Selling" - wholesale or retail?
 - b) if "Domestic Labor" - in own home or outside?
 - c) if "Manufacturing" - what product?
 - d) if "Oil Business" - is that drilling, refining, manufacturing by-products, selling, etc.?
 - e) if "Lumber" - is that logging, sawmills, selling, etc.?
 - f) if "Automotive" - is that manufacturing, repair, sales, etc.?
 - g) if "Textiles" - is that manufacture of fabrics or materials or apparel and finished goods?
 - h) if a vague response - "Could you give me more detail?"

Enter verbatim what the respondent says.

- B2.** Verifies that the firm's fiscal year end date recorded in screening is correct. If it is not, determine the correct fiscal year end date by asking B2.1.
- B2.1** Asks for the last month and day of the firm's fiscal year. A fiscal year can begin and end at anytime during the course of a year. DK and RF responses here will not disqualify the business.

Subsection B. ORGANIZATION DEMOGRAPHICS

B1. Our records indicate the principal activity of the firm is [DNB SIC CODE DESCRIPTION]. Is that correct?

PROMPT: ADDITIONAL DESCRIPTION - [ALTERNATE SIC CODE DESCRIPTION]

PROMPT: We need to generally classify your firm's activities. Do your firm's activities fall under that description?

YES 1 GO TO SKIP3
 NO 2
 DK or RF DK or RF

SICR, four-digit siccode **CONFIDENTIAL**
SIC2R, two-digit siccode **ADD**

B1.1 What is the principal activity of the business? **DROP**

PROMPT: That is, what does the business do or make?

SKIP3

FISCAL YEAR PRELOAD (SCRFYDA & SCRFYMO) IS FILLED GO TO B2
 IF SCRFYMO &/OR SCRFYDA = DK, RF, -1, -2 GO TO B2.1

IF FISCAL YEAR PRELOAD BETWEEN JULY 1 AND DECEMBER 31 THEN FY 1998
 IF FISCAL YEAR PRELOAD BETWEEN JANUARY 1 AND JUNE 30 THEN FY 1999

B2. My records show that the fiscal year for [FIRM] ended on [FY END DATE]. Is that correct?

DROP
 YES 1 GO TO B3
 NO 2
 DK or RF DK or RF GO TO B3

B2.1 What is the last day of [FIRM's] fiscal or tax year? **"MO/DAY/4DIGIT YEAR"**

PROMPT: On what date does [FIRM's] fiscal year end?

MONTH: _____ DAY: _____
 DK or RF DK or RF

QUESTION BY QUESTION NOTES

B3. Classifies the firm into one of four major groups. It is important to obtain a correct answer to this question since later questions will depend on this response. Generally, owners or respondents will have no difficulty in determining whether the firm is a sole proprietorship (the firm is owned by a single individual), a partnership (there are multiple owners), or a corporation (the firm has been “incorporated” for purposes of limiting the potential liability of the owners). A fourth response is whether the corporation is an S-type corporation. This may pose some difficulty for some corporations. Generally, owners will know whether they are an S-type corporation or not, since that is how they have to file their taxes. Once in a while, an individual may not recall that the firm filed as an S-type corporation, unless probed.

An S corporation does not pay taxes on the corporation’s income. Instead, its income and expenses are divided among the shareholders who report them on their own individual income tax returns.

An S corporation is a corporation with limited liability. If the firm is a U.S. corporation with only one class of stock and no more than 75 shareholders and does not have organizations or non-U.S. citizens as shareholders then the IRS allows the owners to elect S-corporation status for tax purposes.

Sole Proprietorships report the firm’s taxes with the owner’s personal taxes. Sole props file a 1040 tax form.

Partnerships file a 1065 tax form.

C-Corporations file a 1020 or 1020A tax form.

S-Corporations file a 1020S tax form.

Limited Liability Companies or LLCs can file as a Partnership, a C-Corporation or a Sole Proprietorship; most LLCs file as Partnerships.

Limited Liability Partnerships or LLPs can file as a Partnership or a C-Corporation; most LLPs file as Partnerships.

B3. For (1998/the fiscal year ending [DATE]), is [FIRM] considered to be a sole proprietorship, a partnership, an S-corporation, or a C-corporation?

PROMPT: A sole proprietorship is an unincorporated business owned by a single person. The individual proprietor has the right to all the profits from the business and also the responsibility for all the business's liabilities.

PROMPT: A partnership is an unincorporated form of business in which two or more owners agree to split the profits/losses or capital of the business in a particular fashion. There may be limited and/or general partners.

PROMPT: A limited liability partnership (or LLP) is a business owned by two or more owners where the partners' liability is limited to their investment in the partnership, and each of the partners has protection against personal liability for partnership liabilities.

PROMPT: An S-corporation is a corporation that does not pay tax on its income. To qualify for S-corporation status, the business (1) must be a U.S. corporation, (2) must have only one class of stock and no more than 75 shareholders, and (3) may not have certain organizations or non-U.S. citizens as shareholders.

PROMPT: A C-corporation (or corporation) is a business that has been granted a state charter recognizing it as a separate legal entity having its own rights, privileges, and liabilities distinct from those of the individuals that form the business.

PROMPT: A limited liability company (or LLC) is an entity which is established as a corporation under state law. The entity has the same limited liability characteristics as a corporation, while having the same tax characteristics of a partnership. LLC owners may actively participate in the organization's management and are protected against personal liability for the organization's debts/liabilities.

IF R VOLUNTEERS LLC, READ: Do you file your taxes as a partnership, a corporation or a sole proprietor? (IF R DOESN'T KNOW, CODE "PARTNERSHIP").

IF R VOLUNTEERS LLP, READ: Do you file your taxes as a partnership or a corporation? (IF R DOESN'T KNOW, CODE "PARTNERSHIP").

SOLE PROPRIETORSHIP	1	<input type="radio"/> GO TO SKIP4
PARTNERSHIP	2	<input type="radio"/> GO TO SKIP4
LLP, TAX FILED AS PARTNERSHIP	3	<input type="radio"/> GO TO SKIP4
LLP, TAX FILED AS CORPORATION	4	<input type="radio"/> GO TO SKIP4
S-CORPORATION	5	
C-CORPORATION	6	
LLC, TAX FILED AS PARTNERSHIP	7	<input type="radio"/> GO TO SKIP4
LLC, TAX FILED AS CORPORATION	8	
LLC, TAX FILED AS SOLE PROPRIETOR	9	<input type="radio"/> GO TO SKIP4
DK OR RF	DK or RF	<input type="radio"/> PROMPT FOR A RESPONSE BEFORE ACCEPTING DK OR RF; GO TO CLOSE3

QUESTION BY QUESTION NOTES

- B3.1** This question is needed to control the flow of the questionnaire throughout the next sections. Interestingly, corporations can have a single owner, even though most will have more than one owner.
- CLOSE3** Closes out the interview when the owner refuses or is unable to report their organization type. The cases will be filed as a refusal and recontacted later.

QUESTION BY QUESTION NOTES

- C1.** Hispanic or Latino means of Latin American or Spanish origin, regardless of race. Consult your job aid for a more complete list of Hispanic groups.
- C2.** Identifies the particular race of the firm's owner. If the race of the owner is not listed, then code as "OTHER" and specify the race.
- C3.** Determines the sex of the owner.

Subsection C. PERSONAL CHARACTERISTICS OF OWNER(S)

Sole Proprietorships and Single Owners/Stockholders

SKIP5

If ELIGIBILITY FLAG = 7, i.e., screener completed w/OWNER & A1.1 is skipped
 ALL OTHERS CONTINUE WITH RACE QUESTIONS

SKIP TO C3
 GO TO READ3a

READ3a: As part of our effort to represent the experience of the nation’s small businesses, it is important that we include the experiences of all ethnic and racial groups.

C1. [Are you/Is the owner of the firm] of Hispanic, Latino or Spanish origin or descent?

MOVED TO C HIS

PROMPT: This group includes people of Mexican, Puerto Rican, Cuban, Central and South American, and any other Spanish background.

- YES 1
- NO 2
- DK or RF DK or RF

C2. Please tell me which category best describes [your/the owner’s] racial background: Is it White, African-American, Asian, Native Hawaiian or other Pacific Islander, American Indian or Alaska Native?

MOVED TO C MINOR AND C RACE

- WHITE 1
- BLACK/AFRICAN-AMERICAN 2
- ASIAN 3
- NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER 4
- AMERICAN INDIAN OR ALASKA NATIVE 5
- OTHER 6

**C MINOR=1, IF C2=1
 Codeframe for C_RACE**

- 1 Black/African American**
- 2 Asian**
- 3 Native Hawaiian or Other Pacific Islander**
- 4 American Indian or Alaska Native**

READ: Please specify _____

- DK or RF DK or RF

C3. The answers to some of these questions may seem obvious, but I have to ask each question as it appears on my screen. [Are you/Is the owner] female or male?

MOVED TO C SEX

- FEMALE 1
- MALE 2
- DK or RF DK or RF

QUESTION BY QUESTION NOTES

- C4.** The valid entry range is 15 to 110 years of age.
- C4.1** If the respondent cannot or will not give an exact age, try to determine the best age range of the owner. If you get a response like 50s or fifty-ish, and cannot get a finer determination, code the response in the lower range, 46-55.
- C5.** This question determines the highest education level attained by the principal owner of the firm. If the owner reports multiple degrees, such as a BA and an MA, pick the highest (MA). If the respondent has a college degree and some graduate school training but no graduate degree, choose BA.
- C6.** Acceptable answers for the owner's years of business/managing experience can not exceed the owner's age less 15 years. Therefore, $EXPERIENCE \leq AGE - 15$, where EXPERIENCE and AGE are measured in years.

C4. What is [your age/the age of the owner]?

MOVED TO C_OAGE

YEARS: _____ U GO TO C5
 DK or RF DK or RF

SOFT RANGE CHECK: OWNER AGE >=15 AND <= 110
RANGE CHECK: OWNER AGE >=0 AND <= 150

C4.1 Can you please tell me [your/the owner's] approximate age? Is it... **COLLAPSED TO C4**

OWNER INFO: IF THE RESPONDENT'S ESTIMATE IS TOO BROAD AND WILL NOT ALLOW YOU TO CODE ONE RESPONSE, SELECT THE LOWER END OF THE RANGE AND CODE ACCORDINGLY.

VALUES WERE COLLAPSED TO THE MIDPOINTS OF THEIR RANGE

15 to 21	1	18
22 to 27	2	25
28 to 33	3	31
34 to 39	4	37
40 to 45	5	43
46 to 55	6	51
56 to 65	7	61
66 to 75	8	71
76 or more	9	76
DK or RF	DK or RF	

C5. What is the highest level of school (Business Owner NAME/you) (has/have) completed or the highest degree (Business Owner NAME/you) (has/have) received? (READ ONLY IF NECESSARY)

MOVED TO C_EDUC

- Less than high school degree (grade 11 or less) 1
- High school graduate or equivalent (GED) 2
- Some college but no degree granted 3
- Associate degree occupational/academic program 4
- Trade school/vocational program 5
- College degree (BA, BS, AB, etc.) 6
- Post graduate degree 7
(MBA, MS, MA, PhD, JD, MD, DDS, etc.)
- DK or RF DK or RF

C6. How many years of experience [have you/has the owner] had managing or owning a business, including this business?

MOVED TO C_EXP

YEARS _____ U GO TO C7
 EX EX U GO TO C7
 DK or RF DK or RF

RANGE CHECK: DISALLOW IF C6 > (OWNER AGE - 15); EXPERIENCE >=0 AND <= 95

QUESTION BY QUESTION NOTES

- C6.1** If the respondent cannot or will not give an exact number of years, try to determine the best number of years of experience range for the principal owner. Acceptable answers for the owner's years of experience are determined by the owner's years of business/managing experience are determined by the owner's age so that $EXPERIENCE \leq AGE - 15$, where $EXPERIENCE$ and AGE are measured in years.
- C7.** Generally, there is only one person with ultimate daily management responsibility. Probe if necessary to determine if it is the owner or a hired employee. If the respondent insists that it is both an owner and a hired employee who is not an owner, code "OWNER."
- C8.** We want to know how the current owner or owners obtained the business. Sometimes owners start up the business themselves. In this case there would be no prior owners. Sometimes, individuals purchase an existing firm from other business owners, and sometimes people inherit or are given a business (e.g., one might inherit her mother's business).
- C9.** In the case where the business is purchased or inherited by current owners, the start-up of the business occurred with owners other than current owners. In this instance, we do not want the date of the firm's establishment, but rather the date that the current owners obtained the firm.

When the respondent gives a number of years as an answer, subtract the number of years from 1999 and verify the resultant year with the respondent. For example, if the respondent says, "Two years ago," ask "Do you mean 1997?"

The valid entry range is 1900 to 1998. It is unlikely that owners could have owned the firm for more than 99 years.

- C9.1** If the respondent cannot or will not give a year, try to determine the approximate number of years ago the business was founded/purchased/acquired by the current owner and code that range. Remember, we are asking how long the current owner has owned the firm. The firm may have been established earlier if the current owner purchased or inherited the firm, but we are only interested in the length of time the current owner has owned the business.

C6.1 Can you please tell me the approximate number of years of business experience [you have/the owner has]? Is it...

COLLAPSED TO C6

VALUES WERE COLLAPSED TO THE MIDPOINTS OF THEIR RANGE

Less than 1 year	1	0
1-3	2	2
4-6	3	5
7-9	4	8
10-15	5	13
More than 15 years	6	16
DK or RF	DK or RF	

C7. Who is responsible for the day-to-day management of the business: [you/the owner], or a hired employee or paid manager?

MOVED TO C_MGR

IWER INFO: IF R VOLUNTEERS BOTH AN OWNER AND A HIRED EMPLOYEE ARE RESPONSIBLE, CODE 1 FOR "OWNER".

OWNER	1
HIRED EMPLOYEE/PAID MANAGER	2
DK or RF	DK or RF

C8. [Did you establish this business/Was this business established by the current owner], or was an existing business purchased, inherited, or acquired as a gift?

MOVED TO C_ESTAB (CONFIDENTIAL) AND C ESTR

ESTABLISHED	1
PURCHASED	2
INHERITED OR ACQUIRED AS A GIFT	3
DK or RF	DK or RF

C_FAGE NUMBER OF YEARS UNDER CURRENT OWNERSHIP

C9. In what year was the business [established/purchased/acquired] by the current owner?

MOVED TO C_FAGE

YEAR: _____	<input type="checkbox"/> GO TO SECTION D
EX	<input type="checkbox"/> GO TO SECTION D
DK or RF	DK or RF

YEAR=YEAR(INPUT(IWBEGDT, MMDDYY, 10.))

C_FAGE=IWEAR-C9

RANGE CHECK: YEAR >= 1900 and <=1998

C9.1 Can you please tell me approximately when the business was [established/purchased/acquired] by the current owners? Was it...

COLLAPSED TO C9

VALUES WERE COLLAPSED TO THE MIDPOINTS OF THEIR RANGE

Less than 1 year ago	1	0
1-3 years ago	2	2
4-6 years ago	3	5
7-9 years ago	4	8
10-15 years ago	5	13
More than 15 years ago	6	16
DK or RF	DK or RF	

ALL RESPONSES GO TO SECTION D

QUESTION BY QUESTION NOTES

- C10.** Only nonnegative integer answers greater than 1 are allowed. Partnerships must have two or more partners (owners).
- C10.1** If the respondent cannot or will not give the number of partners, try to determine the approximate number of partners in the firm and code that range.
- C11.** Hispanic or Latino means of Latin American or Spanish origin, regardless of race. Consult your job aid for a more complete list of Hispanic groups. Some respondents may volunteer that the business is exactly 50% owned by people of Hispanic, Latino or Spanish origin or descent. In this case, code as response 3 = EXACTLY 50%.

Partnerships

C10. How many partners does the firm have?

MOVED TO C_NOW

PROMPT: Include both general and limited partners.

NUMBER: _____

GO TO SKIP6

EX EX

GO TO SKIP6

DK or RF DK or RF

HARD RANGE CHECK: C10 MUST BE > 1; C10 MUST BE >= A10.1

C10.1 Can you tell me the approximate number of partners in the firm? Is it... **COLLAPSED TO C10**

VALUES WERE COLLAPSED TO THE MIDPOINTS OF THEIR RANGE

2 to 5	..... 1	4
6 to 10	..... 2	8
11 to 20	..... 3	16
21 to 35	..... 4	28
36 to 50	..... 5	43
51 to 75	..... 6	63
76 to 100	..... 7	88
More than 100 partners	..... 8	101
DK or RF	..... DK or RF	

SKIP6

If ELIGIBILITY FLAG = 7, i.e., screener completed w/OWNER & A1.1 is skipped

GO TO C14

ALL OTHERS CONTINUE WITH RACE QUESTIONS

GO TO READ3b

READ3b: As part of our effort to represent the experience of the nation’s small businesses, it is important that we include the experiences of all ethnic and racial groups.

C11. Is more than 50% of the business owned by people who are of Hispanic, Latino or Spanish origin or descent?

MOVED TO C_HIS

PROMPT: This group includes people of Mexican, Puerto Rican, Cuban, Central and South American, or any other Spanish background.

YES 1

NO 2

EXACTLY 50% (VOLUNTEERED ONLY) 3

DK or RF DK or RF

QUESTION BY QUESTION NOTES

- C12.** Determines whether this is a minority-owned business. If more than 50 percent of the partnership is owned, by members of the groups identified in the question, then it is a minority-owned business.

Some respondents may reply that the business is exactly 50 percent owned by members of the group identified in the question. In this case, code as response 3 = EXACTLY 50%.

- C13.** Identifies the particular minority group or groups associated with the minority owners. If the race of the owners are not listed, then code "OTHER" and specify the groups. "OTHER" should be used for single individuals only when the race indicated by that individual is not in the list of race categories or that individual is of mixed race.

Use "MULTIPLE" for those cases when there is more than one owner and the owners are from different minority groups.

- C14.** Determines if more than 50% of the firm is owned by women. Some respondents may volunteer that the business is exactly 50% owned by women. In this case, code as response 3=EXACTLY 50%.
- C15.** Determines if more than 50% of the firm is owned or controlled by a single family. Family includes brothers, sisters, parents, spouses, children, grandchildren, aunts, uncles, cousins, etc., either natural or adopted. Some respondents may volunteer that the business is exactly 50% owned by a single family. In this case, code as response 3=EXACTLY 50%.

C12. Is more than 50% of the business owned by people of African-American, Asian, Native Hawaiian or other Pacific Islander, American Indian, or Alaska Native descent? **MOVED TO C_MINOR**

- YES 1
- NO 2 GO TO C14
- EXACTLY 50% (VOLUNTEERED ONLY) 3
- DK or RF DK or RF GO TO C14

C13. Please tell me the minority race that owns (more than/exactly) 50% of [FIRM]? **MOVED TO C_RACE**
 IF R VOLUNTEERS MULTIPLE RACE, USE CODE 6 AND ENTER RACES.

- BLACK/AFRICAN-AMERICAN 1
- ASIAN 2
- NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER 3
- AMERICAN INDIAN OR ALASKA NATIVE 4
- OTHER 5
- READ: Please specify _____
- MULTIPLE 6
- READ: Please specify _____
- DK or RF DK or RF

C14. Is more than 50 percent of the firm owned by women? **MOVED TO C_SEX**

- YES 1
- NO 2
- EXACTLY 50% (VOLUNTEERED RESPONSE ONLY) 3
- DK or RF DK or RF

C15. Is more than 50 percent of the firm owned by a single family? **MOVED TO C_FAM**

PROMPT: A single family does not need to be limited to an immediate family. It may include an extended family group related through marriage. Family includes brothers, sisters, parents, spouses, children, grandchildren, aunts, uncles, cousins, etc., either natural or adopted.

- YES 1
- NO 2
- EXACTLY 50% (VOLUNTEERED RESPONSE ONLY) 3
- DK or RF DK or RF

QUESTION BY QUESTION NOTES

- C16.** Generally, there is only one person with ultimate daily management responsibility. Probe if necessary to determine if it is the owner or a hired employee. If the respondent insists that it is both a partner and a hired employee who is not a partner, code for “PARTNER.”
- C17.** The valid entry range is 15 to 110 years of age.
- C17.1** If the respondent cannot or will not give an exact age, try to determine the best age range of the principal owner. If you get a response like 50s or fifty-ish, and cannot get a finer determination, code the response in the lower range, 46-55.

C16. Who is responsible for the day-to-day management of the firm: a partner, or a hired employee or paid manager? **MOVED TO C_MGR**

IWER INFO: IF R VOLUNTEERS BOTH A PARTNER AND A HIRED EMPLOYEE ARE RESPONSIBLE, CODE 1 FOR “PARTNER.”

- PARTNER 1
- HIRED EMPLOYEE/PAID MANAGER 2
- DK or RF DK or RF

READ4a: The next few questions refer to the principal owner of the firm. This is typically the partner who has the largest ownership share.

PROMPT IF TWO OR MORE WITH EQUAL SHARES: Please choose the partner who has the largest ownership share and full financial decision-making authority and answer for that individual.

IF THERE IS A TIE, LET THE RESPONDENT SELECT ONE PARTNER.

C17. What is the age of the principal owner? **MOVED TO C_OAGE**

- YEARS: _____ **GO TO C18**
- DK or RF DK or RF

SOFT RANGE CHECK: OWNER AGE >= 15 AND <= 110
RANGE CHECK: OWNER AGE >=0 AND <= 150

C17.1 Can you please tell me the principal owner’s approximate age? Is it... **COLLAPSED TO C17**

IWER INFO: IF THE RESPONDENT’S ESTIMATE IS TOO BROAD AND WILL NOT ALLOW YOU TO CODE ONE RESPONSE, SELECT THE LOWER END OF THE RANGE AND CODE ACCORDINGLY.

VALUES WERE COLLAPSED TO THE MIDPOINTS OF THEIR RANGE

- 15 to 21 1 **18**
- 22 to 27 2 **25**
- 28 to 33 3 **31**
- 34 to 39 4 **37**
- 40 to 45 5 **43**
- 46 to 55 6 **51**
- 56 to 65 7 **61**
- 66 to 75 8 **71**
- 76 or more 9 **76**
- DK or RF DK or RF

QUESTION BY QUESTION NOTES

- C18.** This question determines the highest education level attained by the principal owner of the firm. If the owner reports multiple degrees, such as a BA and an MA, pick the highest (MA). If the respondent has a college degree and some graduate school training but no graduate degree, choose BA.
- C19.** Acceptable answers for the owner's years of business/managing experience can not exceed the owner's age less 15 years. Therefore, $\text{EXPERIENCE} \leq \text{AGE} - 15$, where EXPERIENCE and AGE are measured in years.
- C19.1** If the respondent cannot or will not give an exact number of years, try to determine the best number of years of experience range for the principal owner. Acceptable answers for the owner's years of experience are determined by the owner's years of business/managing experience are determined by the owner's age so that $\text{EXPERIENCE} \leq \text{AGE} - 15$, where EXPERIENCE and AGE are measured in years.
- C20.** The valid entry range is 1 to 99.

C18. What is the highest level of school the principal owner has completed or the highest degree the principal owner has received? (READ ONLY IF NECESSARY) **MOVED TO C_EDUC**

- Less than high school degree (grade 11 or less) 1
- High school graduate or equivalent (GED) 2
- Some college but no degree granted 3
- Associate degree occupational/academic program 4
- Trade school/vocational program 5
- College degree (BA, BS, AB, etc.) 6
- Post graduate degree 7
(MBA, MS, MA, PhD, JD, MD, DDS, etc.)
- DK or RF DK or RF

C19. How many years of experience has the principal owner had managing or owning a business, including this business? **MOVED TO C_EXP**

YEARS _____ GO TO C20
 EX EX GO TO C20
 DK or RF DK or RF

RANGE CHECK: DISALLOW IF C19 > (OWNER AGE - 15); EXPERIENCE >=0 AND <= 95

C19.1 Can you please tell me the approximate number of years of business experience the principal owner has? Is it... **COLLAPSED TO C19**

VALUES WERE COLLAPSED TO THE MIDPOINTS OF THEIR RANGE

- Less than 1 year 1 **0**
- 1-3 2 **2**
- 4-6 3 **5**
- 7-9 4 **8**
- 10-15 5 **13**
- More than 15 years 6 **16**
- DK or RF DK or RF

C20. What percentage of the business is owned by the principal owner? **MOVED TO C_OWNSH**

PROMPT: What is the percent of capital owned by the principal owner? This information is listed on Schedule K-1 Line D, Ownership of capital at end of year.

PERCENTAGE: _____ %
 DK or RF or EX DK or RF or EX

RANGE CHECK: C20 >0% AND <100%

QUESTION BY QUESTION NOTES

- C21.** We want to know how the current owner or owners obtained the business. Sometimes owners start up the business themselves. In this case there would be no prior owners. Sometimes, individuals purchase an existing firm from other business owners, and sometimes people inherit or are given a business (e.g., one might inherit her mother's business).
- C22.** In the case where the business is purchased or inherited by current owners, the start-up of the business occurred with owners other than current owners. In this instance, we do not want the date of the firm's establishment, but rather the date that the current owners obtained the firm.

When the respondent gives a number of years as an answer, subtract the number of years from 1999 and verify the resultant year with the respondent. For example, if the respondent says, "Two years ago," ask "Do you mean 1997?"

The valid entry range is 1900 to 1998. It is unlikely that owners could have owned the firm for more than 99 years.

- C22.1** If the respondent cannot or will not give a year, try to determine the approximate number of years ago the business was founded/purchased/acquired by the current owners and code that range. Remember, we are asking how long the current owner has owned the firm. The firm may have been established earlier if the current owner purchased or inherited the firm, but we are only interested in the length of time the current owner has owned the business.

C21. Was the business established by one or more of the current partners, or was an existing business purchased, inherited, or acquired as a gift? **MOVED TO C_ESTAB (CONFIDENTIAL) AND C ESTR**

- ESTABLISHED 1
- PURCHASED 2
- INHERITED OR ACQUIRED AS A GIFT 3
- DK or RF DK or RF

C22. In what year was the business [established/purchased/acquired] by the current owners?

C_FAGE NUMBER OF YEARS UNDER CURRENT OWNERSHIP . **MOVED TO C_FAGE**
 YEAR: _____ GO TO SECTION D
 EX EX GO TO SECTION D
 DK or RF DK or RF
YEAR=YEAR(INPUT(IWBEGDT, MMDDYY, 10.))
C_FAGE=IWYEAR-C22

RANGE CHECK: YEAR >=1900 AND <= 1998

C22.1 Can you please tell me approximately when the business was [established/purchased/acquired] by the current owners? Was it... **COLLAPSED TO C??**

VALUES WERE COLLAPSED TO THE MIDPOINTS OF THEIR RANGE

- Less than 1 year ago 1 **0**
- 1-3 years ago 2 **2**
- 4-6 years ago 3 **5**
- 7-9 years ago 4 **8**
- 10-15 years ago 5 **13**
- More than 15 years ago 6 **16**
- DK or RF DK or RF

ALL RESPONSES GO TO SECTION D

QUESTION BY QUESTION NOTES

C23. Hispanic or Latino means of Latin American or Spanish origin, regardless of race. Consult your job aid for a more complete list of Hispanic groups. Some respondents may volunteer that the business is exactly 50% owned by people of Hispanic, Latino or Spanish origin or descent. In this case, code as response 3 = EXACTLY 50%.

C24. Determines whether this is a minority-owned business. If more than 50 percent of the corporation is owned, by members of the groups identified in the question, then it is a minority-owned business.

Some respondents may reply that the business is exactly 50 percent owned by members of the group identified in the question. In this case, code as response 3 = EXACTLY 50%.

C25. Identifies the particular minority group or groups associated with the minority owners. If the race of the owners are not listed, then code "OTHER" and specify the groups. "OTHER" should be used for single individuals only when the race indicated by that individual is not in the list of race categories or that individual is of mixed race.

Use "MULTIPLE" for those cases when there is more than one owner and the owners are from different minority groups.

S-Corporations and C-Corporations

SKIP7

If ELIGIBILITY FLAG = 7, i.e., screener completed w/OWNER & A1.1 is skipped
 ALL OTHERS CONTINUE WITH RACE QUESTIONS

GO TO C26
 GO TO READ3c

READ3c: As part of our effort to represent the experience of the nation’s small businesses, it is important that we include the experiences of all ethnic and racial groups.

C23. Is more than 50% of the business owned by people who are of Hispanic, Latino or Spanish origin or descent? **MOVED TO C HIS**

PROMPT: This group includes people of Mexican, Puerto Rican, Cuban, Central and South American, or any other Spanish background.

- YES 1
- NO 2
- EXACTLY 50% (VOLUNTEERED ONLY) 3
- DK or RF DK or RF

C24. Is more than 50% of the business owned by people of African-American, Asian, Native Hawaiian or other Pacific Islander, American Indian, or Alaska Native descent? **MOVED TO C MINOR**

- YES 1
- NO 2 GO TO C26
- EXACTLY 50% (VOLUNTEERED ONLY) 3
- DK or RF DK or RF GO TO C26

C25. Please tell me the minority race that owns (more than/exactly) 50% of your business? **MOVED TO C RACE**

IF R VOLUNTEERS MULTIPLE RACE, USE CODE 6 AND ENTER RACES.

- BLACK/AFRICAN-AMERICAN 1
- ASIAN 2
- NATIVE HAWAIIAN OR OTHER PACIFIC ISLANDER 3
- AMERICAN INDIAN OR ALASKA NATIVE 4
- OTHER 5
- READ: Please specify _____
- MULTIPLE 6
- READ: Please specify _____
- DK or RF DK or RF

QUESTION BY QUESTION NOTES

- C26.** Determines if more than 50% of the firm is owned by women. Some respondents may volunteer that the business is exactly 50% owned by women. In this case, code as response 3=EXACTLY 50%.
- C27.** Determines if more than 50% of the firm is owned or controlled by a single family. Family includes brothers, sisters, parents, spouses, children, grandchildren, aunts, uncles, cousins, etc., either natural or adopted. Some respondents may volunteer that the business is exactly 50% owned by a single family. In this case, code as response 3=EXACTLY 50%.
- C28.** Generally, there is only one person with ultimate daily management responsibility. Probe if necessary to determine if it is the owner or stockholder, or a hired employee. If the respondent insists that it is both an owner and a hired employee who is not an owner, code "OWNER/STOCKHOLDER."
- C29.** The valid entry range is 15 to 110 years of age.

C26. Is more than 50 percent of the business owned by women? **MOVED TO C_SEX**

- YES 1
- NO 2
- EXACTLY 50% (VOLUNTEERED RESPONSE ONLY) 3
- DK or RF DK or RF

C27. Is more than 50 percent of the business owned by a single family? **MOVED TO C_FAM**

PROMPT: A single family does not need to be limited to an immediate family. It may include an extended family group related through marriage. Family includes brothers, sisters, parents, spouses, children, grandchildren, aunts, uncles, cousins, etc., either natural or adopted.

- YES 1
- NO 2
- EXACTLY 50% (VOLUNTEERED RESPONSE ONLY) 3
- DK or RF DK or RF

C28. Who is responsible for the day-to-day management of the business: an owner, a stockholder, or a hired employee or paid manager? **MOVED TO C_MGR**

IWER INFO: IF R VOLUNTEERS BOTH AN OWNER AND A HIRED EMPLOYEE ARE RESPONSIBLE, CODE 1 FOR "OWNER".

- OWNER/STOCKHOLDER 1
- HIRED EMPLOYEE/PAID MANAGER 2
- DK or RF DK or RF

READ4b: The next few questions refer to the principal owner of the firm. This is typically the owner who has the largest ownership share.

PROMPT IF TWO OR MORE WITH EQUAL SHARES: Please choose the owner who has the largest ownership share and full financial decision-making authority and answer for that individual.

IF THERE IS A TIE, LET THE RESPONDENT SELECT ONE OWNER

C29. What is the age of the principal owner? **MOVED TO C_OAGE**

YEARS: _____ ũ **GO TO C30**
 DK or RF DK or RF

SOFT RANGE CHECK: OWNER AGE >=15 AND <= 110
RANGE CHECK: OWNER AGE >=0 AND <= 150

QUESTION BY QUESTION NOTES

- C29.1** If the respondent cannot or will not give an exact age, try to determine the best age range of the principal owner. If you get a response like 50s or fifty-ish, and cannot get a finer determination, code the response in the lower range, 46-55.
- C30.** This question determines the highest education level attained by the principal owner of the firm. If the owner reports multiple degrees, such as a BA and an MA, pick the highest (MA). If the respondent has a college degree and some graduate school training but no graduate degree, choose BA.
- C31.** Acceptable answers for the owner's years of business/managing experience can not exceed the owner's age less 15 years. Therefore, $EXPERIENCE \leq AGE - 15$, where EXPERIENCE and AGE are measured in years.
- C31.1** If the respondent cannot or will not give an exact number of years, try to determine the best number of years of experience range for the principal owner. Acceptable answers for the owner's years of experience are determined by the owner's years of business/managing experience are determined by the owner's age so that $EXPERIENCE \leq AGE - 15$, where EXPERIENCE and AGE are measured in years.

C29.1 Can you please tell me [your/the owner's] approximate age? Is it... **COLLAPSED TO C29**

IWER INFO: IF THE RESPONDENT'S ESTIMATE IS TOO BROAD AND WILL NOT ALLOW YOU TO CODE ONE RESPONSE, SELECT THE LOWER END OF THE RANGE AND CODE ACCORDINGLY.

VALUES WERE COLLAPSED TO THE MIDPOINTS OF THEIR RANGE

15 to 21	1	18
22 to 27	2	25
28 to 33	3	31
34 to 39	4	37
40 to 45	5	43
46 to 55	6	51
56 to 65	7	61
66 to 75	8	71
76 or more	9	76
DK or RF	DK or RF	

C30. What is the highest level of school the principal owner has completed or the highest degree the principal owner has received? (READ ONLY IF NECESSARY) **MOVED TO C EDUC**

Less than high school degree (grade 11 or less)	1
High school graduate or equivalent (GED)	2
Some college but no degree granted	3
Associate degree occupational/academic program	4
Trade school/vocational program	5
College degree (BA, BS, AB, etc.)	6
Post graduate degree (MBA, MS, MA, PhD, JD, MD, DDS, etc.)	7
DK or RF	DK or RF

C31. How many years of experience has the principal owner had managing or owning a business, including this business? **MOVED TO C EXP**

YEARS	_____	U	GO TO C32
EX	_____	U	GO TO C32
DK or RF	DK or RF		

RANGE CHECK: DISALLOW IF C31 > (OWNER AGE - 15); EXPERIENCE >=0 AND <= 95

C31.1 Can you please tell me the approximate number of years of business experience the principal owner has? Is it... **COLLAPSED TO C31**

VALUES WERE COLLAPSED TO THE MIDPOINTS OF THEIR RANGE

Less than 1 year	1	0
1-3	2	2
4-6	3	5
7-9	4	8
10-15	5	13
More than 15 years	6	16
DK or RF	DK or RF	

QUESTION BY QUESTION NOTES

- C32.** The valid entry range is 1 to 99.
- C33.** Determines how the stock of the corporation is "traded"; that is, how shares of the corporation are exchanged among investors. If a corporation is publicly traded, then its shares can be bought and sold by anyone through a stockbroker. Publicly traded stock has to be registered with the Securities and Exchange Commission, and this will be known by any knowledgeable respondent. We are not interested in information about privately placed shares.
- C34.** The valid entry range is 1937 to 1998. When the respondent gives a number of years as an answer, subtract the number of years from 1999 and verify the resultant year with the respondent. For example, if the respondent says, "Two years ago," ask "Do you mean 1997?"
- C34.1** If the respondent cannot or will not give a year, try to determine the approximate number of years ago the business was first publicly traded by the current owners and code that range.

C32. What is the ownership share of the principal owner?

MOVED TO C_OWNSE

IWER INFO: IF EQUAL SHARES, ENTER THAT PERCENTAGE OWNERSHIP (MAXIMUM PERCENT OWNED BY ANY ONE SHAREHOLDER).

PERCENTAGE: _____ %
 DK or RF DK or RF

RANGE CHECK: SHARE SHOULD BE > 0% AND <100%

SKIP8

IF S-CORP	⊖		GO TO C35
ALL OTHERS	⊖		GO TO C33

C33. Is the corporation's stock traded on exchanges such as NASDAQ, the New York Stock Exchange, or the American Stock Exchange?

MOVED TO C ESTR

IF C33=1, THEN C ESTR=2(PURCHASED)

PROMPT: Is the corporation's stock publicly traded in markets that required it to file a 10-K, 10-Q, 10-KSB, or 10-QSB form with the Securities and Exchange Commission?

YES	1		
NO	2	⊖	GO TO C35
DK or RF	DK or RF	⊖	GO TO C35

C34. In what year was the firm's stock first publicly traded?

MOVED TO C FAGE

C_FAGE NUMBER OF YEARS UNDER CURRENT OWNERSHIP

YEAR: _____	EX	⊖	GO TO C37
EX	EX	⊖	GO TO C37
DK or RF	DK or RF		

YEAR=YEAR(INPUT(IWBREGDT, MMDDYY, 10.))

C_FAGE=IWYEAR-C9

RANGE CHECK: YEAR >= 1937 AND <=1998

C34.1 Can you please tell me approximately when the firm's stock was first publicly traded? Was it...

COLLAPSED TO C34

VALUES WERE COLLAPSED TO THE MIDPOINTS OF THEIR RANGE

Less than 1 year ago	1	0
1-3 years ago	2	2
4-6 years ago	3	5
7-9 years ago	4	8
10-15 years ago	5	13
More than 15 years ago	6	16
DK or RF	DK or RF	
ALL RESPONSES	⊖	GO TO C37

QUESTION BY QUESTION NOTES

- C35.** We want to know how the current owner or owners obtained the business. Sometimes owners/stockholders start up the business themselves. In this case there would be no prior owners/stockholders. Sometimes, individuals purchase an existing firm from other business owners, and sometimes people inherit or are given a business (e.g., one might inherit her mother's business).
- C36.** In the case where the business is purchased or inherited by current owners, the start-up of the business occurred with owners other than current owners. In this instance, we do not want the date of the firm's establishment, but rather the date that the current owners obtained the firm.

When the respondent gives a number of years as an answer, subtract the number of years from 1999 and verify the resultant year with the respondent. For example, if the respondent says, "Two years ago," ask "Do you mean 1997?"

The valid entry range is 1900 to 1998. It is unlikely that owners could have owned the firm for more than 99 years.

- C36.1** If the respondent cannot or will not give a year, try to determine the approximate number of years ago the business was founded/purchased/acquired by the current owners and code that range. Remember, we are asking how long the current owner has owned the firm. The firm may have been established earlier if the current owner purchased or inherited the firm, but we are only interested in the length of time the current owner has owned the business.
- C37.** We would like to know how many different entities (individuals, firms) owned any common stock of this firm. Exclude owners of preferred stock. This question will usually be easy to answer, but if the respondent hesitates, ask if he/she can provide an estimate. If the respondent hesitates and says the number of owners has changed, ask him/her, "As of [DATE], how many owned common stock?" Generally, corporations publish this information in their annual reports (although not all corporations publish such reports).

The valid entry range for S-Corporations is 1 to 75. Otherwise, only positive answers are allowed.

- C37.1** If the respondent cannot or will not tell you how many stockholders the firm has, try to determine approximate number of stockholders and code that range.

C35. Was the firm established by one or more of the current stockholders or was an existing business purchased, inherited, or acquired as a gift? **MOVED TO C_ESTAB (CONFIDENTIAL) AND C ESTR**

- ESTABLISHED 1
- PURCHASED 2
- INHERITED OR GIFT 3
- DK or RF DK or RF

C36. In what year was the firm [established/purchased/acquired] by the current owners? **MOVED TO C_FACE C_FACE NUMBER OF YEARS UNDER CURRENT OWNERSHIP**

- YEAR: _____ GO TO C37
- EX EX GO TO C37
- DK or RF DK or RF

YEAR=YEAR(INPUT(IWBEGDT, MMDDYY, 10.)) C_FACE=IWYEAR-C36

RANGE CHECK: YEAR >=1900 AND <=1998

C36.1 Can you please tell me approximately when the business was [established/purchased/acquired] by the current owners? Was it... **COLLAPSED TO C36**
VALUES WERE COLLAPSED TO THE MIDPOINTS OF THEIR RANGE

- Less than 1 year ago 1 **0**
- 1-3 years ago 2 **2**
- 4-6 years ago 3 **5**
- 7-9 years ago 4 **8**
- 10-15 years ago 5 **13**
- More than 15 years ago 6 **16**
- DK or RF DK or RF

C37. How many stockholders does [FIRM] have? **MOVED TO C_NOW**

- NUMBER: _____ GO TO SECTION D
- EX EX GO TO SECTION D
- DK or RF DK or RF

RANGE CHECK: STOCKHOLDERS >1
IF C33=2 OR DK OR RF (NOT PUBLICLY TRADED), STOCKHOLDERS <500,
IF FIRM IS S-CORP (B3=5), STOCKHOLDERS <=75, PROBE IF >75

C37.1 Can you tell me the approximate number of stockholders this business has? Is it. **COLLAPSED TO C37**
VALUES WERE COLLAPSED TO THE MIDPOINTS OF THEIR RANGE

- 1 to 5 1 **3**
- 6 to 10 2 **8**
- 11 to 20 3 **16**
- 21 to 35 4 **28**
- 36 to 50 5 **43**
- 51 to 75 6 **63**
- 76 to 100 7 **88**
- More than 100 partners 8 **101**
- DK or RF DK or RF

SOFT RANGE CHECK: IF FIRM IS S-CORP (B3=5), C37.1 ... CODE 7 OR 8;
PROBE IF FIRM IS S-CORP (B3=5) AND C37.1 = 7 or 8

QUESTION BY QUESTION NOTES

- D1.** Determines the number of different sites where the firm has offices, plants or stores, including what is considered the main or home site. Sites located outside the U.S. are to be counted as well. Only positive integer answers are allowed.
- D1.1** If the respondent cannot or will not tell you how many sites the firm has, try to determine approximate number of sites and code that range.
- D2.** If the firm has more than one site, we are interested in knowing how many of these different sites are in the same locality as the main or home site. Generally, if the firm is in a rural area, the county will be used to define local area. If the firm is located in a metropolitan area then we are interested in the number of total offices located in the same metropolitan area regardless of whether they are in the same county.

The number recorded here must be less than or equal to the number recorded in D1, if both are answered. The condition is that D2 must be less than or equal to D1. Only nonnegative integer answers are allowed.

Subsection D. FIRM DEMOGRAPHICS

D1. At how many different sites does the firm have offices, plants, or stores, including the main office?

PROMPT: A site is usually defined as an economic unit, generally at a single physical location, where business is conducted or services or industrial operations are performed.

NUMBER: _____ GO TO SKIP10
 DK or RF DK or RF GO TO D1.1

SOFT RANGE CHECK: NUMBER >0 AND < 1001
 RANGE CHECK: NUMBER > 0 AND <5001

SKIP10

IF D1 = 1	<input type="checkbox"/>		GO TO D3
IF D1 > 1	<input type="checkbox"/>		GO TO D2

D1.1 Can you tell me approximately how many different sites this business has? Is it..

.....		COLLAPSED TO D1
Less than or equal to 3	1	2
4 to 7	2	6
8 to 15	3	12
More than 15	4	16
DK or RF	DK or RF	

D2. Again including the main office, how many of these sites are located in the same (metropolitan area/county/parish/borough) as the main office? USE "METROPOLITAN AREA" FOR BUSINESSES IN METROPOLITAN AREAS, "COUNTY/PARISH/BOROUGH" FOR OTHER BUSINESSES.

IF D1=1 THEN D2 BACKFILLED TO D2=1

NUMBER: _____
 DK or RF or EX DK or RF or EX

RANGE CHECK: IF D1>1 THEN D2 <= D1; IF D1.1=1 THEN D2<=3;
IF D1.1=2 THEN D2<=7; IF D1.1=3 THEN D2<=15;
D2>=1

QUESTION BY QUESTION NOTES

- D3. Determines the primary (more than 50%) area where the business sells its goods or services. If the respondent says the goods or services are delivered equally to one or two cities or counties, code "REGIONALLY."
- D4. Determines if the firm uses computers for any business purpose. If the owner has a computer and volunteers that its use is strictly for personal applications, code this "NO."

D5.

D6. EXPANDED CODEFRAME

- 1 *Taxes*
- 2 *Inflation*
- 3 *Poor sales*
- 4 *Financing and interest rates*
- 5 *Cost/availability of labor*
- 6 *Government regulations/red tape*
- 7 *Competition (from larger, international, internet firms)*
- 8 *Quality of labor*
- 9 *Cost and availability of insurance*
- 10 *Other*

- 11 *Cash flow*
- 12 *Capital other than working capital*
- 13 *Acquiring and retaining new customers*
- 14 *Growth of firm/industry*
- 15 *Overcapacity of firm/industry*
- 16 *Marketing/advertising*
- 17 *Technology*
- 18 *Costs other than labor*
- 19 *Seasonal/cyclical issues*
- 20 *Bill collection*
- 21 *Too much work/not enough time*

- 96 *No problems*
- 97 *Not ascertainable*

- D *Don't know*
- R *Refuse*

D3. Where does the business primarily sell or deliver its products or services? In the same area as the firm's main office, within the geographic region, throughout the nation, outside the United States, or globally?

- IN THE SAME AREA AS THE FIRM'S MAIN OFFICE 1
- WITHIN THE GEOGRAPHIC REGION 2
- THROUGHOUT THE NATION 3
- OUTSIDE THE UNITED STATES 4
- GLOBALLY/NATIONAL & INTERNATIONAL 5
- DK or RF DK or RF

D4. Does [FIRM] use computers for business purposes?

- YES 1
- NO 2 GO TO D6
- DK or RF DK or RF GO TO D6

D5. Does [FIRM] use the computer ...? (CHECK ALL THAT APPLY)

- to do PC Banking 1
- for an E-mail or Internet connection 2
- to purchase or sell business products and services via the Internet 3
- to apply for loans or other forms of credit online 4
- to manage inventory 5
- for administrative support or functions 6
- to manage the firm's accounts/bookkeeping 7
- OTHER, SPECIFY: _____ 8
- DK or RF DK or RF

1=YES, 2=NO
MOVED TO:
D5 1
D5 2
D5 3
D5 4
D5 5
D5 6
D5 7
D5 8

D6. What is the single most important problem facing your business today?

- TAXES 1
- INFLATION 2
- POOR SALES 3
- FINANCING AND INTEREST RATES 4
- COST OF LABOR 5
- GOVERNMENT REGULATIONS/RED TAPE 6
- COMPETITION FROM LARGER FIRMS 7
- QUALITY OF LABOR 8
- COST AND AVAILABILITY OF INSURANCE 9
- OTHER 10

READ: Please specify _____

- DK or RF DK or RF

SEE PAGE 47 FOR EXPANDED CODEFRAME

QUESTION BY QUESTION NOTES

N1.

Subsection N. RECORDS

READ5: The next set of questions are about the firm's sources of financial services. These refer to (1998/the fiscal year ending [DATE]). In the package of materials we sent to you we included a worksheet and indicated that it would be most helpful to have completed the worksheet prior to the interview or to have your financial records available before we call you.

N1. Which type of written records are you using? (CHECK ALL THAT APPLY)

IWER INFO: IF R VOLUNTEERS "NONE", ONLY CODE 5, "FROM MEMORY" SHOULD BE SELECTED

**1=Yes: 2=No
MOVED TO:**

COMPLETED IRS TAX FORMS OR ATTACHMENTS	1	N1 1
WORKSHEETS (WORKSHEETS WE SENT YOU)	2	N1 2
FINANCIAL STATEMENTS / ACCOUNTING REPORTS	3	N1 3
BANK STATEMENTS	4	N1 4
FROM MEMORY	5	N1 5
OTHER <u>WRITTEN</u> RECORDS	6	N1 6

⊖ READ: Please specify _____

DK or RF DK or RF

ALL RESPONSES

⊖

GO TO SECTION II

**NOTE: Responses naming a specific Accounting Software program (such as omicken, beach tree, etc.) were coded as 3=Financial statements/
accounting reports.**

QUESTION BY QUESTION NOTES

- E1.** Checking accounts are accounts with unlimited check-writing privileges. They include personal checking accounts of owners only when they are primarily used for business purposes.

Business checking accounts generally do not pay interest. They may, however, be tied to an interest bearing money market or savings account into which excess balances are transferred. If the package, sometimes referred to as sweep, zero balance, or cash management accounts include an account with unlimited check writing privileges, then this firm has a checking account. If the check writing privileges are limited, either on the number of checks that can be written each month, or on the minimum amount the check can be written for, this is not a checking account.

The use of personal checking accounts by firms is a rare event and would normally be limited to proprietorships. Interest-bearing checking accounts are generally personal accounts, which for-profit partnerships and corporations are not permitted to hold.

Money market deposit accounts or money market mutual fund accounts are not considered to be checking accounts unless they offer unlimited checking privileges. Typically, these accounts have limits on the number of checks that can be written or on the minimum size of the checks written. Also, do not include here lines of credit that are accessed by writing checks.

Almost all firms can be expected to have at least one business checking account.

SECTION II: SOURCES OF FINANCIAL SERVICES

THIS SECTION DEVELOPS A ROSTER OF INSTITUTIONS OR INDIVIDUALS THAT ARE SOURCES OF FINANCIAL SERVICES USED BY THE FIRM. AS THE RESPONDENT IDENTIFIES A NEW INSTITUTION OR INDIVIDUAL AS A SOURCE, THE SOURCE'S FULL NAME IS ENTERED ON THE NEXT LINE OF THE ROSTER AND IS ASSIGNED A SEQUENTIAL INSTITUTION ID CODE. WHEN THE RESPONDENT INDICATES USING A PARTICULAR SOURCE FOR A NAMED SERVICE, IT IS RECORDED. DK AND RF RESPONSES ARE NOT ALLOWED FOR SOURCE NAMES, BUT GENERIC NAMES ARE -- I.E., INST1, INST2, OR PERSON1, PERSON2, ETC. -- SOME DISTINCT NAME MUST BE RECORDED.

READ6: Throughout the rest of this interview, please answer for the entire company -- that is, the main office and all branches and subsidiary companies.

Now, if you have the worksheet(s) that we sent to you, please turn to the page headed "SSBF FINANCIAL SERVICES & SOURCES OF FINANCING WORKSHEET." It will also be helpful if you have your bank statements.

IWER INFO: ALLOW THE RESPONDENT TIME TO RETRIEVE THEIR RECORDS

Subsection E. USE OF DEPOSIT SERVICES

READ7: The first questions are about accounts and investments typically held in banks, savings institutions, and brokerage or mutual fund companies. The reference period for these questions is [year end 1998/(DATE)].

Checking Accounts

READ8: We're now going to talk about checking accounts for the firm.

E1. Did the firm have any checking accounts as of [year end 1998/(DATE)]?

PROMPT: Checking accounts include accounts where the firm deposits funds and subsequently is able to transfer funds to others by writing checks or drafts. These accounts include checking at banks and savings institutions, as well as credit union share draft accounts.

PROMPT: Money Market Deposit Accounts (MMDAs) and Money Market Mutual Funds (MMFs) should be classified as checking accounts only if they offered unlimited checking privileges. Typical limitations on checking would include restrictions on the number of checks written per month or on the smallest amount for which a check could be written.

PROMPT: WORKSHEET SIDE 1 SECTION A

YES	..... 1		
NO	..... 2	û	GO TO E4
DK or RF	..... DK or RF	û	GO TO E4

QUESTION BY QUESTION NOTES

E2. Enter the name of each institution mentioned. Try to capture as full a name as possible. For some institutions, the respondent will have started the business with the institution under one name, and because of a merger or acquisition, the institution will currently have a different name. As a general rule, obtain the current name of the institution.

E2.1 When the respondent lists more than 3 checking account institutions for the firm, this question is asked to determine the two institutions with the largest account balances. Select these two institutions.

E3. This question will be asked up to three times for each institution where the firm reported having checking accounts. If the firm has three or fewer accounts, this question will be asked of all three institutions. If the firm has more than 3 accounts, this question will be asked of the two institutions with the largest account balances, and then asked about all remaining institution accounts together.

Enter, to the nearest whole dollar, the year end balance for all checking accounts at the given institution(s). If the firm has more than one checking account at the institution, enter the total across all checking accounts at that institution.

Be aware that the balance can be positive or negative.

E3.1 Try to get the respondent to give you a solid estimate of the balance in the checking account. Record the amount to the nearest whole dollar.

This question will be asked up to three times for each institution where the firm reported having checking accounts. If the firm has three or fewer accounts, this question will be asked of all three institutions. If the firm has more than 3 accounts, this question will be asked of the two institutions with the largest account balances, and then asked about all remaining institution accounts together.

Enter, to the nearest whole dollar, the year end balance for all checking accounts at the given institution(s). If the firm has more than one checking account at the institution, enter the total across all checking accounts at that institution.

Be aware that the balance can be positive or negative.

E2. What is the full name of the [first/next] institution where the firm had checking accounts? **PROBE:** At what other institutions did [FIRM] have checking accounts? **DROP**

IWER INFO: RECORD SOURCE NAMES ON ROSTER AND SET "CHECKING ACCOUNT" FLAGS.

SKIP11

IF 4 OR MORE SOURCES ARE LISTED, DISPLAY SOURCE NAMES **GO TO E2.1**
IF 3 OR FEWER SOURCES ARE LISTED ASK E3 FOR EACH SOURCE **GO TO E3**

E2.1 I have recorded checking accounts at (READ NAMES). Which two have the largest balances?

DROP

IWER INFO: SELECT THE SOURCES WITH THE TWO LARGEST BALANCES

SKIP12

FLAG THE **TWO** SELECTED SOURCES WITH THEIR INSTITUTION ID CODE.
FLAG THE REMAINING CHECKING ACCOUNT SOURCES WITH A CODE "30".

ASK E3 THREE TIMES: ONCE FOR EACH SELECTED SOURCE; ONCE FOR ALL REMAINING SOURCES COMBINED (CODE "30")

E3_(1-3) As of [year end 1998/(DATE)], what was the balance in the firm's checking accounts at [(NAME)/all the remaining checking account sources combined]?

PROMPT: WORKSHEET SIDE 1 SECTION A

AMOUNT \$ _____ **GO TO E3 FOR NEXT; IF DONE GO TO E4**

DK or RF DK or RF

E3.1_(1-3) Could you give an estimate? **COLLAPSED TO E3_(1-3)**

AMOUNT \$ _____

DK or RF DK or RF

RANGE CHECK: E3_(1-3) AND E3.1_(1-3) CAN BE NEGATIVE NUMBERS

GO TO E3 FOR NEXT; IF DONE GO TO E4

QUESTION BY QUESTION NOTES

- E4.** Savings accounts are deposit accounts that allow the owner to add or withdraw funds at any time. Savings accounts are offered by commercial banks, savings and loan associations, savings banks, and credit unions. They are sometimes called share accounts at credit unions, savings and loan associations, and savings banks.

Money market deposit accounts and money market mutual fund accounts are considered to be savings accounts. These are accounts that pay a return competitive with money market rates. Checks can be written on these accounts but there are strict constraints to the number of transactions that may occur each month or on the minimum size of checks written.

Certificates of deposit (CDs) are accounts where the depositor holds receipts for the deposits that permit the holder to receive interest plus the deposit at maturity. Time deposits are interest bearing savings deposits or certificates of deposit at a financial institution that generally required the funds be left in the account for a specified length of time (maturity). Withdrawals prior to that time usually impose an early withdrawal penalty on the saver. Although the specified maturity can be for any length of time, typical maturities include 6 months, 1, 2, and 3 years.

Be sure the exclusions stated in the question are clearly understood. Specifically, respondents should not include in this question IRAs, business pension or retirement funds, Keogh accounts, or business trust accounts.

- E5.** This question determines if the firm has any savings accounts at institutions previously mentioned in the interview. If yes, select those accounts.
- E5.1** Enter the name of each institution mentioned. Try to capture as full a name as possible. For some institutions, the respondent will have started the business with the institution under one name, and because of a merger or acquisition, the institution will currently have a different name. As a general rule, obtain the current name of the institution.
- E5.2** When the respondent lists more than 3 savings account institutions for the firm, this question is asked to determine the two institutions with the largest account balances. Select these two institutions.

Savings Accounts

E4. Did the firm have any savings accounts, money market accounts, share accounts, certificates of deposit or CDs, or other time deposits as of [year end 1998/(DATE)]? Please exclude retirement accounts, pension funds, trusts, or any other accounts we've already talked about.

PROMPT: WORKSHEET SIDE 1 SECTION B

YES	..... 1	
NO	..... 2	<input type="checkbox"/> GO TO SECTION F
DK or RF	..... DK or RF	<input type="checkbox"/> GO TO SECTION F

E5. Did [FIRM] have any of these savings accounts at (READ EACH NAME ON ROSTER)? **DROP**

IWER INFO: SET "SAVINGS ACCOUNT" FLAGS.

IWER INFO: IF VOLUNTEERED, EXCLUDE PERSONAL SAVINGS ACCOUNTS.

E5.1 At what other institutions did your firm have a savings account as of [year end 1998/(DATE)]?
..... **DROP**

IWER INFO: RECORD SOURCE NAMES ON ROSTER AND SET "SAVINGS ACCOUNT" FLAGS.

SKIP13

IF 4 OR MORE SOURCES ARE NAMED, DISPLAY SOURCE NAMES	<input type="checkbox"/>	GO TO E5.2
IF 3 OR FEWER SOURCES ARE NAMED ASK E6 FOR EACH SOURCE	<input type="checkbox"/>	GO TO E6

E5.2 I have recorded savings accounts at (READ NAMES). Which two have the largest balances?
..... **DROP**

IWER INFO: SELECT THE SOURCES WITH THE TWO LARGEST BALANCES

SKIP14

FLAG THE **TWO** SELECTED SOURCES WITH THEIR INSTITUTION ID CODE.
FLAG THE REMAINING SAVINGS ACCOUNT SOURCES WITH A CODE "30".

ASK E6 THREE TIMES: ONCE FOR EACH SELECTED SOURCE; ONCE FOR ALL REMAINING SOURCES COMBINED (CODE "30")

QUESTION BY QUESTION NOTES

- E6.** This question will be asked up to three times for each institution where the firm reported having savings accounts. If the firm has three or fewer accounts, this question will be asked of all three institutions. If the firm has more than 3 accounts, this question will be asked of the two institutions with the largest account balances, and then asked about all remaining institution accounts together.

Enter, to the nearest whole dollar, the year end balance for all savings accounts at the given institution(s). If the firm has more than one savings account at the institution, enter the total across all savings accounts at that institution.

- E6.1** Try to get the respondent to give you a solid estimate of the balance in the savings account. Record the amount to the nearest whole dollar.

This question will be asked up to three times for each institution where the firm reported having savings accounts. If the firm has three or fewer accounts, this question will be asked of all three institutions. If the firm has more than 3 accounts, this question will be asked of the two institutions with the largest account balances, and then asked about all remaining institution accounts together.

Enter, to the nearest whole dollar, the year end balance for all savings accounts at the given institution(s). If the firm has more than one savings account at the institution, enter the total across all savings accounts at that institution.

E6_(1-3) As of [year end 1998/(DATE)], what was the balance in the firm's savings accounts at (NAME)?

PROMPT: WORKSHEET SIDE 1 SECTION B

AMOUNT \$ _____

EX EX

DK or RF DK or RF

**⌂ GO TO E6 FOR NEXT; IF
DONE GO TO SECTION F
⌂ GO TO E6 FOR NEXT; IF
DONE GO TO SECTION F**

E6.1_(1-3) Could you give an estimate?

COLLAPSED TO E6_(1-3)

AMOUNT \$ _____

DK or RF or EX DK or RF or EX

RANGE CHECK: E6_(1-3) AND E6.1_(1-3) MUST BE POSITIVE NUMBERS

⌂ GO TO E6 FOR NEXT; IF DONE GO TO SECTION F

QUESTION BY QUESTION NOTES

F1. Credit cards are used to purchase goods and services instead of using cash, checks, debit, or check cards. Payment for the goods and services will generally occur at a later date, generally at the end of the billing period. In contrast, debit and check cards are tied to a savings or checking account. Purchases using debit or check cards IMMEDIATELY withdraw funds from another account. Do not include debit or check cards.

Personal credit cards are issued directly to an individual, and have the individual's name on the card. They do not have the name of the firm on the card. In contrast business credit cards are issued to the "firm" and generally have the firm's name on the card (and may also have the individual's name on the card).

F2. Only nonnegative integer answers are allowed.

F2.1 Try to get an estimate. Only nonnegative integer answers are allowed.

F3. Some credit cards, such as American Express, require that balances are paid in full at the end of the month. Other credit cards require a minimum amount to be paid on the balance at the end of the month and the rest of the balance is charged interest and carried over to the next month.

F3.1 Try to get an estimate. Some credit cards, such as American Express, require that balances are paid in full at the end of the month. Other credit cards require a minimum amount to be paid on the balance at the end of the month and the rest of the balance is charged interest and carried over to the next month.

Subsection F. USE OF CREDIT AND FINANCING

READ9: The next questions are about credit cards that are used to pay for business expenses. Please do not include debit or check cards, which are cards that immediately withdraw funds from an account or credit line.

Credit Cards

READ10: First, we would like to ask about personal credit cards used for business purposes. Then we're going to ask you about credit cards issued to the firm.

F1. Did [FIRM] use owners' personal credit cards to pay business expenses during (1998/the fiscal year ending [DATE])?

- YES 1
- NO 2 **GO TO F4**
- DK or RF DK or RF **GO TO F4**

F2. On average, about how much per month in new business expenditures did the firm charge to owners' personal credit cards?

- AMOUNT: \$ _____ **GO TO F3**
- DK or RF DK or RF

F2.1 Could you give an estimate?

COLLAPSED TO F2

- AMOUNT \$ _____
- DK or RF DK or RF

RANGE CHECK: F2 AND F2.1 MUST BE NON-NEGATIVE NUMBERS

F3. Were the business expenses charged on owners' personal credit cards generally paid in-full or were balances typically owed after monthly payments were made?

- PAID IN FULL 1 **GO TO F4**
- OWED BALANCES 2
- DK or RF DK or RF

F3.1 After payments were made, on average, what was the balance of business charges on all owners' personal credit cards at the end of the month?

- AMOUNT: \$ _____ **GO TO F4**
- DK or RF DK or RF

QUESTION BY QUESTION NOTES

- F3.1.1** Try to get an estimate.
- F4.** Business credit cards are issued directly to the firm, NOT the owner. Business credit cards have the name of the business on the card, and may also have the owner's name on the card.
- F5.** Only nonnegative integer answers are allowed.
- F5.1** Try to get an estimate. Only nonnegative integer answers are allowed.
- F6.** Some credit cards, such as American Express, require that balances are paid in full at the end of the month. Other credit cards require a minimum amount to be paid on the balance at the end of the month and the rest of the balance is charged interest and carried over to the next month.
- F6.1** Only positive integer answers are allowed (≥ 1).
- F6.1.1** Try to get an estimate. Only positive integer answers are allowed (≥ 1).

F3.1.1 Could you give an estimate?

COLLAPSED TO F3_1

AMOUNT \$ _____
DK or RF DK or RF

RANGE CHECK: F3.1 AND F3.1.1 MUST BE NON-NEGATIVE NUMBERS

F4. Now, during (1998/the fiscal year ending [DATE]), did the firm use business or corporate credit cards for business expenses?

YES 1
NO 2 GO TO F7
DK or RF DK or RF GO TO F7

F5. On average, about how much per month in new business expenditures did the firm charge to these business or corporate credit cards?

AMOUNT: \$ _____ GO TO F6
DK or RF DK or RF

F5.1 Could you give an estimate?

COLLAPSED TO F5

AMOUNT \$
DK or RF DK or RF

RANGE CHECK: F5 AND F5.1 MUST BE NON-NEGATIVE NUMBERS

F6. Were the business expenses charged on the firm's business or corporate credit cards generally paid in-full or were balances typically owed after monthly payments were made?

PAID IN FULL 1 GO TO F7
OWED BALANCES 2
DK or RF DK or RF

F6.1 After monthly payments were made, on average, what was the balance of business charges on the firm's business or corporate credit cards?

AMOUNT: \$ _____ GO TO F7
DK or RF DK or RF

F6.1.1 Could you give an estimate?

COLLAPSED TO F6_1

AMOUNT \$ _____
DK or RF DK or RF

RANGE CHECK: F6.1 AND F6.1.1 MUST BE POSITIVE INTEGER NUMBERS

QUESTION BY QUESTION NOTES

- F7.** A line of credit is generally arranged before funds are actually needed. The funds can be borrowed at the discretion of the borrower. Common types of lines of credit are (1) open lines of credit and (2) revolving lines of credit.

Open lines of credit are informal agreements usually lasting one year. They generally are not secured (collateralized) and are typically renewed if the financial condition of the borrower has not deteriorated.

Revolving lines of credit are formal agreements lasting several years (often two or three years). They are often used to finance inventory or accounts receivable. They also may be used for temporary financing of fixed assets until long-term financing can be arranged.

Some firms may also use personal lines of credit. Record personal lines of credit ONLY IF the credit line is used primarily for business expenses. As a rule, if the account is used more than half the time for business expenses, consider it a business line of credit.

Some checking accounts have “overdraft protection.” If a check is written exceeding the checking account balance, the financial institution honors the check but makes a short-term loan to the firm. Do not include “overdraft” accounts as lines of credit.

NOTE: Some firms might report credit cards as lines of credit. However, as the read indicates, we want lines of credit other than credit card accounts.

- F8.** This question determines if the firm has any lines of credit at institutions previously mentioned in the interview. If yes, select those institutions.
- F8.1** Enter the name of each institution mentioned. Try to capture as full a name as possible. For some institutions, the respondent will have started the business with the institution under one name, and because of a merger or acquisition, the institution will currently have a different name. As a general rule, obtain the current name of the institution.
- F8.2** When the respondent lists more than 3 institutions with lines of credit for the firm, this question is asked to determine the two institutions with the largest credit limits. Select these two institutions.

Lines of Credit

READ11: The next questions are about lines of credit. Lines of credit are arrangements with a financial institution that allow a firm to borrow funds during a specified period up to a specific credit limit. Include home equity lines of credit used for business purposes. Do not include credit card accounts or trade credit with suppliers.

IWER INFO: IF THE ACCOUNT IS USED FOR BUSINESS PURPOSES, INCLUDE IT.

F7. As of [year end 1998/(DATE)], did [FIRM] have any lines of credit used for business purposes?

PROMPT: WORKSHEET SIDE 1 SECTION C

YES	.....	1		
NO	.....	2	U	GO TO F16
DK or RF	.....	DK or RF	U	GO TO F16

F8. Did the firm have lines of credit at (READ EACH NAME ON ROSTER)? **DROP**

IWER INFO: SET "LINES OF CREDIT" FLAGS.

F8.1 At what other institutions did your firm have a line of credit as of [year end 1998/(DATE)]?

..... **DROP**

SKIP15

IF 4 OR MORE SOURCES ARE NAMED, DISPLAY SOURCE NAMES	U	GO TO F8.2
IF 3 OR FEWER SOURCES ARE NAMED ASK F9-15 FOR EACH SOURCE	U	GO TO F9

F8.2 I have recorded lines of credit at (READ NAMES). Which two have the largest credit limits?

..... **DROP**

IWER INFO: SELECT THE SOURCES WITH THE TWO LARGEST BALANCES

SKIP16

FLAG THE **TWO** SELECTED SOURCES WITH THEIR INSTITUTION ID CODE.
FLAG THE REMAINING LINES OF CREDIT SOURCES WITH A CODE "30".

ASK F9-15 THREE TIMES: ONCE FOR EACH SELECTED SOURCE; ONCE FOR ALL REMAINING SOURCES COMBINED (CODE "30")

QUESTION BY QUESTION NOTES

F9. Enter the number of lines of credit the firm had with the named institution/source. Typically, a firm will have only one line of credit with any single institution/source. Only positive integer answers are allowed.

F10. This question refers to the specified limit on the line of credit, not the amount available after current borrowing. That is, the total amount that could be borrowed if the firm did not borrow anything from the institution/source as of the specified date. If the respondent does not know this amount, then use the prompt provided to get an estimated amount and record the estimate. Only positive integer answers are allowed.

F10.1 Try to get an estimate.

This question refers to the specified limit on the line of credit, not the amount available after current borrowing. That is, the total amount that could be borrowed if the firm did not borrow anything from the institution/source as of the specified date. If the respondent does not know this amount, then use the prompt provided to get an estimated amount and record the estimate. Only positive integer answers are allowed.

F11. Enter the amount of money owed on all lines of credit to the institution/source as of the fiscal year end date. F11 should not be greater than F10. It is unusual for a firm to owe more than the credit limit. In these circumstances, probe the respondent for an explanation. If a data entry error occurred at a previous question and the amount owed does not exceed the credit limit, go back and carefully record the correct information. If it is, find out why, enable the exception key, <F9>, and record the amount and explanation. Only nonnegative integer answers are allowed.

F11.1 Try to get an estimate. Enter the amount of money owed on all lines of credit to the institution/source as of the fiscal year end date. F11.1 should not be greater than F10. It is unusual for a firm to owe more than the credit limit. In these circumstances, probe the respondent for an explanation. If a data entry error occurred at a previous question and the amount owed does not exceed the credit limit, go back and carefully record the correct information. If it is, find out why, enable the exception key, <F9>, and record the amount and explanation. Only nonnegative integer answers are allowed.

F9_(1-3) How many lines of credit did the firm have with (NAME)?

PROMPT: WORKSHEET SIDE 1 SECTION C

NUMBER: _____
DK or RF DK or RF

**SOFT RANGE CHECK: IF F9_(1-3) >0 AND <11
RANGE CHECK: F9_(1-3) >0 AND <101**

F10_(1-3) As of [year end 1998/(DATE)], what was the total credit limit [of this credit line/summing across all credit lines] at (NAME)?

PROMPT: That is, what was the credit limit before any funds were borrowed?

PROMPT: WORKSHEET SIDE 1 SECTION C

AMOUNT \$ _____
DK or RF DK or RF

⤴ GO TO F11

F10.1_(1-3) Could you give an estimate?

COLLAPSED TO F10_(1-3)

AMOUNT \$ _____
DK or RF DK or RF

RANGE CHECK: F10_(1-3) AND F10.1_(1-3) MUST BE POSITIVE INTEGER NUMBERS

F11_(1-3) As of [year end 1998/(DATE)], what was the amount owed [on this credit line/summing across all credit lines] at (NAME)?

PROMPT: WORKSHEET SIDE 1 SECTION C

AMOUNT \$ _____
EX EX
DK or RF DK or RF

⤴ GO TO F13
⤴ GO TO F13

F11.1_(1-3) Could you give an estimate?

COLLAPSED TO F11_(1-3)

AMOUNT \$ _____
DK or RF or EX DK or RF or EX

**RANGE CHECK: F11_(1-3) & F11.1_(1-3) MUST BE NON-NEGATIVE INTEGERS;
F11_(1-3) or F11.1_(1-3) <= F10_(1-3) or F10.1_(1-3)**

QUESTION BY QUESTION NOTES

- F13.** Sometimes a creditor requires that a third party agree to be liable for a debt if the borrower defaults. This third party is called a guarantor or cosigner (these two words mean the same thing). The third party may be an owner, another individual (such as a parent or spouse), a firm, or a government agency that agrees to be personally liable for the firm's debts. This would normally occur if the business is a corporation.

Government agencies also provide guarantees for business loans. The Small Business Administration (SBA) has two such programs. In the 7(a) Guaranteed Business Loan Program, the loan money comes from a bank or other financial institution and SBA guarantees the lender against default by the borrower.

The second type of SBA guaranteed loan program is the 503/504 Development Company Loan Program. Fifty percent of the project cost comes from a bank loan, 40% is a loan from a Development Company that is guaranteed by the SBA, and 10% usually comes from the small business. There should be at least two loans on the respondent's books - one from a bank and one from a Certified Development Company (CDC). Only the CDC loan should be guaranteed by the SBA.

Other Federal Government programs that provide guarantees are the Business and Industrial Loan Program of the Farmers Home Administration in the Department of Agriculture and the Business Development Program of the Economic Development Administration in the Department of Commerce.

In some cases both a Government agency and another third party, such as an owner, may be guarantors.

If the respondent does not understand what a cosigner or guarantor is, read the prompt.

- F14.** Determines if any sort of collateral was required to secure the line of credit. Often, when obtaining credit, the institution requires that the borrower secure the loan with some sort of asset, such as a car, a piece of equipment, a savings account, or real estate. In the event that the loan is not repaid, the lender can take over ownership (repossess) the asset. A simple example is a mortgage on a home. If the loan is not repaid, the lender can take over ownership of the home.

In contrast, guarantees are pledges or promises to repay, but are not associated with specific assets.

- F14.1** If code 1, "YES", was entered for F14, then we want to know what collateral was required for the line of credit. If a respondent volunteers a single answer, it is still necessary to read every category. However, in this case, it is appropriate to briefly go through each response.

Personal real estate and other personal assets means real estate/assets of owners that are not used in the business.

F13_(1-3) Was a personal guaranty, a cosigner, or other guarantor required to obtain any line of credit at (NAME)?

PROMPT: Cosigners and guarantors commit themselves to repay any amount owed should the firm default on the loan.

YES 1
 NO 2
 DK or RF DK or RF

F14_(1-3) Was collateral required for [this/any of these] line(s) of credit?

PROMPT: That is, was the firm required to pledge as security any business or personal property that can be taken by (NAME) should the firm fail to repay the debt?

YES 1
 NO 2 GO TO SKIP18
 DK or RF DK or RF GO TO SKIP18

F14.1_(1-3) What collateral was required? Was it...

IWER INFO: IF THE RESPONDENT SAYS ALL ASSETS WERE USED AS COLLATERAL to SECURE THE LOAN SAY "Would that include . . ." AND READ EACH TYPE OF COLLATERAL LISTED.

1) inventory or accounts receivable	..... 1	.....	<i>F14T1 (1-3)</i>
2) equipment or vehicles	..... 2	.....	<i>F14T2 (1-3)</i>
3) business securities or deposits	..... 3	.....	<i>F14T3 (1-3)</i>
4) business real estate	..... 4	.....	<i>F14T4 (1-3)</i>
5) personal real estate	..... 5	.....	<i>F14T5 (1-3)</i>
6) other personal assets	..... 6	.....	<i>F14T6 (1-3)</i>
7) other (SPECIFY)_____	..... 7	.....	<i>F14T7 (1-3)</i>
DK or RF	..... DK or RF	.....	<i>SEE EXPANDED CODEFRAME BELOW</i>

SKIP18

IF FIRM HAS CHECKING OR SAVINGS ACCOUNTS AT (NAME)	<input type="checkbox"/> GO TO F15
IF NO CHECKING OR SAVINGS AT (NAME)	<input type="checkbox"/> GO TO F9 FOR NEXT SOURCE, IF DONE GO TO F16

EXPANDED CODEFRAME FOR F14 1 (1-3)

What Collateral was required? Was it ...
F14T1 (1-3): Inventory and accounts receivable
F14T2 (1-3): Equipment or vehicles
F14T3 (1-3): Business securities or deposits
F14T4 (1-3): Business real estate
F14T5 (1-3): Personal real estate

F14T6 (1-3): Other personal assets
F14T7 (1-3): Other
F14T8 (1-7): Business assets not otherwise specified
F14T9 (1-3): Other assets, personal or business not ascertainable
D: Don't know
R: Refuse
S: Legitimate skip

QUESTION BY QUESTION NOTES

- F15.** Compensating balances are funds that a borrower must keep in a checking or other deposit account as part of a line of credit agreement. Only lines of credit from depository institutions (i.e., commercial banks, savings and loan associations, savings banks, and credit unions) can have compensating balance requirements.

If the respondent does not understand what a compensating balance is, then read the prompt.

QUESTION BY QUESTION NOTES

- F16.** If the respondent hesitates or indicates that he/she does not understand what a capital lease is, then read the explanation below the question. Do not include leases for renting real estate or office space, unless they meet the conditions of the definition.
- F17.** This question determines if the firm has any capital leases at institutions previously mentioned in the interview. If yes, select those institutions.
- F17.1** Enter the name of each institution mentioned. Try to capture as full a name as possible. For some institutions, the respondent will have started the business with the institution under one name, and because of a merger or acquisition, the institution will currently have a different name. As a general rule, obtain the current name of the institution.

Leases

READ12: Now, we’re going to ask you about other loans. These loans are typically obtained from banks, savings institutions, finance companies, and sometimes friends and individuals.

F16. First, as of [year end 1998/(DATE)], did [FIRM] have any capital leases from financial institutions or other sources? For capital leases, only part of the lease payment can be deducted as a cost of doing business. For operating leases, in contrast, the entire lease payment can be deducted.

PROMPT: A capital lease is a form of financing, often offered by the seller, for the purchase of a capital asset such as equipment or a vehicle. Although the payments are referred to as lease payments, title to the property normally transfers at the end of the “lease” with the payment of a nominal amount, such as \$1.

For example, when a firm buys office equipment, such as a photocopier, the seller may offer the purchaser the opportunity to pay for the equipment over time. The financing agreement, providing for these periodic “lease” payments, is considered to be a capital lease if the agreement provides for the transfer of title upon the payment of a nominal amount (e.g., \$1) at the end of the lease.

PROMPT: Capital leases satisfy one of the following conditions: (1) the lease transfers ownership of the asset at the end of the lease term, (2) the lease contains an option for a bargain purchase of the asset, (3) the lease term extends over most of the economic life of the asset, or (4) the lease requires rental payments that approximate the fair market value of the leased asset.

PROMPT: WORKSHEET SIDE 1 SECTION D

YES	..... 1		
NO	..... 2	û	GO TO F20
DK or RF	..... DK or RF	û	GO TO F20

F17. Did the firm have capital leases at (READ EACH NAME ON ROSTER)? **DROP**

IWER INFO: SET "CAPITAL LEASE" FLAGS.

F17.1 At what other institutions or sources of financing did your firm have capital leases as of [year end 1998/(DATE)]? **DROP**

IWER INFO: RECORD SOURCE NAMES ON ROSTER AND SET "CAPITAL LEASE" FLAGS.

SKIP19

IF 4 OR MORE SOURCES ARE NAMED, DISPLAY SOURCE NAMES	û	GO TO F17.2
IF 3 OR FEWER SOURCES ARE NAMED ASK F18-20 FOR EACH SOURCE	û	GO TO F18

QUESTION BY QUESTION NOTES

- F17.2** When the respondent lists more than 3 institutions with capital leases for the firm, this question is asked to determine the two institutions with the largest balances. Select these two institutions.
- F18.** Enter the number of capital leases the firm had with the institution/source displayed in the question. Capital leases that have been acquired since the reference date or have expired any time before that date should not be included in this number. Only positive integer answers are allowed.
- F19.** Only positive integer answers are allowed.

NOTE: A respondent might not know the total amount of principal owed on the capital lease. However, they might know the remaining number of payments left on the lease and the amount of each payment. If this is the case, you can estimate the total amount of principal owed by multiplying the number of payments left by the amount of each payment.

In the case of multiple leases, it would be necessary to calculate the amount of principal remaining for each individual lease and then add those amounts to determine the total principal owed.

- F19.1** Try to get an estimate. Only positive integer answers are allowed.

NOTE: A respondent might not know the total amount of principal owed on the capital lease. However, they might know the remaining number of payments left on the lease and the amount of each payment. If this is the case, you can estimate the total amount of principal owed by multiplying the number of payments left by the amount of each payment.

In the case of multiple leases, it would be necessary to calculate the amount of principal remaining for each individual lease and then add those amounts to determine the total principal owed.

F17.2 I have recorded capital leases at (READ NAMES). Which two have the largest balances?

DROP

IWER INFO: SELECT THE SOURCES WITH THE TWO LARGEST BALANCES

SKIP20

FLAG THE **TWO** SELECTED SOURCES WITH THEIR INSTITUTION ID CODE.

FLAG THE REMAINING CAPITAL LEASE SOURCES WITH A CODE "30".

ASK F18-20 THREE TIMES: ONCE FOR EACH SELECTED SOURCE; ONCE FOR ALL REMAINING SOURCES COMBINED (CODE "30")

F18_(1-3) How many capital leases did the firm have from (NAME)?

PROMPT: WORKSHEET SIDE 1 SECTION D

NUMBER: _____
DK or RF DK or RF

SOFT RANGE CHECK: F18_(1-3) >0 AND<51; RANGE CHECK; F18_(1-3) >0 AND<101

F19_(1-3) As of [year end 1998/(DATE)], what was the total amount of principal owed on [this/all these] capital lease[s] at (NAME)?

PROMPT: We need the amount of principal owed, not the total amount of remaining payments which may include both principal and interest.

PROMPT: We need the loan payoff amount.

PROMPT: WORKSHEET SIDE 1 SECTION D

AMOUNT: \$ _____

☺ **GO TO F18 FOR NEXT SOURCE, OR IF DONE, GO TO F20**

DK or RF DK or RF

F19.1_(1-3) Could you give an estimate?

COLLAPSED TO F19(1-3)

AMOUNT: \$ _____

DK or RF DK or RF

RANGE CHECK: F19_(1-3) AND F19.1_(1-3) MUST BE POSITIVE INTEGER NUMBERS

☺ **GO TO F18 FOR NEXT SOURCE, OR IF DONE, GO TO F20**

QUESTION BY QUESTION NOTES

F20. Generally, mortgages are loans that are used to purchase real estate, with or without buildings, and these loans are usually collateralized (secured) with real estate. Commercial mortgages are used to purchase commercial property. Personal mortgages are used to purchase personal property. However, if the funds from a personal mortgage are used for business purposes, include this as a business mortgage. Also, if an owner has a second mortgage on his/her home and uses these funds primarily for business purposes, include this as a business mortgage.

Do not include funds obtained from home equity lines of credit. These should have been included earlier as a line of credit.

F21. This question determines if the firm has any mortgages at institutions previously mentioned in the interview. If yes, select those institutions.

F21.1 Enter the name of each institution mentioned. Try to capture as full a name as possible. For some institutions, the respondent will have started the business with the institution under one name, and because of a merger or acquisition, the institution will currently have a different name. As a general rule, obtain the current name of the institution.

F21.2 When the respondent lists more than 3 institutions with mortgages for the firm, this question is asked to determine the two institutions with the largest balances. Select these two institutions.

F22. Enter the number of mortgages the firm had with the institution/source displayed in the question. Only positive integer answers are allowed.

Mortgages

READ13: Now I am going to ask you about mortgages whose funds are used for business purposes. Also include personal mortgages, such as second mortgages on personal property, if the proceeds of the mortgage are used for business purposes.

F20. As of [year end 1998/(DATE)], did the firm have any mortgages used for business purposes?

PROMPT: Count mortgages on personal real estate if funds were used for business purposes.

PROMPT: WORKSHEET SIDE 1 SECTION E

YES	.....	1		
NO	.....	2	û	GO TO F27
DK or RF	.....	DK or RF	û	GO TO F27

F21. Were any of these mortgages at (READ EACH NAME ON ROSTER)? **DROP**

IWER INFO: SET "MORTGAGE" FLAGS.

F21.1 At what other institutions did the firm have mortgages for business purposes as of [year end 1998/(DATE)]? **DROP**

IWER INFO: RECORD SOURCE NAMES ON ROSTER AND SET "MORTGAGE" FLAG.

SKIP21

IF 4 OR MORE SOURCES ARE NAMED, DISPLAY SOURCE NAMES	û	GO TO F21.2
IF 3 OR FEWER SOURCES ARE NAMED ASK F22-26 FOR EACH SOURCE	û	GO TO F22

F21.2 I have recorded mortgages at (READ NAMES). Which two have the largest balances? **DROP**

IWER INFO: SELECT THE SOURCES WITH THE TWO LARGEST BALANCES

SKIP22

FLAG THE **TWO** SELECTED SOURCES WITH THEIR INSTITUTION ID CODE.
FLAG THE REMAINING MORTGAGE SOURCES WITH A CODE "30".

ASK F22-26 THREE TIMES: ONCE FOR EACH SELECTED SOURCE; ONCE FOR ALL REMAINING SOURCES COMBINED (CODE "30")

F22_(1-3) How many mortgages did the firm obtain from (NAME)?

PROMPT: WORKSHEET SIDE 1 SECTION E

NUMBER: _____
DK or RF DK or RF

SOFT RANGE CHECK: F22_(1-3) >0 AND<51; RANGE CHECK; F22_(1-3) >0 AND<101

QUESTION BY QUESTION NOTES

- F23.** Only positive integer answers are allowed. NOTE: A respondent might not know the total amount of principal owed on the mortgage. However, they might know the remaining number of payments left on the lease and the amount of each payment. If this is the case, you can estimate the total amount of principal owed by multiplying the number of payments left by the amount of each payment.

In the case of multiple mortgages, it would be necessary to calculate the amount of principal remaining for each individual mortgage and then add those amounts to determine the total principal owed.

- F23.1** Try to get an estimate. Only positive integer answers are allowed. NOTE: A respondent might not know the total amount of principal owed on the mortgage. However, they might know the remaining number of payments left on the lease and the amount of each payment. If this is the case, you can estimate the total amount of principal owed by multiplying the number of payments left by the amount of each payment.

In the case of multiple mortgages, it would be necessary to calculate the amount of principal remaining for each individual mortgage and then add those amounts to determine the total principal owed.

- F24.** Sometimes a creditor requires that a third party agree to be liable for a debt if the borrower defaults. This third party is called a guarantor or cosigner (these two words mean the same thing). The third party may be an owner, another individual (such as a parent or spouse), a firm, or a government agency that agrees to be personally liable for the firm's debts. This would normally occur if the business is a corporation.

Government agencies also provide guarantees for business loans. The Small Business Administration (SBA) has two such programs. In the 7(a) Guaranteed Business Loan Program, the loan money comes from a bank or other financial institution and SBA guarantees the lender against default by the borrower.

The second type of SBA guaranteed loan program is the 503/504 Development Company Loan Program. Fifty percent of the project cost comes from a bank loan, 40% is a loan from a Development Company that is guaranteed by the SBA, and 10% usually comes from the small business. There should be at least two loans on the respondent's books - one from a bank and one from a Certified Development Company (CDC). Only the CDC loan should be guaranteed by the SBA.

Other Federal Government programs that provide guarantees are the Business and Industrial Loan Program of the Farmers Home Administration in the Department of Agriculture and the Business Development Program of the Economic Development Administration in the Department of Commerce.

In some cases both a Government agency and another third party, such as an owner, may be guarantors. If the respondent does not understand what a cosigner or guarantor is, read the prompt.

- F25.** Most mortgages are collateralized by the property that is being purchased. Try to determine if the real estate securing the mortgage is business or personal property, or both.

F23_(1-3) As of [year end 1998/(DATE)], what was the total amount of principal owed on [this/all these] mortgage[s] at (NAME)?

PROMPT: We need the amount of principal owed, not the total amount of remaining payments, which may include both principal and interest.

PROMPT: We need the loan payoff amount.

PROMPT: WORKSHEET SIDE 1 SECTION E

AMOUNT: \$ _____ **U** GO TO F24_(1-3)
DK or RF DK or RF

F23.1_(1-3) Could you give an estimate?

COLLAPSED TO F23_(1-3)

AMOUNT: \$ _____
DK or RF DK or RF

RANGE CHECK: F23_(1-3) AND F23.1_(1-3) MUST BE POSITIVE INTEGER NUMBERS

F24_(1-3) Was a personal guaranty, a cosigner, or other guarantor required to obtain [this/any of these] mortgage[s] at (NAME)?

PROMPT: Cosigners and guarantors commit themselves to repay any amount owed should the firm default on the loan.

YES 1
NO 2
DK or RF DK or RF

F25_(1-3) (Was this mortgage/Were these mortgages) you obtained from (NAME) collateralized by business real estate, personal real estate, or both?

IWER INFO: IF R VOLUNTEERS THAT THE BUSINESS MORTGAGE WAS NOT COLLATERALIZED BY REAL ESTATE, CODE "4" FOR NEITHER.

BUSINESS REAL ESTATE 1
PERSONAL REAL ESTATE 2
BOTH BUSINESS & PERSONAL REAL ESTATE 3
NEITHER 4
DK or RF DK or RF

QUESTION BY QUESTION NOTES

F26. Try to determine if there is any other collateral that was used to secure the mortgage, other than the real estate itself. Often, when obtaining credit, the institution requires that the borrower secure the loan with some sort of asset, such as a car, a piece of equipment, a savings account, or real estate. In the event that the loan is not repaid, the lender can take over ownership (repossess) the asset. A simple example is a mortgage on a home. If the loan is not repaid, the lender can take over ownership of the home.

In contrast, guarantees are pledges or promises to repay, but are not associated with specific assets.

F26.1 If code 1, "YES", was entered for F26, then we want to know what additional type of collateral was required for the mortgage. If a respondent volunteers a single answer, it is still necessary to read every category. However, in this case, it is appropriate to briefly go through each response.

Note that the collateral categories of personal and business real estate are not included here, and if reported, should be recorded at F25.

EXPANDED CODEFRAME FOR F26_1

What collateral was used to secure the mortgage(s)? Was it ...

F26T1 (1-3): Inventory and accounts receivable

F26T2 (1-3): Equipment or vehicles

F26T3 (1-3): Business securities or deposits

F26T4 (1-3): Other personal assets

F26T5_(1-3): Other

F26T8 (1-3): Business assets not otherwise specified

F26T9 (1-3): Other assets, personal or business not ascertainable

.D: Don't know

.R: Refuse

.S: Legitimate skip

F26_(1-3) (Other than the real estate,) was any other collateral used to secure the mortgage(s)?

YES 1
NO 2

DK or RF DK or RF

⊖ GO TO F22 FOR NEXT SOURCE OR, IF DONE, GO TO F27
⊖ GO TO F22 FOR NEXT SOURCE OR, IF DONE, GO TO F27

F26.1_(1-3) What collateral was used to secure the mortgage(s)? Was it...

IWER INFO: IF THE RESPONDENT SAYS ALL ASSETS WERE USED AS COLLATERAL TO SECURE THE LOAN SAY "Would that include . . ." AND READ EACH TYPE OF COLLATERAL LISTED.

1) inventory or accounts receivable 1
2) equipment or vehicles 2
3) business securities or deposits 3
4) other personal assets 4
5) other (SPECIFY)_____ 5
DK or RF DK or RF

**MOVED TO
F26T1 (1-3)
F26T2 (1-3)
F26T3 (1-3)
F26T4 (1-3)
F26T5 (1-3)**

1=YES; 2=NO

⊖ GO TO F22 FOR NEXT SOURCE OR, IF DONE, GO TO F27

SEE EXPANDED CODEFRAME FOR PAGE F26_1_(1-3) ON PAGE 79

QUESTION BY QUESTION NOTES

- F27.** We want loans for motor vehicles used for the business. Do not include loans for the owners' personal automobiles unless they are used predominantly (more than 50 percent) for business purposes and are considered part of the business equipment.
- F28.** This question determines if the firm has any motor vehicle loans at institutions previously mentioned in the interview. If yes, select those institutions.
- F28.1** Enter the name of each institution mentioned. Try to capture as full a name as possible. For some institutions, the respondent will have started the business with the institution under one name, and because of a merger or acquisition, the institution will currently have a different name. As a general rule, obtain the current name of the institution.
- F28.2** When the respondent lists more than 3 institutions with motor vehicle loans for the firm, this question is asked to determine the two institutions with the largest balances. Select these two institutions.
- F29.** Enter the number of motor vehicle loans the firm had with the institution/source displayed in the question. Only positive integer answers are allowed.

Motor Vehicle Loans

READ14: Now I'm going to ask about [FIRM'S] motor vehicle loans.

F27. As of [year end 1998/(DATE)], did the firm have any loans on motor vehicles used primarily for business purposes? Any vehicle that is used for business purposes more than 50 percent of the time should be counted.

PROMPT: WORKSHEET SIDE 1 SECTION F

YES	..... 1		
NO	..... 2	<input type="checkbox"/>	GO TO F33
DK or RF	..... DK or RF	<input type="checkbox"/>	GO TO F33

F28. Did the firm have motor vehicle loans from (READ EACH NAME ON ROSTER)? **DROP**

IWER INFO: SET "MOTOR VEHICLE LOAN" FLAGS.

F28.1 At what other institutions did the firm have motor vehicle loans as of [year end 1998/(DATE)]?

IWER INFO: RECORD SOURCE NAMES ON ROSTER AND SET "MOTOR VEHICLE LOAN" FLAGS.

SKIP23

IF 4 OR MORE SOURCES ARE NAMED, DISPLAY SOURCE NAMES	<input type="checkbox"/>	GO TO F28.2
IF 3 OR FEWER SOURCES ARE NAMED ASK F29-32 FOR EACH SOURCE	<input type="checkbox"/>	GO TO F29

F28.2 I have recorded motor vehicle loans at (READ NAMES). Which two have the largest balances?

DROP

IWER INFO: SELECT THE SOURCES WITH THE TWO LARGEST BALANCES

SKIP24

FLAG THE **TWO** SELECTED SOURCES WITH THEIR INSTITUTION ID CODE.
 FLAG THE REMAINING MOTOR VEHICLE LOAN SOURCES WITH A CODE "30".

ASK F29-32 THREE TIMES: ONCE FOR EACH SELECTED SOURCE; ONCE FOR ALL REMAINING SOURCES COMBINED (CODE "30")

F29_(1-3) As of [year end 1998/(DATE)], how many motor vehicle loans did the firm have from (NAME)?

PROMPT: WORKSHEET SIDE 1 SECTION F

NUMBER: _____
 DK or RF DK or RF

SOFT RANGE CHECK: F29_(1-3) >0 AND<101; RANGE CHECK; F29_(1-3) >0 AND<1001

QUESTION BY QUESTION NOTES

- F30.** Only positive integer answers are allowed. NOTE: A respondent might not know the total amount of principal owed on the motor vehicle loan. However, they might know the remaining number of payments left on the lease and the amount of each payment. If this is the case, you can estimate the total amount of principal owed by multiplying the number of payments left by the amount of each payment.

In the case of multiple motor vehicle loans, it would be necessary to calculate the amount of principal remaining for each individual motor vehicle loan and then add those amounts to determine the total principal owed.

- F30.1** Try to get an estimate. Only positive integer answers are allowed. NOTE: A respondent might not know the total amount of principal owed on the motor vehicle loan. However, they might know the remaining number of payments left on the lease and the amount of each payment. If this is the case, you can estimate the total amount of principal owed by multiplying the number of payments left by the amount of each payment.

In the case of multiple motor vehicle loans, it would be necessary to calculate the amount of principal remaining for each individual motor vehicle loan and then add those amounts to determine the total principal owed.

- F31.** Sometimes a creditor requires that a third party agree to be liable for a debt if the borrower defaults. This third party is called a guarantor or cosigner (these two words mean the same thing). The third party may be an owner, another individual (such as a parent or spouse), a firm, or a government agency that agrees to be personally liable for the firm's debts. This would normally occur if the business is a corporation.

Government agencies also provide guarantees for business loans. The Small Business Administration (SBA) has two such programs. In the 7(a) Guaranteed Business Loan Program, the loan money comes from a bank or other financial institution and SBA guarantees the lender against default by the borrower.

The second type of SBA guaranteed loan program is the 503/504 Development Company Loan Program. Fifty percent of the project cost comes from a bank loan, 40% is a loan from a Development Company that is guaranteed by the SBA, and 10% usually comes from the small business. There should be at least two loans on the respondent's books - one from a bank and one from a Certified Development Company (CDC). Only the CDC loan should be guaranteed by the SBA.

Other Federal Government programs that provide guarantees are the Business and Industrial Loan Program of the Farmers Home Administration in the Department of Agriculture and the Business Development Program of the Economic Development Administration in the Department of Commerce.

In some cases both a Government agency and another third party, such as an owner, may be guarantors. If the respondent does not understand what a cosigner or guarantor is, read the prompt.

- F32.** Most motor vehicle loans are collateralized by the vehicle that is being purchased.

F30_(1-3) As of [year end 1998/(DATE)], what was the total amount of principal owed on [this motor vehicle loan/all motor vehicle loans the firm has] from (NAME)?

PROMPT: We need to know the amount of principal owed, not the total amount of remaining payments, which may include both principal and interest.

PROMPT: We need the loan payoff amount.

PROMPT: WORKSHEET SIDE 1 SECTION F

AMOUNT: \$ _____ GO TO F31
DK or RF DK or RF

F30.1_(1-3) Could you give an estimate?

COLLAPSED TO F30_(1-3)

AMOUNT: \$ _____
DK or RF DK or RF

RANGE CHECK: F30_(1-3) AND F30.1_(1-3) MUST BE POSITIVE INTEGER NUMBERS

F31_(1-3) Was a cosigner or other guarantor required to obtain [this/any of these] motor vehicle loan[s] at (NAME)?

PROMPT: Cosigners and guarantors commit themselves to repay any amount owed should the firm default on the loan.

YES 1
NO 2
DK or RF DK or RF

F32_(1-3) (Was the vehicle/Were the vehicles) purchased used as collateral to secure the loan?

YES 1
NO 2
DK or RF DK or RF

QUESTION BY QUESTION NOTES

F32.1 Try to determine if there is any other collateral that was used to secure the motor vehicle loan, other than the vehicle itself. Often, when obtaining credit, the institution requires that the borrower secure the loan with some sort of asset, such as a car, a piece of equipment, a savings account, or real estate. In the event that the loan is not repaid, the lender can take over ownership (repossess) the asset. A simple example is a mortgage on a home. If the loan is not repaid, the lender can take over ownership of the home.

In contrast, guarantees are pledges or promises to repay, but are not associated with specific assets.

F32.2 If code 1, “YES”, was entered for F32.1, then we want to know what additional type of collateral was required for the motor vehicle loan. If a respondent volunteers a single answer, it is still necessary to read every category. However, in this case, it is appropriate to briefly go through each response.

EXPANDED CODEFRAME FOR F32_2_(1-3)**What Collateral was required? Was it ...**

F32T1 (1-3): Inventory and accounts receivable

F32T2 (1-3): Equipment or vehicles

F32T3 (1-3): Business securities or deposits

F32T4 (1-3): Business real estate

F32T5 (1-3): Personal real estate

F32T6 (1-3): Other personal assets

F32T7 (1-3): Other

F32T8 (1-3): Business assets not otherwise specified

F32T9 (1-3): Other assets, personal or business not ascertainable

.D: Don't know

.R: Refuse

.S: Legitimate skip

F32.1_(1-3) Was any other type of collateral used to secure the motor vehicle loan(s)?

- YES 1
- NO 2

- DK or RF DK or RF

⊖ GO TO F29 FOR NEXT SOURCE OR, IF DONE, GO TO F33
⊖ GO TO F29 FOR NEXT SOURCE OR, IF DONE, GO TO F33

F32.2_(1-3) What collateral was used to secure the motor vehicle loan(s)? Was it...

IWER INFO: IF R VOLUNTEERS ANOTHER VEHICLE, CODE CHOICE 2 (“equipment or vehicles”) AS “YES.”

IWER INFO: IF THE RESPONDENT SAYS ALL ASSETS WERE USED AS COLLATERAL to SECURE THE LOAN SAY “Would that include . . .” AND READ EACH TYPE OF COLLATERAL LISTED.

1=YES: 2=NO

MOVED TO:

- 1) inventory or accounts receivable 1
- 2) equipment or vehicles 2
- 3) business securities or deposits 3
- 4) business real estate 4
- 5) personal real estate 5
- 6) other personal assets 6
- 7) other (SPECIFY)_____ 7
- DK or RF DK or RF

- F32T1 (1-3)**
- F32T2 (1-3)**
- F32T3 (1-3)**
- F32T4 (1-3)**
- F32T5 (1-3)**
- F32T6 (1-3)**
- F32T7 (1-3)**

⊖ GO TO F29 FOR NEXT SOURCE OR, IF DONE, GO TO F33

SEE EXPANDED CODEFRAME FOR PAGE F32_2_(1-3) ON PAGE 85

QUESTION BY QUESTION NOTES

- F33.** Include any type of business loan used to purchase equipment, other than vehicle loans and lines of credit secured by equipment. Such loans will often be used to purchase machines, office furniture, and other types of equipment such as large construction machinery. Often, these loans are collateralized by the equipment purchased.
- F34.** This question determines if the firm has any equipment loans at institutions previously mentioned in the interview. If yes, select those institutions.
- F34.1** Enter the name of each institution mentioned. Try to capture as full a name as possible. For some institutions, the respondent will have started the business with the institution under one name, and because of a merger or acquisition, the institution will currently have a different name. As a general rule, obtain the current name of the institution.
- F34.2** When the respondent lists more than 3 institutions with equipment loans for the firm, this question is asked to determine the two institutions with the largest balances. Select these two institutions.
- F35.** Enter the number of equipment loans the firm had with the institution/source displayed in the question. Only positive integer answers are allowed.

Equipment Loans

READ15: Now I'm going to ask you about equipment loans.

F33. Did [FIRM] have any equipment loans as of [year end 1998/(DATE)]?

PROMPT: WORKSHEET SIDE 1 SECTION G

- YES 1
- NO 2 **GO TO SKIP27**
- DK or RF DK or RF **GO TO SKIP27**

F34. Did the firm have equipment loans from (READ EACH NAME ON ROSTER)? **DROP**

IWER INFO: SET "EQUIPMENT LOAN" FLAGS.

F34.1 At what other institutions or sources of financing did the firm have equipment loans as of [year end 1998/(DATE)]? **DROP**

IWER INFO: RECORD SOURCE NAMES ON ROSTER AND SET "EQUIPMENT LOAN" FLAGS.

SKIP25

- IF 4 OR MORE SOURCES ARE NAMED, DISPLAY SOURCE NAMES **GO TO F34.2**
- IF 3 OR FEWER SOURCES ARE NAMED ASK F35-38 FOR EACH SOURCE **GO TO F35**

F34.2 I have recorded equipment loans at (READ NAMES). Which two have the largest balances? **DROP**

IWER INFO: SELECT THE SOURCES WITH THE TWO LARGEST BALANCES

SKIP26

FLAG THE **TWO** SELECTED SOURCES WITH THEIR INSTITUTION ID CODE.
FLAG THE REMAINING EQUIPMENT LOAN SOURCES WITH A CODE "30".

ASK F35-38 THREE TIMES: ONCE FOR EACH SELECTED SOURCE; ONCE FOR ALL REMAINING SOURCES COMBINED (CODE "30")

F35_(1-3) How many equipment loans did the firm have from (NAME)?

PROMPT: WORKSHEET SIDE 1 SECTION G

NUMBER: _____
DK or RF DK or RF

SOFT RANGE CHECK: F35_(1-3) >0 AND<51; RANGE CHECK; F35_(1-3) >0 AND<101

QUESTION BY QUESTION NOTES

- F36.** Only positive integer answers are allowed. NOTE: A respondent might not know the total amount of principal owed on the equipment loan. However, they might know the remaining number of payments left on the lease and the amount of each payment. If this is the case, you can estimate the total amount of principal owed by multiplying the number of payments left by the amount of each payment.

In the case of multiple equipment loans, it would be necessary to calculate the amount of principal remaining for each individual equipment loan and then add those amounts to determine the total principal owed.

- F36.1** Try to get an estimate. Only positive integer answers are allowed. NOTE: A respondent might not know the total amount of principal owed on the equipment loan. However, they might know the remaining number of payments left on the lease and the amount of each payment. If this is the case, you can estimate the total amount of principal owed by multiplying the number of payments left by the amount of each payment.

In the case of multiple equipment loans, it would be necessary to calculate the amount of principal remaining for each individual equipment loan and then add those amounts to determine the total principal owed.

- F37.** Sometimes a creditor requires that a third party agree to be liable for a debt if the borrower defaults. This third party is called a guarantor or cosigner (these two words mean the same thing). The third party may be an owner, another individual (such as a parent or spouse), a firm, or a government agency that agrees to be personally liable for the firm's debts. This would normally occur if the business is a corporation.

Government agencies also provide guarantees for business loans. The Small Business Administration (SBA) has two such programs. In the 7(a) Guaranteed Business Loan Program, the loan money comes from a bank or other financial institution and SBA guarantees the lender against default by the borrower.

The second type of SBA guaranteed loan program is the 503/504 Development Company Loan Program. Fifty percent of the project cost comes from a bank loan, 40% is a loan from a Development Company that is guaranteed by the SBA, and 10% usually comes from the small business. There should be at least two loans on the respondent's books - one from a bank and one from a Certified Development Company (CDC). Only the CDC loan should be guaranteed by the SBA.

Other Federal Government programs that provide guarantees are the Business and Industrial Loan Program of the Farmers Home Administration in the Department of Agriculture and the Business Development Program of the Economic Development Administration in the Department of Commerce.

In some cases both a Government agency and another third party, such as an owner, may be guarantors. If the respondent does not understand what a cosigner or guarantor is, read the prompt.

- F38.** Most equipment loans are collateralized by the equipment that is being purchased.

- F38.1** Try to determine if there is any other collateral was used to secure the equipment loan, other than the equipment itself. Often, when obtaining credit, the institution requires that the borrower secure the loan with some sort of asset, such as a car, a piece of equipment, a savings account, or real estate. In the event that the loan is not repaid, the lender can take over ownership (repossess) the asset. A simple example is a mortgage on a home. If the loan is not repaid, the lender can take over ownership of the home. In contrast, guarantees are pledges or promises to repay, but are not associated with specific assets.

F36_(1-3) As of [year end 1998/(DATE)], what was the total amount of principal owed on [this/these] equipment loan[s] at (NAME)?

PROMPT: We need to know the amount of principal owed, not the total amount of remaining payments, which may include both principal and interest.

PROMPT: We need the loan payoff amount.

PROMPT: WORKSHEET SIDE 1 SECTION G

AMOUNT: \$ _____
DK or RF DK or RF

⤴ GO TO F37_(1-3)

F36.1_(1-3) Could you give an estimate?

COLLAPSED TO F36_(1-3)

AMOUNT: \$ _____
DK or RF DK or RF

RANGE CHECK: F36_(1-3) AND F36.1_(1-3) MUST BE POSITIVE INTEGER NUMBERS

F37_(1-3) Was a personal guaranty, a cosigner, or other guarantor required to obtain [this/any of these] equipment loan[s] at (NAME)?

PROMPT: Cosigners and guarantors commit themselves to repay any amount owed should the firm default on the loan.

YES 1
NO 2
DK or RF DK or RF

F38_(1-3) Was the equipment purchased used as collateral to secure the loan(s)?

YES 1
NO 2
DK or RF DK or RF

F38.1_(1-3) Was any other type of collateral used to secure the equipment loan(s)?

YES 1
NO 2

DK or RF DK or RF

⤴ GO TO F35 FOR
NEXT SOURCE OR, IF
DONE, GO TO SKIP27
⤴ GO TO F35 FOR
NEXT SOURCE OR, IF
DONE, GO TO SKIP27

QUESTION BY QUESTION NOTES

F38.2 If code 1, “YES”, was entered for F38.1, then we want to know what additional type of collateral was required for the equipment loan. If a respondent volunteers a single answer, it is still necessary to read every category. However, in this case, it is appropriate to briefly go through each response.

F38.2_(1-3) What collateral was used to secure the equipment loan(s)? Was it...

IWER INFO: IF THE RESPONDENT SAYS ALL ASSETS WERE USED AS COLLATERAL to SECURE THE LOAN SAY "Would that include . . ." AND READ EACH TYPE OF COLLATERAL LISTED.

**1=YES: 2=NO
MOVED TO**

- 1) inventory or accounts receivable 1 **F38T1 (1-3)**
- 2) equipment or vehicles 2 **F38T2 (1-3)**
- 3) business securities or deposits 3 **F38T3 (1-3)**
- 4) business real estate 4 **F38T4 (1-3)**
- 5) personal real estate 5 **F38T5 (1-3)**
- 6) other personal assets 6 **F38T6 (1-3)**
- 7) other (SPECIFY)_____ 7 **F38T7 (1-3)**
- DK or RF DK or RF

⌂ GO TO F35 FOR NEXT SOURCE OR, IF DONE, GO TO SKIP27

EXPANDED CODEFRAME FOR F38_2_(1-3)

What Collateral was required? Was it ...

- F38T1 (1-3): Inventory and accounts receivable**
- F38T2 (1-3): Equipment or vehicles**
- F38T3 (1-3): Business securities or deposits**
- F38T4 (1-3): Business real estate**
- F38T5 (1-3): Personal real estate**
- F38T6 (1-3): Other personal assets**
- F38T7 (1-3): Other**
- F38T8 (1-3): Business assets not otherwise specified**
- F38T9 (1-3): Other assets, personal or business not ascertainable**
- .D: Don't know**
- .R: Refuse**
- .S: Legitimate skip**

QUESTION BY QUESTION NOTES

F39. This question determines whether or not the business (firm) borrowed any funds from partners or stockholders of the firm. In this case, the firm owes the loan proceeds to the partners or stockholders.

If a partner or stockholder takes out a personal loan and uses part of the loan amount for a personal acquisition and another part for business purposes, then only the part of the loan used for business purposes should be reported.

DO NOT INCLUDE funds loaned by the firm to partners and stockholders.

Outstanding balances on personal or business credit cards should be excluded.

F40. Enter the total number of loans the firm had from all partners or stockholders. Only positive integer answers are allowed.

F41. Only positive integer answers are allowed.

NOTE: A respondent might not know the total amount of principal owed on the owner loan. However, they might know the remaining number of payments left on the loan and the amount of each payment. If this is the case, you can estimate the total amount of principal owed by multiplying the number of payments left by the amount of each payment.

F41.1 Try to get an estimate. Only positive integer answers are allowed.

NOTE: A respondent might not know the total amount of principal owed on the owner loan. However, they might know the remaining number of payments left on the loan and the amount of each payment. If this is the case, you can estimate the total amount of principal owed by multiplying the number of payments left by the amount of each payment.

Loans from Partners/stockholders

SKIP27			
IF SOLE PROPRIETORSHIP (B3=1)	<input type="checkbox"/>	GO TO READ16	
ALL OTHERS	<input type="checkbox"/>	GO TO F39	

F39. Sometimes [partners/stockholders] will lend money to their own firms. As of [year end 1998/(DATE)], did [FIRM] have any loans from [partners/stockholders]?

PROMPT: WORKSHEET SIDE 1 SECTION H

YES	..... 1		
NO	..... 2	<input type="checkbox"/>	GO TO READ16
DK or RF	..... DK or RF	<input type="checkbox"/>	GO TO READ16

F40. How many loans did [FIRM] have from [partners/stockholders]?

NUMBER: _____

DK or RF DK or RF

SOFT RANGE CHECK: 0 < F40 < 31; HARD RANGE CHECK: 0 < F40 <101

F41. As of [year end 1998/(DATE)], what was the total amount of principal owed on [this/these] loan[s]?

PROMPT: We need to know the amount of principal owed, not the total amount of remaining payments, which may include both principal and interest.

PROMPT: We need the loan payoff amount.

AMOUNT: \$ _____	<input type="checkbox"/>	GO TO READ16
DK or RF DK or RF		

F41.1 Could you give an estimate?

COLLAPSED TO F41

AMOUNT: \$ _____

DK or RF DK or RF

RANGE CHECK: F41 AND F41.1 MUST BE POSITIVE INTEGER NUMBERS
--

QUESTION BY QUESTION NOTES

F42. Include short-term special purpose loans, working capital loans, unsecured term loans, and any other business loans from financial institutions here. Also, include any other loans that R may have forgotten to report earlier. Sometimes when you get to this question, R will recall that he/she forgot to report a line of credit, or vehicle loan, or some other loan type. Record the information in this section. Do not attempt to back up and add the loan to a previous section.

Outstanding balances on personal or business credit cards should be excluded.

F43. This question determines if the firm has any other loans at institutions previously mentioned in the interview. If yes, select those institutions.

F43.1 Enter the name of each institution mentioned. Try to capture as full a name as possible. For some institutions, the respondent will have started the business with the institution under one name, and because of a merger or acquisition, the institution will currently have a different name. As a general rule, obtain the current name of the institution.

F43.2 When the respondent lists more than 3 institutions with other loans for the firm, this question is asked to determine the two institutions with the largest balances. Select these two institutions.

F44. Enter the number of other loans the firm had with the institution/source displayed in the question. Only positive integer answers are allowed.

Other Loans

READ16: The next questions are about any loans the firm may have had other than the ones already discussed.

F42. As of [year end 1998/(DATE)], did [FIRM] have any other loans from financial institutions or from other sources? This includes loans from friends, relatives, and other sources. Exclude credit cards, credit with suppliers, and loans already discussed.

PROMPT: WORKSHEET SIDE 1 SECTION I

- YES 1
- NO 2 GO TO SECTION MRL
- DK or RF DK or RF GO TO SECTION MRL

F43. Were any of these loans not yet discussed at (READ NAMES IN ROSTER)? **DROP**

IWER INFO: SET "OTHER LOAN" FLAGS.

F43.1 At what other sources were these other loans from as of [year end 1998/(DATE)]? **DROP**

IWER INFO: RECORD SOURCE NAMES ON ROSTER AND SET "OTHER LOAN" FLAGS.

SKIP28

- IF 4 OR MORE SOURCES ARE NAMED, DISPLAY SOURCE NAMES GO TO F43.2
- IF 3 OR FEWER SOURCES ARE NAMED ASK F44-48 FOR EACH SOURCE GO TO F44

F43.2 I have recorded other loans at (READ NAMES). Which two have the largest balances? **DROP**

IWER INFO: SELECT THE SOURCES WITH THE TWO LARGEST BALANCES

SKIP29

FLAG THE **TWO** SELECTED SOURCES WITH THEIR INSTITUTION ID CODE.
FLAG THE REMAINING OTHER LOAN SOURCES WITH A CODE "30".

ASK F44-48 THREE TIMES: ONCE FOR EACH SELECTED SOURCE; ONCE FOR ALL REMAINING SOURCES COMBINED (CODE "30")

F44_(1-3) How many loans [other than those already discussed] did the firm have from (NAME)?

PROMPT: WORKSHEET SIDE 1 SECTION H

NUMBER: _____
DK or RF DK or RF

SOFT RANGE CHECK: F44_(1-3) >0 AND<101; RANGE CHECK; F44_(1-3) >0 AND<201

QUESTION BY QUESTION NOTES

- F45.** Only positive integer answers are allowed. NOTE: A respondent might not know the total amount of principal owed on the other loan. However, they might know the remaining number of payments left on the lease and the amount of each payment. If this is the case, you can estimate the total amount of principal owed by multiplying the number of payments left by the amount of each payment.

In the case of multiple other type loans, it would be necessary to calculate the amount of principal remaining for each individual other loan and then add those amounts to determine the total principal owed.

- F45.1** Try to get an estimate. Only positive integer answers are allowed. NOTE: A respondent might not know the total amount of principal owed on the other loan. However, they might know the remaining number of payments left on the lease and the amount of each payment. If this is the case, you can estimate the total amount of principal owed by multiplying the number of payments left by the amount of each payment.

In the case of multiple other type loans, it would be necessary to calculate the amount of principal remaining for each individual other loan and then add those amounts to determine the total principal owed.

- F46.** Try to determine what type of loan the respondent is reporting on. Sometimes, these loans would have been collected in earlier sections, but R forgot about it until he/she got to this section. Do not try to back up and add the loan to the earlier section. Record the loan in this section.

- F47.** Sometimes a creditor requires that a third party agree to be liable for a debt if the borrower defaults. This third party is called a guarantor or cosigner (these two words mean the same thing). The third party may be an owner, another individual (such as a parent or spouse), a firm, or a government agency that agrees to be personally liable for the firm's debts. This would normally occur if the business is a corporation.

Government agencies also provide guarantees for business loans. The Small Business Administration (SBA) has two such programs. In the 7(a) Guaranteed Business Loan Program, the loan money comes from a bank or other financial institution and SBA guarantees the lender against default by the borrower.

The second type of SBA guaranteed loan program is the 503/504 Development Company Loan Program. Fifty percent of the project cost comes from a bank loan, 40% is a loan from a Development Company that is guaranteed by the SBA, and 10% usually comes from the small business. There should be at least two loans on the respondent's books - one from a bank and one from a Certified Development Company (CDC). Only the CDC loan should be guaranteed by the SBA.

Other Federal Government programs that provide guarantees are the Business and Industrial Loan Program of the Farmers Home Administration in the Department of Agriculture and the Business Development Program of the Economic Development Administration in the Department of Commerce.

In some cases both a Government agency and another third party, such as an owner, may be guarantors. If the respondent does not understand what a cosigner or guarantor is, read the prompt.

F45_(1-3) As of [year end 1998/(DATE)], what was the principal owed on [this loan/all other loans the firm has, excluding the ones we have already discussed] with (NAME)?

PROMPT: We need the amount of principal owed, not the total amount of remaining payments, which may include both principal and interest.

PROMPT: We need the loan payoff amount.

PROMPT: WORKSHEET SIDE 1 SECTION I

AMOUNT: \$ _____
DK or RF DK or RF

û GO TO F46

F45.1_(1-3) Could you give an estimate?

COLLAPSED TO F45 (1-3)

AMOUNT:\$ _____
DK or RF DK or RF

RANGE CHECK: F45_(1-3) AND F45.1_(1-3) MUST BE POSITIVE INTEGER NUMBERS

F46_(1-3) What type(s) of loan(s) [is this/are these] loan(s) from (NAME)? Was it...

1=YES; 2=NO

IWER INFO: IF F44>1 OR F44=DK or RF, READ LIST, AND CHECK ALL THAT APPLY

- 1) line of credit 1
 - 2) capital lease 2
 - 3) mortgage for business purposes 3
 - 4) vehicle loan for business purposes 4
 - 5) equipment loan 5
 - 6) other loan (SPECIFY)_____ 6
- DK or RF DK or RF

**MOVED TO
F46T1 (1-3)
F46T2 (1-3)
F46T3 (1-3)
F46T4 (1-3)
F46T5 (1-3)
F46T6 (1-3)**

SEE EXPANDED CODEFRAME FOR F46 (1-3) ON PAGE 99

F47_(1-3) Was a personal guaranty, a cosigner, or other guarantor required to obtain [this/any of these] loan[s] at (NAME)?

PROMPT: Cosigners and guarantors commit themselves to repay any amount owed should the firm default on the loan.

YES 1
NO 2
DK or RF DK or RF

QUESTION BY QUESTION NOTES

F48. Try to determine if there is any collateral that was used to secure this other loan. Often, when obtaining credit, the institution requires that the borrower secure the loan with some sort of asset, such as a car, a piece of equipment, a savings account, or real estate. In the event that the loan is not repaid, the lender can take over ownership (repossess) the asset. A simple example is a mortgage on a home. If the loan is not repaid, the lender can take over ownership of the home.

In contrast, guarantees are pledges or promises to repay, but are not associated with specific assets.

F48.1 If code 1, “YES”, was entered for F48, then we want to know what type of collateral was required for this other type of loan. If a respondent volunteers a single answer, it is still necessary to read every category. However, in this case, it is appropriate to briefly go through each response.

F49. Compensating balances are funds that a borrower must keep in a checking or other deposit account as part of a line of credit agreement. Only lines of credit from depository institutions (i.e., commercial banks, savings and loan associations, savings banks, and credit unions) can have compensating balance requirements.

If the respondent does not understand what a compensating balance is, then read the prompt.

EXPANDED CODEFRAME FOR F46 (1-3)

What type of loan is the from (name) Was it ...
(check all that apply)

F46T1 (1-3): New Line of Credit

F46T2 (1-3): Capital Lease

F46T3 (1-3): Mortgage for Business Purposes

F46T4 (1-3): Motor Vehicle for Business Purposes

F46T5 (1-3): Equipment Loan

F46T6 (1-3): Other Loan

D: Don't know

R: Refused

S: Legitimate Skip

EXPANDED CODEFRAME FOR F48_1 (1-3)

What Collateral was required? Was it ...

F48T1 (1-3): Inventory and accounts receivable

F48T2 (1-3): Equipment or vehicles

F48T3 (1-3): Business securities or deposits

F48T4 (1-3): Business real estate

F48T5 (1-3): Personal real estate

F48T6 (1-3): Other personal assets

F48T7 (1-3): Other

F48T8 (1-3): Business assets not otherwise specified

F48T9 (1-3): Other assets, personal or business not ascertainable

D: Don't know

R: Refuse

S: Legitimate skip

F48_(1-3) Was collateral required to secure (this loan/any of these loans)?

PROMPT: That is, was the firm required to pledge as security any business or personal property that can be taken by (NAME) should [FIRM] fail to repay the debt?

- YES 1
- NO 2 GO TO SKIP29.5
- DK or RF DK or RF GO TO SKIP29.5

F48.1_(1-3) What collateral was required to secure the loan? Was it...(CHECK ALL THAT APPLY)

IWER INFO: IF THE RESPONDENT SAYS ALL ASSETS WERE USED AS COLLATERAL to SECURE THE LOAN SAY "Would that include..." AND READ EACH TYPE OF COLLATERAL LISTED.

- 1) inventory or accounts receivable 1 **F48T1 (1-3)**
- 2) equipment or vehicles 2 **F48T2 (1-3)**
- 3) business securities or deposits 3 **F48T3 (1-3)**
- 4) business real estate 4 **F48T4 (1-3)**
- 5) personal real estate 5 **F48T5 (1-3)**
- 6) other personal assets 6 **F48T6 (1-3)**
- 7) other (SPECIFY)_____ 7 **F48T7 (1-3)**
- DK or RF DK or RF

1=YES:2=NO

MOVED TO

SEE EXPANDED CODEFRAME FOR F48_1_(1-3) ON PAGE 99

SKIP29.5

- IF F46_(1-3) = 1** **GO TO F49**
- IF F46...1** **GO TO F44 FOR NEXT SOURCE OR, IF DONE, GO TO MRL**

F49_(1-3) Did any lines of credit at (NAME) require compensating balances in checking or savings accounts?

PROMPT: Compensating balances are funds that (NAME) may have required the firm to keep on deposit as a condition for granting the credit line.

- YES 1
- NO 2
- DK or RF DK or RF

GO TO F44 FOR NEXT SOURCE OR, IF DONE, GO TO MRL

QUESTION BY QUESTION NOTES

- MRL1.** Only zero or positive integer numbers are allowed here.
- MRL2.** This question simply attempts to determine if the respondent mistakenly reported a loan or loans that were renewals of existing lines of credit. We DO NOT want renewals of existing lines of credit reported in this section.
- MRL2.1** Only zero or positive integer numbers are allowed here. Note that this response must be less than the value given at MRL1.
- MRL3.** If the respondent cannot or will not give you the number of times the firm applied for a loan in the past three years, try to determine whether the number of attempts was never, once, or more than once.

Subsection MRL. MOST RECENT LOAN SECTION

READ17: The next section is about recent applications for new credit. Do not include renewals for lines of credit, applications for credit cards, requests for loans from owners, or trade credit with suppliers. Do not include applications that were withdrawn or that are still pending.

MRL1. How many times did [FIRM] apply for new loans in the last three years? **MOVED TO MRLR1**

NUMBER: _____
ZERO ZERO GO TO MRL31
DK or RF DK or RF GO TO MRL3

RANGE CHECK: NUMBER > 0

MRL2. (Were any of these/Was this) recent loan application(s) a renewal of an existing line of credit?

DROP

YES 1 GO TO MRL2.1
NO 2 GO TO SKIP30
DK or RF DK or RF GO TO SKIP30

MRL2.1 Excluding renewals on an existing line of credit, how many times did the firm apply for new loans in the last three years?

DROP

NUMBER: _____ GO TO SKIP30
ZERO ZERO GO TO MRL31
DK or RF DK or RF GO TO MRL31

RANGE CHECK: MRL2.1 < MRL1 AND MRL2.1 >=0

SKIP30

IF MRL2=2 or DK/RF
 & MRL1 = 1 GO TO MRL4.1
 & MRL1 > 1 GO TO MRL4.2
IF MRL2=1
 & MRL2.1 = 1 GO TO MRL4.1
 & MRL2.1 > 1 GO TO MRL4.2

MRL3. Did you apply one time or more than one time? **MOVED TO MRLR3**

ONCE 1
MORE THAN ONCE 2
NONE/ZERO 3 GO TO MRL31
DK/RF DK or RF GO TO MRL31

QUESTION BY QUESTION NOTES

- MRL3.1** This question simply attempts to determine if the respondent mistakenly reported a loan or loans that were renewals of existing lines of credit. We DO NOT want renewals of existing lines of credit reported in this section. If the respondent is irritated, explain that we need to be very certain that there are no renewals.
- MRL3.2** If the respondent cannot or will not give you the number of times the firm applied for a loan in the past three years, try to determine whether the number of attempts was never, once, or more than once.
- MRL4.1** For a firm that has recently applied for only one loan, this question controls the movement through the rest of section MRL.
- MRL4.2** For a firm that has recently applied for more than one loan, this question controls the movement through the rest of section MRL.

MRL3.1 (Were any of these/Was this) recent loan application(s) a renewal of an existing line of credit?

DROP

YES	1	<input type="radio"/> GO TO SKIP30.5
NO	2	<input type="radio"/> GO TO SKIP31
DK or RF	DK or RF	<input type="radio"/> GO TO SKIP31

SKIP30.5

IF MRL1=DK/RF & MRL3=1	<input type="radio"/>	GO TO MRL31
IF MRL1=DK/RF & MRL3=2	<input type="radio"/>	GO TO MRL3.2

MRL3.2 Excluding renewals on an existing line of credit, did the firm apply once or more than once for new loans in the last three years?

MOVED TO MRL3

ONCE	1	<input type="radio"/> GO TO SKIP31
MORE THAN ONCE	2	<input type="radio"/> GO TO SKIP31
NONE/ZERO	3	<input type="radio"/> GO TO MRL31
DK or RF	DK or RF	<input type="radio"/> GO TO MRL31

SKIP31

IF MRL3.1=2 or DK/RF		
& MRL3 = 1	<input type="radio"/>	GO TO MRL4.1
& MRL3 = 2	<input type="radio"/>	GO TO MRL4.2
IF MRL3.1=1		
& MRL3.2 = 1	<input type="radio"/>	GO TO MRL4.1
& MRL3.2 = 2	<input type="radio"/>	GO TO MRL4.2

MRL4.1 Was this recent loan application approved or denied?

MOVED TO MRL4

APPROVED	1	<input type="radio"/> GO TO MRL5
DENIED	2	<input type="radio"/> GO TO MRL23
DK/RF	DK or RF	<input type="radio"/> GO TO MRL31

MRL4 USES MRL4 ? CODEFRAME

MRL4.2 Were these recent loan applications always approved, always denied, or sometimes approved and sometimes denied?

MOVED TO MRL4

ALWAYS APPROVED	1	<input type="radio"/> GO TO READ18
ALWAYS DENIED	2	<input type="radio"/> GO TO READ20
SOMETIMES APPROVED/SOMETIMES DENIED	3	<input type="radio"/> GO TO READ18
DK/RF	DK or RF	<input type="radio"/> GO TO MRL31

READ18: Now I'd like you to think about the firm's most recent request for a loan or line of credit that was approved.

QUESTION BY QUESTION NOTES

- MRL5.** This question determines at which institution/source the firm applied for its most recently approved loan. If it was a previously mentioned institution/source, then select that institution/source. If it was NOT a previously mentioned institution/source, record full name of that institution/source.
- For some institutions, the respondent will have started the business with the institution under one name, and because of a merger or acquisition, the institution will currently have a different name. As a general rule, obtain the current name of the institution.
- MRL6.** Determines the type of loan for the most recently approved application.
- MRL7.** Enter a two digit numeric value for the month and four-digits for the year when this most recent request for a loan or a new line of credit was approved.
- Range for month is 1-12. Range for year is 1996-2000.
- MRL8.**
- MRL9.** This question captures the reasons the respondent applied to a particular financial institution for a loan. Record verbatim response.
- MRL10.** We are interested in how much money the firm applied for on their most recent application. Sometimes, a lender will approve a loan for a lesser amount than applied for. In a later question, we will determine the amount that was approved, but this question asks about the initial amount the firm requested. Enter the total dollar amount. Only positive integer (whole number) answers are allowed.
- MRL10.1** Try to get an estimate. We are interested in how much money the firm applied for on their most recent application. Sometimes, a lender will approve a loan for a lesser amount than applied for. In a later question, we will determine the amount that was approved, but this question asks about the initial amount the firm requested. Enter the total dollar amount. Only positive integer (whole number) answers are allowed.

MRL5. What is the name of the institution or source where [FIRM] applied for this most recent loan or new line of credit? [SHOW ROSTER OF INSTITUTIONS.] **DROP**

INSTITUTION: SET APPROVED INST FLAG

ADDED: MRANUM=INSTITUTION NUMBER OF APPROVED INSTITUTION

MRL6. For the most recent request approved by (NAME), what type of credit was obtained? Was it a (READ LIST)?

- New Line of Credit 1
- Capital Lease 2
- Mortgage for Business Purposes 3
- Vehicle Loan for Business Purposes 4
- Equipment Loan 5
- Other Loan (Specify: _____) 6
- DK or RF DK or RF

MRL7. When did the firm make this most recent request for a loan or new line of credit that was approved? **MRI.MO**
MRL.YR

MONTH: _____ YEAR: _____

MRL8. How long had [FIRM] conducted business with (NAME) at the time of this most recent application? **MOVED TO MRL8 (IN MONTHS)**

IWER INFO: RESPONSE CAN BE ENTERED IN MONTHS AND YEARS. IF LESS THAN 1 MONTH, ENTER 1 MONTH AND 0 YEARS. IF [FIRM] NEVER DID BUSINESS WITH (NAME), CODE 0 MONTHS AND 0 YEARS.

NUMBER: _____ IN: MONTHS YEARS
DK or RF DK or RF

MRL9. What factors influenced the firm's decision to apply for credit from (NAME)

MOVED TO MRL9R1
MOVED TO MRL9R2
MOVED TO MRL9R3

SEE EXPANDED CODEFRAME IN APPENDIX D.

MRL10. What was the total dollar amount for which the firm applied?

AMOUNT: \$ _____ GO TO SKIP32
DK or RF DK or RF

MRL10.1 Could you give an estimate? **COLLAPSED TO MRL10**

AMOUNT: \$ _____
DK or RF DK or RF

RANGE CHECK: POSITIVE INTEGER RESPONSE FOR MRL10 AND MRL10.1

SKIP32

- IF LOAN IS A LINE OF CREDIT, MRL6=1 GO TO MRL11
- ALL OTHERS GO TO MRL12

QUESTION BY QUESTION NOTES

MRL11. Compensating balances are funds that a borrower must keep in a checking or other deposit account as part of a line of credit agreement. Only lines of credit from depository institutions (i.e., commercial banks, savings and loan associations, savings banks, and credit unions) can have compensating balance requirements.

If the respondent does not understand what a compensating balance is, then read the prompt.

MRL12. Sometimes a creditor requires that a third party agree to be liable for a debt if the borrower defaults. This third party is called a guarantor or cosigner (these two words mean the same thing). The third party may be an owner, another individual (such as a parent or spouse), a firm, or a government agency that agrees to be personally liable for the firm's debts. This would normally occur if the business is a corporation.

Government agencies also provide guarantees for business loans. The Small Business Administration (SBA) has two such programs. In the 7(a) Guaranteed Business Loan Program, the loan money comes from a bank or other financial institution and SBA guarantees the lender against default by the borrower.

The second type of SBA guaranteed loan program is the 503/504 Development Company Loan Program. Fifty percent of the project cost comes from a bank loan, 40% is a loan from a Development Company that is guaranteed by the SBA, and 10% usually comes from the small business. The third party may be an owner, another individual (such as a parent or spouse), a firm, or a government agency that agrees to be personally liable for the firm's debts.

Other Federal Government programs that provide guarantees are the Business and Industrial Loan Program of the Farmers Home Administration in the Department of Agriculture and the Business Development Program of the Economic Development Administration in the Department of Commerce.

In some cases both a Government agency and another third party, such as an owner, may be guarantors.

If the respondent does not understand what a cosigner or guarantor is, read the prompt.

MRL13. Try to determine if there is any collateral that was used to secure this other loan. Often, when obtaining credit, the institution requires that the borrower secure the loan with some sort of asset, such as a car, a piece of equipment, a savings account, or real estate. In the event that the loan is not repaid, the lender can take over ownership (repossess) the asset. A simple example is a mortgage on a home. If the loan is not repaid, the lender can take over ownership of the home.

In contrast, guarantees are pledges or promises to repay, but are not associated with specific assets.

MRL13.1 If code 1, "YES", was entered for MRL13, then we want to know what collateral was required for the loan or line of credit. If a respondent volunteers a single answer, it is still necessary to read every category. However, in this case, it is appropriate to briefly go through each response.

Personal real estate and other personal assets means real estate/assets of owners that are not used in the business.

MRL11. Did (NAME) require [FIRM] to maintain a compensating balance in a checking or savings account?

PROMPT: Compensating balances are funds that (NAME) may have required the firm to keep on deposit as a condition for granting the credit line.

- YES 1
NO 2
DK or RF DK or RF

MRL12. Was the firm required to have a personal guaranty, cosigner, or other guarantor?

PROMPT: Cosigners and guarantors commit themselves to repay any amount owed should the firm default on the loan.

- YES 1
NO 2
DK or RF DK or RF

MRL13. Was any type of collateral required to secure this most recent loan?

- YES 1
NO 2
DK or RF DK or RF
GO TO SKIP33

MRL13.1 What collateral was used to secure this most recent loan? Was it ...

IWER INFO: IF THE RESPONDENT SAYS ALL ASSETS WERE USED AS COLLATERAL to SECURE THE LOAN SAY "Would that include ..." AND READ EACH TYPE OF COLLATERAL LISTED.

- 1) inventory or accounts receivable 1 MRL13T1
2) equipment or vehicles 2 MRL13T2
3) business securities or deposits 3 MRL13T3
4) business real estate 4 MRL13T4
5) personal real estate 5 MRL13T5
6) other personal assets 6 MRL13T6
7) other (SPECIFY: _____) ... 7 MRL13T7
DK or RF DK or RF

SEE EXPANDED CODEFRAME IN APPENDIX D.

SKIP33
IF LOAN IS A LINE OF CREDIT, MRL6=1 GO TO MRL15
ALL OTHERS GO TO MRL14

QUESTION BY QUESTION NOTES

MRL14. We want to know how long the firm was given to repay the loan when the firm first obtained the loan. Enter the number of years and/or the number of months for the initial maturity or the length of time over which the firm was to repay the loan.

This question allows an answer in both months and years. You may code -1 - 999 months and 0-99 years. You must enter whole numbers only. For example, an answer of one and a half years may be entered as 6 months and 1 year or 18 months and 0 years.

NOTE: If maturity is less than 1 month, enter 1 month and 0 years.

NOTE: An answer of 0 months and 0 years is not allowed. Instead, enter -1 months and 0 years if respondent indicates no maturity.

MRL15. We want to know how long the line of credit was available to the firm. Generally lines of credit are available for one or two years, but after that time, the lender will require the firm to reapply. Enter the number of years and/or the number of months for which the line of credit was available.

This question allows an answer in both months and years. You may code -1 - 999 months and 0-99 years. You must enter whole numbers only. For example, an answer of one and a half years may be entered as 6 months and 1 year or 18 months and 0 years.

NOTE: If maturity is less than 1 month, enter 1 month and 0 years.

NOTE: An answer of 0 months and 0 years is not allowed. Instead, enter -1 months and 0 years if respondent indicates no maturity.

NOTE: An answer of 0 is not allowed. Instead, enter -1 months if respondent indicates no maturity.

MRL16. Enter the total dollar amount of the credit granted at the time the loan was approved. Only positive integer answers are allowed.

MRL16.1 Try to get an estimate. Enter the total dollar amount of the credit granted at the time the loan was approved. Only positive integer answers are allowed.

MRL17. Identify the type of interest rate applied to the loan or line of credit. A fixed interest rate does not change over the life (term) of the loan or line of credit. A variable interest rate can change over the life of the loan or line of credit and is usually tied to an economic index such as the prime rate or treasury bill rate.

MRL14. What is the original length of time over which the loan was to be repaid? **MOVED TO MRL14**

PROMPT: We would like the original length of time the funds were made available to you. That is, the length of time over which the loan would be repaid.

IWER INFO: ENTER -1 FOR NUMBER IF LOAN MADE W/O ANY FIXED MATURITY
ENTER 1 MONTH AND 0 YEARS IF MATURITY IS LESS THAN 1 MONTH

NUMBER: _____ IN: MONTHS YEARS
DK or RF DK or RF

ALL RESPONSES GO TO MRL16

MRL14 = TOTAL NUMBER OF MONTHS

MRL15. For how long was the line of credit commitment made? **MOVED TO MRL14**

IWER INFO: ENTER -1 FOR NUMBER IF LOAN MADE W/O ANY FIXED COMMITMENT
ENTER 1 MONTH AND 0 YEARS IF COMMITMENT IS LESS THAN 1 MONTH

NUMBER: _____ IN: MONTHS YEARS
DK or RF DK or RF

MRL16. What was the dollar amount of the [credit granted/credit limit?]

AMOUNT: \$ _____ GO TO MRL17
DK or RF DK or RF

MRL16.1 Could you give an estimate? **COLLAPSED TO MRL16**

AMOUNT: \$ _____
DK or RF DK or RF

SOFT RANGE CHECK: MRL16 or MRL16.1 <= MRL10 or MRL10.1
RANGE CHECK: POSITIVE INTEGER RESPONSE FOR MRL16 AND MRL16.1

MRL17. Was the interest rate fixed or variable?

PROMPT: A fixed interest rate remains constant for the entire term of the loan or line of credit; a variable interest rate may change or fluctuate over the term of the loan.

FIXED 1 GO TO MRL20
VARIABLE 2
DK or RF DK or RF

QUESTION BY QUESTION NOTES

- MRL18.** When the interest rate is variable, this question identifies to which index the rate is tied.
- If a respondent does not know the exact interest rate index (e.g. a mortgage index), then record whatever their answer is in 2= OTHER (SPECIFY).
- Definition: The prime rate is the interest rate a bank charges to its most credit worthy business borrowers. The prime rate is often used as a base rate for setting other interest rates.
- MRL19.** The valid entry range is -5 to 10. Answers up to two decimal places required.
- NOTE: This question asks for percentage points, not basis points. There are 100 basis points in each percentage point. Therefore, an answer of 100 should alert the interviewer that the respondent is probably reporting the terms in basis points.
- MRL19.1** Try to get an estimate. The valid entry range is -5 to 10. Answers up to two decimal places required.
- NOTE: This question asks for percentage points, not basis points. There are 100 basis points in each percentage point. Therefore, an answer of 100 should alert the interviewer that the respondent is probably reporting the terms in basis points.
- MRL19.2** There are 100 basis points in each percentage point. You are presented with this screen because the respondent gave an answer that is greater than 10 or less than -5 at MRL19 or MRL19.1; we want to clarify if the respondent's answer at MRL19 or MRL19.1 is in basis or percentage points.
- MRL20.** Enter the interest rate on the loan or line of credit when the loan was initially approved. The valid entry range is 3 to 24. Answers up to two decimal places required.
- NOTE: If a respondent gives a negative answer or an answer less than 3 or greater than 24, use the exception code and procedure.
- MRL20.1** Try to get an estimate. Enter the interest rate on the loan or line of credit when the loan was initially approved. The valid entry range is 3 to 24. Answers up to two decimal places required.
- NOTE: If a respondent gives a negative answer or an answer less than 3 or greater than 24, use the exception code and procedure.

MRL18. To what interest rate index was the interest rate on this [loan/line of credit] tied?

- PRIME RATE 1
- OTHER (SPECIFY _____) 2
- NONE 3 **GO TO MRL20**
- DK or RF DK or RF

MRL19. How many percentage points over or under this index was the interest rate on this [loan/line of credit]?

IWER INFO: IF PERCENTAGE POINTS ARE UNDER THE INDEX, RECORD RESPONSE WITH A NEGATIVE SIGN.

- PERCENTAGE: _____ % **GO TO SKIP33.5**
- DK or RF DK or RF

MRL19.1 Could you give an estimate? **COLLAPSED TO MRL19**

- PERCENTAGE: _____ % **GO TO SKIP33.5**
- DK or RF DK or RF **GO TO MRL20**

SKIP33.5

IF MRL19 or MRL19.1 < -5% or > 10%	⌂	GO TO MRL19.2
ALL OTHERS	⌂	GO TO MRL20

MRL19.2 Is this basis points or percentage points? **DROP**

- BASIS POINTS 1
- PERCENTAGE 2
- DK or RF DK or RF

MRL20. What was the original interest rate on this [loan/line of credit]?

- PERCENTAGE: _____ % .. ⌂ **GO TO MRL21**
- EX EX ⌂ **GO TO MRL21**
- DK or RF DK or RF

MRL20.1 Could you give an estimate? **COLLAPSE TO MRL20**

- PERCENTAGE: _____ %
- DK or RF or EX DK or RF or EX

RANGE CHECK: 3-24%, IF <3 or >24 FORCE A COMMENT/EXPLANATION

QUESTION BY QUESTION NOTES

MRL21. The valid entry range is 0 to 10. Answers up to two decimal places required.

NOTE: If a respondent gives a negative answer or an answer greater than 10, use the exception code and procedure.

MRL21.1 Try to get an estimate, The valid entry range is 0 to 10. Answers up to two decimal places required.

NOTE: If a respondent gives a negative answer or an answer greater than 10, use the exception code and procedure.

MRL22. Even if the respondent says that they paid no fees when obtaining the [loan/line of credit], read the list of fees back to them to be sure they aren't forgetting anything.

If the respondent indicated points were paid (previous question), then the answer to this question cannot be zero. Remind the respondent that points are one of the fees associated with obtaining the loan. Only nonnegative integer answers are allowed.

MRL22.1 Try to get an estimate. Even if the respondent says that they paid no fees when obtaining the [loan/line of credit], read the list of fees back to them to be sure they aren't forgetting anything.

If the respondent indicated points were paid (previous question), then the answer to this question cannot be zero. Remind the respondent that points are one of the fees associated with obtaining the loan. Only nonnegative integer answers are allowed.

MRL21. How many percentage points did the firm have to pay to close the [loan/line of credit]?

PERCENTAGE: _____ %
EX EX
DK or RF DK or RF

GO TO MRL22
 GO TO MRL22

MRL21.1 Could you give an estimate?

COLLAPSE TO MRL21

PERCENTAGE: _____ %
DK or RF or EX DK or RF or EX

RANGE CHECK: 0-10%, IF <0 or >10 FORCE A COMMENT/EXPLANATION

MRL22. What was the total dollar amount of fees associated with obtaining the [loan/line of credit]? Please include points, title transfer taxes, lawyer fees, environmental surveys, appraisals, application fees and other expenses at the time of the [loan/line of credit].

AMOUNT: \$ _____
EX EX
DK or RF DK or RF

GO TO SKIP34
 GO TO SKIP34

MRL22.1 Could you give an estimate?

COLLAPSE TO MRL22

AMOUNT: \$ _____
DK or RF or EX DK or RF or EX

ALL RESPONSES GO TO SKIP34

**SOFT RANGE CHECK: MRL16 OR MRL16.1 >MRL22 OR MRL22.1
RANGE CHECK: IF MRL21 or MRL21.1 > 0, THEN MRL22 AND MRL22.1 MUST BE POSITIVE**

SKIP34

IF MRL4.1 = 1; ONE APPROVED LOAN GO TO MRL31
IF MRL4.2 = 1; ALWAYS APPROVED GO TO MRL31
IF MRL4.2 = 3; SOMETIMES APPROVED GO TO READ20

QUESTION BY QUESTION NOTES

MRL23. This question determines at which institution/source the firm applied for its most recently denied loan. If it was a previously mentioned institution/source, then select that institution/source. If it was NOT a previously mentioned institution/source, record the full name of that institution/source.

For some institutions, the respondent will have started the business with the institution under one name, and because of a merger or acquisition, the institution will currently have a different name. As a general rule, obtain the current name of the institution.

MRL24. Determines the type of loan for the most recently denied application.

MRL25. Enter a two digit numeric value for the month and four-digits for the year when this most recent request for a loan or new line of credit was denied.
Range for month is 1-12 and range for year is 1996-2000.

MRL26. Range for month is 1-12 and range for year is 1996-2000.

MRL27. This question captures the reasons the respondent applied to a particular financial institution for a loan. Record verbatim response.

EXPANDED CODEFRAME FOR MRL27**/* Credit policies or experience */**

10|Credit availability

11|Previous loan: loan when starting business

12|Only institution to grant credit

13|Turned down by other institutions

14|No or less collateral, no personal guarantees

15|SBA loan availability or assistance

16|Lending policies or terms

17|Credit availability contingent on use of other services

18|Large loan capability

/* Institution characteristics and offerings */

20|Service availability

21|Quality of service or of services

22|Location, proximity

23|Convenience/ease of use

24|Home

25|Reputation, soundness, aggressiveness, progressivity

26|Small size of institution

27|In area size of institution

28|Size of institution (small/large N.A.)

29|One-stop shopping, able to obtain multiple services at same institution

30|Internet, electronic services

31|Knowledge of industry

32|Local Bank

33|Willing/Specialize in Small business services

/* Account terms */

40|Good prices/terms

41|Low fees or prices

42|High interest rate (excludes or checkings)

43|Low interest rate and/or low loan (origination) fees

44|Interest rate (high or low not ascertainable)

45|Good credit-card processing terms

/* Relationship and referrals */

50|Captive finance (e.g. used financial institution owned by seller)

51|Seller referral (e.g. car dealer suggested loan company)

52|Obtained from supplier of equipment &/or automobile company

53|Other referral

54|Owner has personal/other business with institution

55|Owner knows (an) officer(s) or employee(s), relative, or bank owner(s)

56|Friendly, knowledgeable employees or management

57|Long-term relationship/ ongoing relationship

58|Reciprocity: institution does business with firm

59|Primary Bank

/* Miscellaneous reason */

70|Only institution in town, limited choice

71|Institution or salesman solicited firm

72|Original institution taken over by current one

73|Loan assumption, old institution sold loan

74|Diversification, convenient to have multiple institutions

75|Minority ownership in institution

76|Other requirements of institution

77|Dissatisfaction with previous institution

/* Special codes */

X|Exception

D|Don't know

R|Refused to answer

00|No Reason

92|Denied loan Institution, Do not use Institution

93|No longer use institution

94|Other

97|Other

99|Non-ascertainable

READ20: We would now like to talk about the firm's most recent denied loan application. Think about the firm's most recent request for a loan or line of credit that was denied or turned down. Do not include renewals for lines of credit, applications for credit cards, requests for loans from owners, or trade credit with suppliers. Do not include applications that were withdrawn or that are still pending.

MRL23. For this most recent denial, what is the name of the institution or source where the firm applied? [SHOW ROSTER OF INSTITUTIONS.] **DROP**

INSTITUTION: _____ **U SET DENIED INSTITUTION FLAG**

ADDED: MRDNUM = INSTITUTION NUMBER OF DENIED INSTITUTION

MRL24. For the most recent denial, what type of credit was applied for from (NAME2)? Was it a (READ LIST)?

- New Line of Credit 1
- Capital Lease 2
- Mortgage for Business Purposes 3
- Vehicle Loan for Business Purposes 4
- Equipment Loan 5
- Other Loan (Specify: _____) 6
- DK or RF DK or RF

MRL25. When did [FIRM] apply for the loan or new line of credit that was most recently denied?

MONTH: _____ YEAR: _____ **MRL25MO**
MRL25YR

MRL26. How long had [FIRM] conducted business with (NAME2) at the time of this most recent application?

MOVED TO MRLR26
MRLR26 IN MONTHS

IWER INFO: RESPONSE CAN BE ENTERED IN MONTHS AND YEARS. IF LESS THAN 1 MONTH, ENTER 1 MONTH AND 0 YEARS. IF [FIRM] NEVER DID BUSINESS WITH (NAME2), CODE 0 MONTHS AND 0 YEARS.

NUMBER: _____ IN: MONTHS YEARS
DK or RF DK or RF

RANGE CHECK: MRL26>=0

MRL27. What factors influenced the firm's decision to apply for credit from (NAME2)?

MOVED TO MRL27R1
MOVED TO MRL27R2
MOVED TO MRL27R3

SEE EXPANDED CODEFRAME FOR MRL27 ON PAGE 115

QUESTION BY QUESTION NOTES

- MRL28.** We are interested in how much money the firm applied for on its most recently denied application. Enter the total dollar amount. Only positive integer answers are allowed.
- MRL28.1** Try to get an estimate. We are interested in how much money the firm applied for on its most recently denied application. Enter the total dollar amount. Only positive integer answers are allowed.
- MRL29.** This question captures the official reasons that the loan was denied. We only want the official reasons given by the institution/source recorded here. The next question captures the reasons other than those officially reported.
- MRL30.** This question determines if the respondent believes there is a reason for a denied loan or line of credit other than those officially reported by the financial institution.
- MRL30.1** This question allows the respondent to tell us reasons for a denied loan or line of credit other than those officially reported by the financial institution.
- MRL31.**

MRL31.1**EXPANDED CODEFRAME FOR MRL29, MRL30_1, AND MRL31_1****/* Terms of loan sought */**

- 11 = Insufficient collateral or no guaranty available
- 12 = Loan too large
- 13 = Loan too small
- 14 = Size of loan (small vs. large n.a.)

/* Type of loan */

- 21 = Loan would overconcentrate inst. portfolio
- 22 = Institution doesn't like to make loans of this type

/* General reasons */

- 30 = Credit history, not otherwise specified
- 31 = Business credit history
- 32 = Personal credit history
- 33 = Poor balance sheet, financial situation
- 34 = Firm would fail institution's formula or guidelines
- 35 = Ability to renew questionable
- 36 = Firm not in business long enough

/* Characteristics of firm */

- 41 = Firm too small for institution, too few assets
- 42 = Large amount of outstanding loans
- 43 = Firm too highly leveraged, too little equity
- 44 = Firm too large
- 45 = Firm in decline or risky industry
- 46 = Bad fit between institution and firm
- 47 = Tax Lien, Judgements

/* Miscellaneous */

- 51 = Inability to audit account
- 52 = Insufficient time to process application
- 53 = Inadequate documentation provided

- 54 = Federal rules or regulations make loan difficult or impossible
- 55 = Conflict of interest for institution
- 56 = Tight credit markets generally

/* Institutional error or mistake */

- 61 = Institution would make a mistake
- 62 = Informational problem, fact blown out of proportion
- 63 = Arbitrariness
- 64 = Personality conflict
- 65 = Prejudice on racial/ethnic basis
- 66 = Prejudice against women
- 67 = Prejudice against business location
- 68 = Prejudice against business type
- 69 = Prejudice or discrimination (not-specified or other)

/* Other reasons to anticipate turnaround */

- 71 = Experience with previous loan applications
- 72 = Banks don't loan to (small) business

/* Problem responses */

- 01 = Answered
- 94 = Same as previous
- 95 = No particular reason
- 97 = Other
- 98 = Non-ascertainable
- T = Don't know
- R = Refuse
- S = Legitimate skip

MRL28. For this most recent denial, what was the total dollar amount for which the firm applied?

AMOUNT: \$ _____
DK or RF DK or RF

GO TO MRL29

MRL28.1 Could you give an estimate?

COLLAPSED TO MRL28

AMOUNT: \$ _____
DK or RF DK or RF

RANGE CHECK: POSITIVE INTEGER RESPONSE FOR MRL28 AND MRL28.1

MRL29. For this application, what official reasons did (NAME2) give for denying the firm's application?

MOVED TO MRL29R1
MOVED TO MRL29R2
MOVED TO MRL29R3

SEE EXPANDED CODEFRAME FOR MRL29 ON PAGE 117

MRL30. Do you think there were any other reasons that the application was turned down?

YES 1
NO 2
DK or RF DK or RF

GO TO MRL31
GO TO MRL31

MRL30.1 What were they?

MOVED TO MRL30R1
MOVED TO MRL30R1
MOVED TO MRL30R1

SEE EXPANDED CODEFRAME FOR MRL30_1 ON PAGE 117

MRL31. During the last three years, were there times when the firm needed credit, but did not apply because it thought the application would be turned down?

YES 1
NO 2
DK or RF DK or RF

GO TO SECTION G
GO TO SECTION G

MRL31.1 Why did you think the firm would have been turned down?

MOVED TO MRL31R1
MOVED TO MRL31R1
MOVED TO MRL31R1

SEE EXPANDED CODEFRAME FOR MRL31_1 ON PAGE 117

QUESTION BY QUESTION NOTES

- G1.** Determines if the business used a financial institution or other source to (1) obtain cash in the form of currency and coin needed to conduct daily business such as making change on cash payments for goods or services and making refunds, (2) take the firm's credit card receipts, collect the funds from the credit card company, and credit the firm's account with the receipts, (3) deposit cash, checks, and other valuables at an institution overnight, or (4) make an interbank transfer of funds over the telephone.

If the respondent does not understand the question, then read the prompt.

- G2.** This question determines if the firm has financial services at institutions previously mentioned in the interview. If yes, select those institutions.

- G2.1** Enter the names of the new institutions/sources that are mentioned for financial services. Try to capture as full a name as possible. For some institutions, the respondent will have started the business with the institution under one name, and because of a merger or acquisition, the institution will currently have a different name. As a general rule, obtain the current name of the institution.

Subsection G. USE OF OTHER FINANCIAL SERVICES

READ21: The next questions are about financial services other than loans and checking and savings accounts.

G1. The first services we'll ask about are related to business transactions. These services include obtaining paper money or coins, depositing or clearing checks or drafts from business customers, processing credit card receipts, and making night deposits or wire transfers. During (1998/the fiscal year ending [DATE]), did [FIRM] obtain any of these services from a financial institution or other source?

PROMPT: Paper money and coins includes change for retail or wholesale operations.
Credit card receipt processing would be used only by a firm that accepts credit cards. Institutions providing this service take the firm's credit card receipts, collect the funds from the credit card company, and credit the firm's account with the receipts.
Night depository allows a firm to deposit cash, checks, and other valuables at an institution overnight.
A wire transfer is an interbank transfer of funds by telephone.

PROMPT: WORKSHEET SIDE 1 SECTION J

YES	.....	1		
NO	.....	2	û	GO TO G3
DK or RF	.....	DK or RF	û	GO TO G3

G2. Did the firm use any of these transaction services at (READ EACH NAME ON ROSTER)? **DROP**

IWER INFO: SET "TRANSACTION SERVICE" FLAGS.

G2.1 At what other institutions did the firm use any of these transaction services during (1998/the fiscal year ending [DATE])? **DROP**

IWER INFO: RECORD SOURCE NAMES ON ROSTER AND SET "TRANSACTION SERVICE" FLAGS.

QUESTION BY QUESTION NOTES

- G3.** Cash management services are designed to move excess checking account balances automatically into highly liquid, interest-bearing investments - such as money market accounts or short-term CDs. Sweep accounts and zero-balance accounts are two types of cash management services provided by banks. Such services may also involve lines of credit. Lock boxes handle customer payments - the firm's customers send payments to a post office box and the institution/source collects the payments, processes them, and deposits the funds in the firm's account.

If the respondent does not understand cash management services, then read the PROMPT.

- G4.** This question determines if the firm has cash management services at institutions previously mentioned in the interview. If yes, select those institutions.
- G4.1** Enter the names of the new institutions/sources that are mentioned for cash management services. Try to capture as full a name as possible. For some institutions, the respondent will have started the business with the institution under one name, and because of a merger or acquisition, the institution will currently have a different name. As a general rule, obtain the current name of the institution.

G3. The next services we'll ask about are related to cash management. During (1998/the fiscal year ending [DATE]), did [FIRM] use a financial institution or other source for cash management services, sweep or zero balance accounts, or lock box services?

PROMPT: Cash management services provide for excess checking account balances to be automatically invested in liquid, interest-bearing assets such as money market accounts or short-term certificates of deposit.
A sweep account moves available funds in the account into overnight investments.
A zero balance account maintains a zero balance. When funds are drawn against the account, the exact amount is transferred into the account from a cash management account.
Lock box services handle customer payments: The firm's customers send payments to a post office box, and the institution collects the payments, processes them, and deposits the funds in the firm's account.

PROMPT: WORKSHEET SIDE 1 SECTION J

YES	.....	1		
NO	.....	2	û	GO TO G5
DK or RF	.....	DK or RF	û	GO TO G5

G4. Did the firm use any of these cash management services at (READ EACH NAME ON ROSTER)?

DROP

IWER INFO: SET "CASH MANAGEMENT SERVICE" FLAGS.

G4.1 At what other institutions did the firm use any of these cash management services during (1998/the fiscal year ending [DATE])?

DROP

IWER INFO: RECORD SOURCE NAMES ON ROSTER AND SET "CASH MANAGEMENT SERVICE" FLAGS.

QUESTION BY QUESTION NOTES

- G5.** Letters of credit and bankers acceptances are instruments designed to facilitate trade. With these instruments, a financial institution guarantees payment to a third party, thereby substituting the financial institution's credit for its customer's credit. Letters of credit and banker's acceptances are not loans. The financial institution does not collect funds from its customers until the third party draws against these instruments.

A letter of credit is issued by a financial institution on behalf of its customer (e.g., a firm buying inventory) in favor of a third party (e.g., the supplier). There are two types of letters of credit: (1) commercial letters of credit (also known as import letters of credit), which are related to specific purchases of merchandise; and (2) standby letters of credit, which are not tied to specific purchases but instead represent a source of funds that is available if needed.

A banker's acceptance is a draft or order to pay a specific amount of money on a specified date that is accepted by a financial institution. By accepting the draft, the financial institution indicates its commitment to honor the draft at face value at maturity. Banker's acceptances are tied to specific purchases of goods. Maturities on banker's acceptances range from 30 to 180 days.

Factoring and sales financing are the purchase of a firm's accounts receivable at a discount. Factoring and sales financing may also include management of a firm's accounts receivable, including billing and tracking payments.

If the respondent does not understand this question, then read the PROMPT.

- G6.** This question determines if the firm has credit services at institutions previously mentioned in the interview. If yes, select those institutions.

- G6.1** Enter the names of the new institutions/sources that are mentioned for credit services. Try to capture as full a name as possible. For some institutions, the respondent will have started the business with the institution under one name, and because of a merger or acquisition, the institution will currently have a different name. As a general rule, obtain the current name of the institution.

G5. The next services we'll ask about are related to credit. During (1998/the fiscal year ending [DATE]), did [FIRM] use bankers acceptances, letters of credit, sales financing, or factoring?

PROMPT: A bankers acceptance is an order to pay a specific amount of money on a specified date that has been accepted by a financial institution. Bankers acceptances are tied to specific purchases of goods. Letters of credit essentially substitute the credit of a third party (usually a large bank) for that of a borrower. Sales financing and Factoring are the purchase of a firm's accounts receivable at a discount.

PROMPT: WORKSHEET SIDE 1 SECTION J

YES	.....	1		
NO	.....	2	U	GO TO G7
DK or RF	.....	DK or RF	U	GO TO G7

G6. Did the firm use any of these credit related services at (READ EACH NAME ON ROSTER)?

DROP

IWER INFO: SET "CREDIT RELATED SERVICE" FLAGS.

G6.1 At what other institutions did the firm use any of these credit related services during (1998/the fiscal year ending [DATE])?

DROP

IWER INFO: RECORD SOURCE NAMES ON ROSTER AND SET "CREDIT RELATED SERVICE" FLAGS.

QUESTION BY QUESTION NOTES

- G7.** If the respondent does not understand the question, then read the PROMPT. Personal trusts or personal IRAs should not be included. We are interested only in those services provided to the firm.
- G8** This question determines if the firm has trust services at institutions previously mentioned in the interview. If yes, select those institutions.
- G8.1** Enter the names of the new institutions/sources that are mentioned for trust services. Try to capture as full a name as possible. For some institutions, the respondent will have started the business with the institution under one name, and because of a merger or acquisition, the institution will currently have a different name. As a general rule, obtain the current name of the institution.

G7. The next services we'll ask about are related to trusts. During (1998/the fiscal year ending [DATE]), did [FIRM] use a financial institution or other source to manage 401K plans, pension funds, business trusts, or to obtain securities safekeeping services?

PROMPT: A 401(k) plan is a retirement plan created and administered by the firm.
A pension fund controls assets and disburses the income to people after they have retired from gainful employment.
A business trust is a service rendered by a trust company or the trust department of a bank including settlement of estates and administration of trusts and guardianships.
Securities safekeeping is a service in which the institution retains securities and checks until they are sold or cashed by the firm.

PROMPT: WORKSHEET SIDE 1 SECTION J

YES 1
NO 2 GO TO G9
DK or RF DK or RF GO TO G9

G8. Did the firm use any of these trust services at (READ EACH NAME ON ROSTER)? **DROP**

IWER INFO: SET "TRUST SERVICE" FLAGS.

G8.1 At what other institutions did the firm use any of these trust services during (1998/the fiscal year ending [DATE])? **DROP**

IWER INFO: RECORD SOURCE NAMES ON ROSTER AND SET "TRUST SERVICE" FLAGS.

QUESTION BY QUESTION NOTES

- G9.** If the respondent does not understand brokerage services, then read the PROMPT.
- G10.** This question determines if the firm has brokerage services at institutions previously mentioned in the interview. If yes, select those institutions.
- G10.1** Enter the names of the new institutions/sources that are mentioned for brokerage services. Try to capture as full a name as possible. For some institutions, the respondent will have started the business with the institution under one name, and because of a merger or acquisition, the institution will currently have a different name. As a general rule, obtain the current name of the institution.

G9. The last services we'll ask about are related to brokerages. During (1998/the fiscal year ending [DATE]), did [FIRM] use brokerage services for business purposes?

PROMPT: Brokerage services involve the purchase and sale of stocks, bonds, and other securities.

PROMPT: WORKSHEET SIDE 1 SECTION J

YES	.....	1	
NO	.....	2	⊖ GO TO SECTION H
DK or RF	.....	DK or RF	⊖ GO TO SECTION H

G10. Did the firm use any of these brokerage services at (READ EACH NAME ON ROSTER)? **DROP**

IWER INFO: SET "BROKERAGE SERVICE" FLAGS.

G10.1 At what other institutions did the firm use any of these brokerage services during (1998/the fiscal year ending [DATE])? **DROP**

IWER INFO: RECORD SOURCE NAMES ON ROSTER AND SET "BROKERAGE SERVICE" FLAGS.

QUESTION BY QUESTION NOTES

- H1.** Of all the financial institutions and other sources of financing listed to this point, we want to know which one the respondent considers to be the firm's main or primary supplier of financial services. Enter the code corresponding to the named institution or source.

Subsection H. RELATIONSHIPS WITH FINANCIAL INSTITUTIONS**PROGRAMMER AND USER NOTES**

This section collects information on the firm's primary institution (question H1), the denied loan institution (section MRL), the approved loan institution (section MRL), and up to five other institutions/sources. Always collect information on:

- 1) THE PRIMARY INSTITUTION/SOURCE (QUESTION H1)
- 2) THE APPROVED LOAN INSTITUTION (QUESTION MRL5)
- 3) THE DENIED LOAN INSTITUTION (QUESTION MRL23)

For institutions other than the primary, approved, and denied institution, identify using the following priority levels:

- 4) INSTITUTIONS/SOURCES WITH CHECKING/SAVINGS, LOANS, & OTHER SERVICES
- 5) INSTITUTIONS/SOURCES WITH CHECKING/SAVINGS & LOANS
- 6) INSTITUTIONS/SOURCES WITH OTHER SERVICES & LOANS
- 7) INSTITUTIONS/SOURCES WITH LOANS ONLY
- 8) INSTITUTIONS/SOURCES WITH CHECKING/SAVINGS & OTHER SERVICES
- 9) INSTITUTIONS/SOURCES WITH CHECKING/SAVINGS
- 10) INSTITUTIONS /SOURCES WITH OTHER SERVICES

H2-H8 are to be completed for up to eight institutions/sources.

Loans from owners/partners do not count as financial services. Therefore, they do not affect the prioritization process.

SKIP35

IF FIRM USED NO FINANCIAL INSTITUTIONS/SOURCES	⊖	GO TO SECTION L
IF FIRM USED ONLY ONE FINANCIAL INSTITUTION/SOURCE, AUTOMATICALLY FILL IN H1 AND	⊖	GO TO READ22
IF FIRM USED MORE THAN ONE FINANCIAL INSTITUTION/SOURCE	⊖	GO TO H1

H1. We have discussed the following institutions and sources of financial services: (READ NAMES ON ROSTER). Which of these was the firm's primary source of financial services?

PROMPT: Choose the one that you consider to be the firm's most important source of financial services.

**MOVED TO H1R 1
ADDED H1R 2-H1R 8**

INSTITUTION: _____

QUESTION BY QUESTION NOTES

- H2.** Determines the type of financial institution or other financial service supplier. Types will include banks, but may also include other business firms and individuals. Sometimes the name of the institution will help identify the type of institution. Here are some general rules:

Banks can be savings banks or commercial banks. Often the name of savings banks will contain “MSB,” or “mutual savings bank” or “FSB” or “Federal Savings Bank” (Code=2).

Any institution that has “NA” at the end of its name, or “National Association” is a commercial bank. But there are also commercial banks which do not have “NA” in their names (Code=1).

Savings and Loan Associations will generally have this phrase in their name, or their name may contain the abbreviation “S&L”(Code=3).

Credit unions often contain the phrase “Credit Union” or “Federal Credit Union” in their names (Code=4).

Loans from government agencies, including state or city agencies are considered government loans (Code = 13). Any loan from the Small Business Administration (or SBA) is a government loan.

If in doubt, use other type (Code=14) and fill in verbatim other specify response.

- H3.** Record verbatim all the factors that influenced the firm’s decision to obtain the listed services from the named institution/source.

EXPANDED CODEFRAME FOR H2 1 - H2 8
(ALSO IN ITYPE1-ITYPE20)

What type of institution or source is (name)?

1 Commercial Bank

2 Savinex Bank

3 Savings and Loan Association

4 Credit Union

5 Finance Company

6 Insurance Company

7 Brokerage or Mutual Fund Company

8 Leasing Company

9 Mortgage Company

10 Venture Capital Firm or Small Business

Investment Company

11 Other Business Firm

12 Family or Other Individual

13 Government Agency (includes SBA)

14 Other Type

15 Supplier Firm

16 Credit Card Processing

17 Check Clearing

18 Factoring

19 Owner, Himself or Herself

20 401K/Retirement

21 Consolidated/Composite Institution

READ22: The next questions are about the characteristics of the financial institutions or sources of financing used by [FIRM].

Characteristics of Financial Institutions/sources

READ23: [First/Next] let's discuss (NAME).

H2_(1-8) What type of institution or source is (NAME)? **MOVED TO ITYPE1-ITYPE20**

PROMPT, IF NEEDED: Is it a . . . READ ONLY IF NECESSARY:

PROMPT: Generally, American Express should be classified as a finance company.

Commercial bank	1
Savings bank	2
Savings and loan association	3
Credit union	4
Finance company	5
Insurance company	6
Brokerage or mutual fund company	7
Leasing company	8
Mortgage bank	9
Venture capital firm or SBIC (Small Business Investment Company)	10
Other business firm	11
Family or other individuals	12
Government agency (includes Small Business Administration)	13
Other type	14

READ: Please specify _____

DK or RF _____ DK or RF

SEE EXPANDED CODEFRAME FOR H2_1-H2_8 ON PAGE 131

H3_(1-8) I have recorded that the firm used (NAME) for the following services: (READ LIST OF SERVICES). What factors influenced the firm's decision to use this source?

MOVED TO H3R1 (1-8) (DROP) ALSO MOVED TO IH3A1-IH3A20
H3R2 (1-8) (DROP) IH3B1-IH3B20
H3R3 (1-8) (DROP) IH3C1-IH3C20

SEE EXPANDED CODEFRAME IN APPENDIX D.

QUESTION BY QUESTION NOTES

- H4.** Enter the length of time the firm has done business with the institution/source. Only nonnegative integer answers allowed.

This question allows an answer in both months and years. You may code 0-999 months and 0-99 years. You must enter whole numbers only. For example, an answer of one and a half years may be entered as 6 months and 1 year or 18 months and 0 years.

If the respondent volunteers that initially the firm did business with one institution, which was recently acquired or merged with another, instruct the respondent to report the length of time the firm has done business with the institution under its current name.

- H4.1** Try to get the respondent to select a range of years the firm has done business with the institution/source. If the respondent volunteers that initially the firm did business with one institution, which was recently acquired or merged with another, instruct the respondent to report the length of time the firm has done business with the institution under its current name.

- H5.** Enter the city, state, and ZIP code of the location of the office or branch most frequently used by the firm. The question requires the full city's name, the 2 letter postal abbreviation for the state, and the complete 5 digit zip code.

H5.1

H4_(1-8) For how long has [FIRM] conducted business with (NAME) (under its current name)?

MOVED TO H4 (1-8) (DROP) ALSO MOVED TO IMONSI-IMONS?

IWER INFO: IF R NO LONGER CONDUCTS BUSINESS WITH APPROVED OR DENIED INSTITUTION, CODE ZERO MONTHS AND ZERO YEARS.

IWER INFO: IF R CONDUCTS BUSINESS WITH INSTITUTION, BUT LESS THAN ONE MONTH, CODE 1 MONTH AND ZERO YEARS.

NUMBER: _____ IN: MONTHS YEARS **GO TO READ24**
DK or RF DK or RF

H4 (1-8) = TOTAL NUMBER OF MONTHS

RANGE CHECK: NUMBER >= 0

H4.1_(1-8) Can you please tell me approximately how many years [FIRM] has conducted business with (NAME). Has it been...

COLLAPSED TO H4 (1-8)

Less than 1 year	1	0
1-3 years	2	2
4-6 years	3	5
7-9 years	4	8
10-15 years	5	13
More than 15 years	6	16
DK or RF	DK or RF	

Location Used Most Frequently

READ24: Think of the office or branch of (NAME) that the firm used most frequently during (1998/the fiscal year ending [DATE]).

H5_(1-8) What is the city, state, and ZIP Code for this office or branch? **CONFIDENTIAL**

CITY: **H5CT (1-8)** STATE: **H5ST (1-8)** ZIP: **H5ZIP (1-8)**

SKIP36	
IF ZIP IS UNKNOWN, DK or RF	<input type="checkbox"/> GO TO H5.1
IF ZIP IS FILLED	<input type="checkbox"/> GO TO H6

H5.1_(1-8) What is the area code and telephone number for this office or branch? **DROP**

AREA CODE AND TELEPHONE NUMBER: (_____) - _____

QUESTION BY QUESTION NOTES

- H6.** This question determines if the office most frequently used for services is located in the same metropolitan area or county as the main office of the firm.
- H7.** Enter the mileage to the nearest mile. If less than half a mile, then enter "0". The valid entry range is 0 to 100.
- H7.1** If the respondent doesn't know, then an approximation is fine.
- H8.** We want to know the "most frequent" method of conducting business, not "all that apply." In the event of a tie, ask respondent to choose one method. If respondent cannot pick a single method, check "other" and fill in other specify verbatim.

EXPANDED CODEFRAME FOR H8 (1-8) AND IMETH1-IMETH2**What was the most frequent method of conducting business with this office or branch?**

- 1. In person**
 - 2. By telephone**
 - 3. By mail**
 - 4. Direct withdrawal or wire**
 - 5. Through an ATM**
 - 6. Use of a personal computer or the internet**
 - 7. Other**
-
- 11. Fax**
 - 12. Electronically, not otherwise specified**
 - 13. Visit from financial source's representative**
 - 14. Courier pick up, armour car**
 - 15. Via Check or credit card**
 - 16. Through another firm**
-
- 95. All methods, not otherwise specified**
 - 96. Never did use institution (e.g., loan application only)**
 - 97. No longer use institution**
 - 98. Not ascertainable**

Notes: 1. night depository, drive up window coded as in person
2. for multiple reasons, first reason mentioned coded as most frequent method

H6_(1-8) IWER INFO: IF OFFICE IN SAME CITY AS FIRM, CODE "YES" WITHOUT ASKING.
 OTHERWISE: **MOVED TO ISAME1-ISAME20**

Is this office located in the same metropolitan area or county as the main office of [FIRM]?

- YES 1
- NO 2 GO TO H8
- DK or RF DK or RF
- FOREIGN BANK -3**

H7_(1-8) Approximately how many miles from the main office of the firm is this office or branch of
 (NAME)? **MOVED TO IDIST1-IDIST20**

- MILES: _____ GO TO H8
- DK OR RF DK or RF

SOFT RANGE CHECK: MILES >= 0 AND <= 100
RANGE CHECK: MILES >= 0 AND <= 250

H7.1_(1-8) Is it...

- | | | |
|-----------------------|----------|------------------------------|
| | | COLLAPSED TO H7_(1-8) |
| Between 0 and 5 miles | 1 | 3 |
| 6 - 10 miles | 2 | 2 |
| 11 - 15 miles | 3 | 13 |
| 16 - 20 miles | 4 | 18 |
| 21 and 40 miles | 5 | 20 |
| 41 and 60 miles | 6 | 50 |
| 61 and 80 miles | 7 | 70 |
| 81 and 100 miles | 8 | 90 |
| More than 100 miles | 9 | 101 |
| DK or RF | DK or RF | |

H8_(1-8) What was the most frequent method of conducting business with this office or branch? Was it in person, by telephone, by mail or wire, through an ATM, through a personal computer, or something else? **MOVED TO IMETH1-IMETH20**

- IN PERSON 1
- BY TELEPHONE 2
- BY MAIL 3
- DIRECT WITHDRAWAL OR WIRE 4
- THROUGH AN ATM 5
- USE OF A PERSONAL COMPUTER OR THE INTERNET 6
- OTHER 7
- READ: Please specify _____
- DK or RF DK or RF

SEE EXPANDED CODEFRAME FOR H8_(1-8) ON PAGE 135

GO TO READ23 FOR NEXT INSTITUTION/SOURCE OR, IF DONE, GO TO SECTION L

QUESTION BY QUESTION NOTES

- L1.** Trade credit arises when purchases are made from suppliers and payment of the bill is required after delivery (rather than before or at time of delivery). Such purchases are sometimes called purchases on account.
- Unlike other forms of credit (such as bank loans), trade credit usually does not involve a promissory note or loan contract signed by the borrower.
- L2.** This will be the respondent's best estimate for the firm. Have the respondent think of the total dollar amount of purchases the firm made in the specified year for raw materials, equipment and supplies, goods, etc. Then have the respondent think what percent of all these purchases was made on account. Enter the response to the nearest whole percent. The valid entry range is 1 to 100.
- L2.1** Try to get an estimate. Have the respondent think of the total dollar amount of purchases the firm made in the specified year for raw materials, equipment and supplies, goods, etc. Then have the respondent think what percent of all these purchases was made on account. Enter the response to the nearest whole percent. The valid entry range is 1 to 100.
- L3.** Enter the number of suppliers where the firm used trade credit to obtain supplies or services. Alternatively, ask the respondent how many suppliers during the year allowed the firm to obtain goods and services without making payment at the time the goods or services were delivered to the firm. Only positive integer answers are allowed.
- L3.1** Try to get an estimate. Enter the number of suppliers where the firm used trade credit to obtain supplies or services. Alternatively, ask the respondent how many suppliers during the year allowed the firm to obtain goods and services without making payment at the time the goods or services were delivered to the firm. Only positive integer answers are allowed.

Subsection L. TRADE CREDIT

READ25: The next questions are about the firm's use of trade credit. Trade credit refers to purchases on account with a supplier.

L1. During (1998/the fiscal year ending [DATE]), did [FIRM] make any purchases of goods or services from suppliers on account rather than pay before or at the time of the delivery?

- YES 1
- NO 2 **GO TO L13**
- DK or RF DK or RF **GO TO L13**

L2. Think of the total dollar amount of all purchases made by the firm during (1998/the fiscal year ending [DATE]). What percentage of these purchases were made using trade credit?

- PERCENTAGE: _____ % **GO TO L3**
- DK or RF DK or RF

L2.1 Could you give an estimate?

COLLAPSED TO L2

- PERCENTAGE: _____ %
- DK or RF DK or RF

RANGE CHECK: L2 AND L2.1 PERCENTAGE > 0 AND <= 100

L3. From how many suppliers did [FIRM] make purchases using trade credit during (1998/the fiscal year ending [DATE])?

- NUMBER: _____
- DK or RF DK or RF

L3.1 Could you give an estimate?

COLLAPSED TO L3

- NUMBER: _____
- DK or RF DK or RF

SOFT RANGE CHECK: NUMBER >= 1 AND <= 999
RANGE CHECK: NUMBER >=1 AND <= 2000

QUESTION BY QUESTION NOTES

- L4.** In this question, we want to know for all the firm's purchases made on account, what percentage of the suppliers offered a cash discount if the bill was paid within a certain time period.

Read the PROMPT if the respondent indicates uncertainty about the meaning of cash discounts.

Cash discounts are usually given for payment of a bill within a few days of the delivery of goods and services – usually within 5, 10, or 15 days. Cash discounts are usually stated as a percent of the amount of the bill and will typically be one or two percent.

Cash discounts should not be confused with distributor discounts (discounts available only to the distributor trade, not to the general public) or quantity discounts (discounts given for large purchases).

- L4.1** Try to get an estimate. In this question, we want to know for all the firm's purchases made on account, what percentage of the suppliers offered a cash discount if the bill was paid within a certain time period.

Read the PROMPT if the respondent indicates uncertainty about the meaning of cash discounts.

Cash discounts are usually given for payment of a bill within a few days of the delivery of goods and services – usually within 5, 10, or 15 days. Cash discounts are usually stated as a percent of the amount of the bill and will typically be one or two percent.

Cash discounts should not be confused with distributor discounts (discounts available only to the distributor trade, not to the general public) or quantity discounts (discounts given for large purchases).

- L5.** In this question, the respondent must think only about those purchases made on account where a cash discount was offered. For example, if a firm made \$10,000 of purchases on account and cash discounts were offered on 60 percent (or \$6,000) of the purchases on account, then this question would refer to the \$6,000 of purchases on account where cash discounts were offered.

This question asks for the portion of those purchases on account where cash discounts were offered that the firm paid within the specified time period and received the discount.

- L5.1** Try to get an estimate. In this question, the respondent must think only about those purchases made on account where a cash discount was offered. For example, if a firm made \$10,000 of purchases on account and cash discounts were offered on 60 percent (or \$6,000) of the purchases on account, then this question would refer to the \$6,000 of purchases on account where cash discounts were offered.

This question asks for the portion of those purchases on account where cash discounts were offered that the firm paid within the specified time period and received the discount.

- L6.** This question refers to all purchases on account, not just those where cash discounts were offered. For example, if the terms of trade credit were 60 days (sometimes referred to as "net 60"), we want to know whether payments were ever made later than 60 days after delivery.

Some respondents may understand the terms "free credit period," "net credit period," or "after the due date." (In the example above, the free, net credit period, or after the due date is 60 days). This question asks whether payments were made after the end of the free or net credit period, or after the due date.

L4. What percentage of your suppliers offer cash discounts for prompt payment?

PROMPT: Typically, a discount is a specific percentage reduction in the amount of a bill if the bill is paid within a specific period of time.

PERCENTAGE: _____ % GO TO SKIP37
DK or RF DK or RF

L4.1 Could you give an estimate?

COLLAPSED TO L4

PERCENTAGE: _____ %
DK or RF DK or RF

RANGE CHECK: L4 AND L4.1 PERCENTAGE >= 0 AND <= 100

SKIP37
IF L4 = 0% OR L4.1 = 0% OR DK OR RF GO TO L6
ALL OTHER RESPONSES GO TO L5

L5. What percentage of the cash discounts offered did the firm take advantage of?

PERCENTAGE: _____ % GO TO L6
DK or RF DK or RF

L5.1 Could you give an estimate?

COLLAPSED TO L5

PERCENTAGE: _____ %
DK or RF DK or RF

RANGE CHECK: L5 AND L5.1 PERCENTAGE >= 0 AND <= 100

L6. During (1998/the fiscal year ending [DATE]), did the firm ever make payments on account after the bill was due in full?

YES 1
NO 2 GO TO READ26
DK or RF DK or RF GO TO READ26

QUESTION BY QUESTION NOTES

- L7.** Again, we want the portion of all purchases on account in percentages.
- L7.1** Try to get an estimate. Again, we want the portion of all purchases on account in percentages.
- L8.** In this question, we want to know for all the firm's purchases made on account, what percentage of the suppliers offered a cash discount if the bill was paid within a certain time period.

Read the PROMPT if the respondent indicates uncertainty about the meaning of cash discounts.

Cash discounts are usually given for payment of a bill within a few days of the delivery of goods and services – usually within 5, 10, or 15 days. Cash discounts are usually stated as a percent of the amount of the bill and will typically be one or two percent.

Cash discounts should not be confused with distributor discounts (discounts available only to the distributor trade, not to the general public) or quantity discounts (discounts given for large purchases).

- L9.** Typical discount periods are 5, 10, or 15 days. We are interested in the number of days after the delivery of goods where if payment is made, a discount is given. We do not want to know how long before the bill was “due in full,” which is referred to as the “due date.” If you get answers of more than 30 days, ask the respondent if this is the discount period or the time when the bill is due in full.
- L9.1** Try to get an estimate. Typical discount periods are 5, 10, or 15 days. We are interested in the number of days after the delivery of goods where if payment is made, a discount is given. We do not want to know how long before the bill was “due in full,” which is referred to as the “due date.” If you get answers of more than 30 days, ask the respondent if this is the discount period or the time when the bill is due in full.

L7. What percentage of the balances on account were made after the bill was due in full?

PERCENTAGE: _____ %
DK or RF DK or RF

GO TO READ26

L7.1 Could you give an estimate?

COLLAPSED TO L7

PERCENTAGE: _____ %
DK or RF DK or RF

RANGE CHECK: L7 AND L7.1 PERCENTAGE >0 AND <= 100

READ26: Now please think about the most important supplier that offered you trade credit during (1998/the fiscal year ending [DATE]).

SKIP38

**IF NO SUPPLIERS OFFER A DISCOUNT (L4 OR L4.1 = 0%)
OR DON'T KNOW (DK OR RF) GO TO L11**

ALL OTHERS (L4 OR L4.1 > 0%), CONTINUE GO TO L8

L8. Did this supplier offer a discount for early payments?

PROMPT: Sometimes suppliers will reduce the bill by 1 or 2 percent if the firm pays within a short period, such as 10 days, after delivery.

YES 1
NO 2 GO TO L11
DK or RF DK or RF GO TO L11

L9. How long was the discount period for early payment?

NUMBER OF DAYS: _____ GO TO L10
EX EX GO TO L10
DK or RF DK or RF

L9.1 Could you give an estimate?

COLLAPSED TO L9

NUMBER OF DAYS: _____
DK or RF or EX DK or RF or EX

RANGE CHECK: NUMBER OF DAYS >= 0 AND <= 15

QUESTION BY QUESTION NOTES

- L10.** The valid entry range is 0 to 5. Answers up to one decimal place required. If a respondent gives an answer greater than 5 percent, use the exception code and procedure.
- L10.1** Try to get an estimate. The valid entry range is 0 to 5. Answers up to one decimal place required. If a respondent gives an answer greater than 5 percent, use the exception code and procedure.
- L11.** This period is typically 30, 60, 90, or 180 days. After that time, a supplier will generally charge interest on the balance due and the firm would be late on its repayment.
- L12.** The valid entry range is 0 to 5. Answers up to one decimal place required.

If the rate reported is greater than 5%, it is likely the respondent is giving you an annual rate, not a monthly rate. This question asks for monthly interest rate charges, not for annual percentage rates (APR). An effective monthly interest rate is 1/12 the APR. An annual percentage rate (APR) of, say 18%, would be a 1.5% monthly interest rate.

NOTE: If respondent gives an answer that is greater than 5%, then use the exception code and procedure.

- L12.1** Try to get an estimate. The valid entry range is 0 to 5. Answers up to one decimal place required.

If the rate reported is greater than 5%, it is likely the respondent is giving you an annual rate, not a monthly rate. This question asks for monthly interest rate charges, not for annual percentage rates (APR). An effective monthly interest rate is 1/12 the APR. An annual percentage rate (APR) of, say 18%, would be a 1.5% monthly interest rate.

NOTE: If respondent gives an answer that is greater than 5%, then use the exception code and procedure.

MODIFIED CODEFRAME FOR L11**How long was it before the bill was due in full?****1: Cash on delivery/zero days****2: 1-7 days****3: 8-10 days****4: 11-14 days****5: 15 days****6: 16-20 days****7: 21-30 days****8: 31-45 days****9: 46-60 days****10: 61-90 days****11: More than 90 days****.S: Inapplicable****NOTES:****If answer variable, depends on supplier, etc., coded .D.****If answer two values, e.g., 7 or 30 days, pick midpoint (17.5) and code to that value (6 in this case)****If no due date, code as more than 90 days (11)**

L10. What was the percentage discount for early payment?

PERCENTAGE: _____%
EX EX
DK or RF DK or RF

U GO TO L11
U GO TO L11

L10.1 Could you give an estimate?

COLLAPSED TO L10

PERCENTAGE: _____%
DK or RF or EX DK or RF or EX

RANGE CHECK: PERCENTAGE >=0 AND <= 5

L11. How long after the invoice date was the bill due in full?

SEE NEW CODEFRAME FOR L11 ON PAGE 143

PROMPT: How long was the period before the supplier would assess a penalty for late payment?

IWER INFO: IF R GIVES A RANGE OF DAYS, CODE THE LARGER NUMBER

- CASH ON DELIVERY/DUE ON RECEIPT/ZERO DAYS 1
- 7 DAYS/1 WEEK 2
- 10 DAYS 3
- 14 DAYS/2 WEEKS 4
- 15 DAYS 5
- 20 DAYS 6
- 30 DAYS 7
- 45 DAYS 8
- 60 DAYS 9
- 90 DAYS 10
- OTHER 11

U READ: Please specify _____

DK or RF DK or RF

L12. What was the monthly penalty, if any, for paying after this due date?

PROMPT: Penalty charges are typically 1 or 2 percent per month on the unpaid balance.

PERCENTAGE: _____%
EX EX
DK or RF DK or RF

U GO TO L13
U GO TO L13

L12.1 Could you give an estimate?

COLLAPSED TO L12

PERCENTAGE: _____%
DK or RF or EX DK or RF or EX

RANGE CHECK: PERCENTAGE >= 0 AND <= 5

QUESTION BY QUESTION NOTES

L13.

L14. Record verbatim response.

EXPANDED CODEFRAME FOR L14**Why did the supplier turn down the request?****/* Reason not disclosed or vague */****1 Reason not disclosed by trade-credit firm****2 Only reasons given were vague****/* Terms of loan sought */****11 Insufficient collateral offered****12 Loan too large****13 Loan too small****14 Loan size (small vs. large n.a.)****/* Reasons related to lender's preferences */****21 Loan would overconcentrate institution portfolio****22 Institution doesn't like to make loans of this type****/* General reasons */****30 Credit history, not otherwise ascertainable****31 Business credit history****32 Personal credit history****33 Poor balance sheet, financial performance****34 Firm failed trade credit firm's formula or guidelines****35 Ability to repay questioned— non-specific****36 Firm not on business long enough****37 Tax lien, judgements****/* Characteristics of firm */****41 Firm too small for trade credit, too few assets****42 Large amount of outstanding loans****43 Firm too highly leveraged, too little equity****45 Firm in declining, or risky industry****46 Bad fit between firm and trade credit supplier****/* Miscellaneous */****51 Inability to audit account, firm too far away****52 Insufficient time to process application****53 Inadequate documentation provided****54 Federal regulators make loan difficult or impossible****55 Conflict of interest for institution****56 Tight credit markets generally****/* Institutional error or prejudice */****61 Trade credit firm made a mistake****62 Informational problem, fact blown out of proportion****63 Arbitrariness****64 Personality conflict****65 Prejudice on racial or ethnic basis****66 Prejudice against women****67 Prejudice against business location****68 Prejudice against business type****69 Prejudice or discrimination (not-specified or other)****/* Trade-credit specific problems */****71 Trade credit firm is in bankruptcy****72 Firm was previously late on account****73 One-time transactions inelible for trade credit****74 Must establish relationship first****75 No Dun and Bradstreet listing****76 No new trade credit accounts****77 Volume of purchases too low****78 Firm can't meet payment requirements, C.O.D.****/* Problem responses */****96 Don't usually grant trade credit (delete)****97 Other****98 Non-ascertainable****D Don't know****R Refused to answer****X Exception**

L13. Has any supplier that offers trade credit to business customers denied a request by your firm for trade credit?

YES 1
 NO 2
 DK or RF DK or RF

⓪ GO TO SECTION M
 ⓪ GO TO SECTION M

L14. Why did the supplier turn down the request?

SEE EXPANDED CODEFRAME FOR L14 ON PAGE 145 **MOVED TO L14R1**

L14R2
L14R3

QUESTION BY QUESTION NOTES

- M1. Equity investments provide the investor with an ownership interest in the firm while providing the firm with cash or some other asset. Do not include any funds that the firm obtained from loans, or that must be repaid at some future date.
- M2. Only positive integer answers allowed
- M2.1 Try to get an estimate. Only positive integer answers are allowed.
- M3. New equity is sometimes targeted for specific uses, such as purchasing equipment, providing additional working capital (cash), acquiring other firms, and expansion. Enter appropriate response.

EXPANDED CODEFRAME FORM 3 and M6:**EQUITY-PRIMARY USE****What was the primary use of this additional equity capital?**

- 1: Working capital**
- 2: Motor vehicles**
- 3: Other equipment or machinery**
- 4: Leasehold improvements**
- 5: Land and buildings**
- 6: Furniture and fixtures**
- 7: Inventory accumulation**
- 8: Debt relief (other than refinancing)**
- 9: Refinancing**
- 10: Taxes owed**
- 11: Business expansion, acquisition**
- 12: Multiple uses**
- 13: Other not elsewhere classified**
- .S: Inapplicable**

Subsection M. NEW EQUITY INVESTMENTS IN THE FIRM

READ27: The next questions are about any equity invested in the firm during the last year. Equity investments provide the investor with an ownership interest in the firm while providing the firm with cash or some other asset. Do not include any funds that the firm obtained from loans, or that must be repaid at some future date.

M1. During (1998/the fiscal year ending [DATE]), did [FIRM] obtain additional equity capital from existing owners, new or existing partners, or existing shareholders?

PROMPT: Retained earnings do not count as new equity. Retained earnings will be recorded later when we discuss equity.

- YES 1
- NO 2 GO TO SKIP39
- DK or RF DK or RF GO TO SKIP39

M2. How much additional equity capital did the firm obtain?

AMOUNT: \$ _____ GO TO M3
 DK or RF DK or RF

M2.1 Could you give an estimate? **COLLAPSED TO M2**

AMOUNT: \$ _____
 DK or RF DK or RF

RANGE CHECK: M2 and M2.1 MUST BE A POSITIVE INTEGER NUMBER

M3. What was the primary use of this additional equity capital?

SEE EXPANDED CODEFRAME FOR M3 ON PAGE 147

- Working capital 1
- Motor vehicle loans 2
- Other equipment or machinery 3
- Leasehold improvements 4
- Land and buildings 5
- Other specify: _____ 6
- DK or RF DK or RF

SKIP39

IF PROPRIETORSHIP OR PARTNERSHIP, B3 = 1, 2, 3, 7 or 9 GO TO SECTION III, P

IF C-CORPORATION OR S-CORPORATION, B3 = 4, 5, 6, 8 GO TO M4

QUESTION BY QUESTION NOTES

- M4.** Equity investments provide the investor with an ownership interest in the firm while providing the firm with cash or some other asset. Do not include any funds that the firm obtained from loans, or that must be repaid at some future date.
- M5.** Only positive integer answers allowed.
- M5.1** Try to get an estimate. Only positive integer answers allowed
- M6.** New equity is sometimes targeted for specific uses, such as purchasing equipment, providing additional working capital (cash), acquiring other firms, and expansion. Enter appropriate response.

EXPANDED CODEFRAME FORM 3 and M6:**EQUITY-PRIMARY USE****What was the primary use of this additional equity capital?**

- 1: Working capital**
- 2: Motor vehicles**
- 3: Other equipment or machinery**
- 4: Leasehold improvements**
- 5: Land and buildings**
- 6: Furniture and fixtures**
- 7: Inventory accumulation**
- 8: Debt relief (other than refinancing)**
- 9: Refinancing**
- 10: Taxes owed**
- 11: Business expansion, acquisition**
- 12: Multiple uses**
- 13: Other not elsewhere classified**
- .S: Inapplicable**

S-Corporations and C-Corporations

M4. During (1998/the fiscal year ending [DATE]), did [FIRM] obtain additional equity capital from sources other than existing shareholders excluding retained earnings?

PROMPT: Equity investments entail the transfer of common or preferred stock from the firm to the investor in exchange for cash or some other asset.

PROMPT: Equity includes common stock, preferred stock, convertible preferred stock, subordinated debt with warrants, and convertible subordinated debt.

YES 1
 NO 2 **U GO TO SECTION P**
 DK or RF DK or RF **U GO TO SECTION P**

M5. What was the dollar amount of this additional equity capital raised from sources other than existing shareholders?

AMOUNT: \$ _____ **U GO TO M6**
 DK or RF DK or RF

M5.1 Could you give an estimate? **COLLAPSED TO M5**

AMOUNT: \$ _____
 DK or RF DK or RF

RANGE CHECK: M5 and M5.1 MUST BE A POSITIVE INTEGER NUMBER

M6. What was the primary use of the equity capital?

EXPANDED CODEFRAME FOR M6 CAN BE FOUND ON 149

Working capital 1
 Motor vehicle loans 2
 Other equipment or machinery 3
 Leasehold improvements 4
 Land and buildings 5
 Other (specify: _____) ... 6
 DK or RF DK or RF

QUESTION BY QUESTION NOTES

M7.

M7. Did the firm raise equity from...

1) Informal investors not related to management? 1 **MOVED TO M7 1 1=YES; 2=NO**

PROMPT: "Informal" investors not related to management refer generally to individual investors, often local business persons who may have business experience in related ventures.

2) A venture capital firm? 2 **M7 2 1=YES; 2=NO**

PROMPT: A venture capital firm specializes in providing equity financing and managerial expertise to new and growing businesses.

3) Public equity? 3 **M7 3 1=YES; 2=NO**

PROMPT: Public equity refers to shares of the firm sold to the public, rather than to a specific group of investors or firms. Generally, these public offerings use an investment bank to sell the new equity shares. These stock sales are sometimes referred to as "public offerings" or "initial public offerings."

4) Another source? Please specify:_____ 4 **M7 4 1=YES; 2=NO**

DK or RF DK or RF

QUESTION BY QUESTION NOTES

- P1.** This question is trying to identify firms that operated for less than a year, including firms that just started, were acquired or purchased during the 1998 fiscal year. For newly started/acquired/purchased firms, the tax records may only cover part of the fiscal year.
- P1.1** Record the month, day and year of the beginning of the fiscal year. Month and day should be two-digit numbers and year should be four digits.

SECTION III: INCOME AND EXPENSES

Subsection P. INCOME AND EXPENSES

SKIP40	
IF USING WORKSHEET, N1 = 2	<input type="checkbox"/> GO TO READ28a
ALL OTHERS	<input type="checkbox"/> GO TO READ28b

READ28a: Now I'd like to ask about the firm's income and expenses during (1998/the fiscal year ending [DATE]). I need dollar amounts. If your worksheet includes all of the dollar amounts requested, there is no need to consult your income tax records, balance sheet or income statement. Please turn to the worksheet now.

READ28b: Now I'd like to ask about the firm's income and expenses during (1998/the fiscal year ending [DATE]). I need dollar amounts. This information can easily be found on the firm's income tax return, and my experience is that these questions will go very quickly if you are able to report from your tax forms or records. It will also be very helpful to have the firm's balance sheet and income statement, if you have them available, to answer the questions in the next section.

IWER INFO: ALLOW THE RESPONDENT TIME TO RETRIEVE THEIR RECORDS

P1. First, do [FIRM's] accounting or tax records cover the entire 12 months of (1998/the fiscal year ending [DATE])?

- | | | |
|----------|----------------|--|
| YES | 1 | <input type="checkbox"/> GO TO P2 |
| NO | 2 | |
| DK or RF | DK or RF | |

P1.1 What was the beginning date for this accounting period?
 MONTH: _____ DAY: _____ YEAR: _____
 DK or RF DK or RF

P1MO
P1DAY
P1YR

<p>RANGE CHECK: BEGINNING YEAR MUST BE SAME YEAR OR YEAR BEFORE ENDING YEAR NUMBER OF MONTHS COVERED BY ACCOUNTING PERIOD MUST BE BETWEEN 1 & 12</p>

ADDED P2MON=NUMBER OF MONTHS FOR REPORTED SALES FIGURES. USED TO CONVERT P2, P4, P5, AND PROFIT TO REPRESENT FULL FISCAL YEAR.

QUESTION BY QUESTION NOTES

P2. We want to obtain net sales or receipts for the most recently completed calendar or fiscal year. This figure is gross sales (receipts) less any amounts for returned merchandise. Only nonnegative integer answers are allowed. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

P2.1 Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

P2.2 Try to get an estimate. We want to obtain net sales or receipts for the most recently completed calendar or fiscal year. This figure is gross sales (receipts) less any amounts for returned merchandise. Only nonnegative integer answers are allowed. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

P2.3 Try to get the respondent to select a range. We want to obtain net sales or receipts for the most recently completed calendar or fiscal year. This figure is gross sales (receipts) less any amounts for returned merchandise. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

P2. To be sure that I have entered your answer correctly, I will verify each answer that I have recorded in this and the following sections. During (1998/the fiscal year ending [DATE]), what were [FIRM's] total sales or total receipts?

Updated as follows: $P2 = P2 * (12/P2MON)$ where P2MON is the number of months for reported sales

PROMPT: This amount is often referred to as total sales, less amounts for returned merchandise or as "gross receipts or sales less returns and allowances."

PROMPT: WORKSHEET SIDE 2 LINE1

TAX FORM INFO:
 Sole Proprietorship: 1040 Schedule C Part I Line 3 or Schedule C-EZ Part II Line 1
 Partnership: 1065 Line 1c
 S-Corporation: 1120S Line 1c
 C-Corporation: 1120 or 1120A Line 1c

AMOUNT: \$ _____
 EX EX GO TO SKIP41
 DK DK GO TO P2.2
 RF RF GO TO P2.3

P2.1. I have recorded (DOLLAR ENTRY) dollars. Is that correct? **DROP**
 YES 1 GO TO SKIP41
 NO 2 GO BACK to P2

P2.2 Could you give an estimate? **COLLAPSED TO P2**
 AMOUNT: \$ _____ GO TO SKIP41
 EX EX GO TO SKIP41
 DK or RF DK or RF

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, P2 & P2.2 >=0

P2.3 Could you indicate whether total sales or total receipts were: **COLLAPSED TO P2**

\$10,000 or less	1	5000
More than \$10,000 but less than or equal to \$50,000	2	30000
More than \$50,000 but less than or equal to \$100,000	3	75000
More than \$100,000 but less than or equal to \$500,000	4	300000
More than \$500,000 but less than or equal to \$1 million	5	750000
More than \$1 million but less than \$5 million	6	3000000
\$5 million or more	7	5000000
DK or RF	DK or RF	

SKIP41

IF FIRM WAS NOT IN BUSINESS DURING PRIOR FY,
 i.e, C9 OR C22 OR C34 OR C36=[TAX YEAR] GO TO P4
 ALL OTHERS GO TO P3

IF FISCAL YEAR PRELOAD BETWEEN JULY 1 AND DECEMBER 31 THEN FY 1998
 IF FISCAL YEAR PRELOAD BETWEEN JANUARY 1 AND JUNE 30 THEN FY 1999

QUESTION BY QUESTION NOTES

- P3.** For all firms, we would like to obtain, as accurately as possible, the previous year's net sales or receipts. This is the same as P1, but for the year prior to the current accounting year. For example, if the firm is providing information for calendar year 1998, then this question refers to calendar year 1997. Only nonnegative integer answers are allowed. Refer the respondent to the appropriate line of their tax return or worksheets if necessary.

NOTE: If the respondent says the firm was not in business a year ago or gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

- P3.1** Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

- P3.2** Try to get an estimate. For all firms, we would like to obtain, as accurately as possible, the previous year's net sales or receipts. This is the same as P1, but for the year prior to the current accounting year. For example, if the firm is providing information for calendar year 1998, then this question refers to calendar year 1997. Only nonnegative integer answers are allowed. Refer the respondent to the appropriate line of their tax return or worksheets if necessary.

NOTE: If the respondent says the firm was not in business a year ago or gives a negative amount, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

- P3.3**

P3. For comparison purposes, what were the firm's total sales during (1997/ the fiscal year ending [DATE - 1 YEAR])?

IWER INFO: IF FIRM WAS NOT IN BUSINESS LAST YEAR, USE EXCEPTION KEY AND RECORD COMMENT, "FIRM WAS NOT IN BUSINESS LAST YEAR."

PROMPT: This amount is often referred to as total sales, less amounts for returned merchandise or as "gross receipts or sales less returns and allowances."

PROMPT: WORKSHEET SIDE 2 LINE 2

TAX FORM INFO:
 Sole Proprietorship: 1040 Schedule C Part I Line 3 or Schedule C-EZ Part II Line 1
 Partnership: 1065 Line 1c
 S-Corporation: 1120S Line 1c
 C-Corporation: 1120 or 1120A Line 1c

AMOUNT: \$ _____
 EX EX **GO TO SKIP42**
 DK DK **GO TO P3.2**
 RF RF **GO TO P3.3**

P3.1 That's (DOLLAR ENTRY)? **DROP**
 YES 1 **GO TO SKIP42**
 NO 2 **GO BACK to P3**

P3.2 Could you give an estimate? **COLLAPSED TO P3**
 AMOUNT: \$ _____ **GO TO SKIP42**
 EX EX **GO TO SKIP42**
 DK or RF DK or RF **GO TO P3.3**

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, P3 & P3.2 >=0

SKIP42

IF P2 (OR P2.2) AND P3 (OR P3.2) COMPLETE **GO TO P4**
IF P2 (OR P2.2) OR P3 (OR P3.2) INCOMPLETE **CONTINUE WITH P3.3**
COMPLETE INCLUDES EXCEPTIONS

P3.3 Were the firm's total sales during (1997/ the fiscal year ending [DATE - 1 YEAR]) more, less, or the same as total sales during (1998/the fiscal year ending [DATE])? **DROP**
 More 1
 Less 2
 About the same 3
 DK or RF DK or RF

QUESTION BY QUESTION NOTES

P4. Only nonnegative integer answers are allowed. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

P4.1 Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

P4.2 Try to get an estimate. Only nonnegative integer answers are allowed. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

P4.3 Try to get the respondent to select a range. Only nonnegative integer answers are allowed. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

P4. Besides total sales, what was the total amount of any other income [FIRM] received during (1998/the fiscal year ending [DATE])?

PROMPT: This amount is any other business income the firm may have had that was not included in gross receipts or sales, such as federal and state gasoline tax refunds or a fuel tax credit or refund.

PROMPT (CORPS ONLY): This amount includes all income other than gross receipts.

PROMPT: WORKSHEET SIDE 2 LINE3

$P4 = P4 * (12/P2MON)$

TAX FORM INFO:

Sole Proprietorship: 1040 Schedule C Part I Line 6

Partnership: 1065 Sum of Lines 4 thru 7 + Schedule K Lines 2 thru 7 + 19 + 20

S-Corporation: 1120S Line 4 + 5 + Schedule K, Sum of Lines 2 thru 6 + 17 + 18

C-Corporation: 1120 or 1120A Sum of Lines 4 thru 10

AMOUNT: \$ _____

EX	.....	EX	<input type="radio"/>	GO TO P5
DK	.....	DK	<input type="radio"/>	GO TO P4.2
RF	.....	RF	<input type="radio"/>	GO TO P4.3

P4.1 That's (DOLLAR ENTRY)?

DROP

YES	..... 1	<input type="radio"/>	GO TO P5
NO	..... 2	<input type="radio"/>	GO BACK to P4

P4.2 Could you give an estimate?

COLLAPSED TO P4

AMOUNT: \$	_____	<input type="radio"/>	GO TO P5
EX	..... EX	<input type="radio"/>	GO TO P5
DK or RF	..... DK or RF		

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, P4 & P4.2 >=0

P4.3 Could you indicate whether total amount of any other income was:

COLLAPSED TO P4

\$10,000 or less	..... 1	5000
More than \$10,000 but less than or equal to \$50,000	..... 2	30000
More than \$50,000 but less than or equal to \$100,000	..... 3	75000
More than \$100,000 but less than or equal to \$500,000	..... 4	300000
More than \$500,000 but less than or equal to \$1 million	..... 5	750000
More than \$1 million but less than \$5 million	..... 6	3000000
\$5 million or more	..... 7	5000000
DK or RF	..... DK or RF	

QUESTION BY QUESTION NOTES

- P5.** We want the total cost of conducting business. That is, we want the sum of the “cost of goods sold” and “selling and administrative expenses.”

The cost of goods or services sold is the cost of purchasing materials and the costs associated with preparing goods for sale during the last accounting year. For a manufacturing or service firm, these costs include direct labor costs (wages and benefits of persons producing the goods or services sold), cost of materials used to make the goods or provide the services, and overhead costs (such as supervisory costs; supplies; indirect labor costs such as janitors and guards; property taxes, rent, insurance, or depreciation on production facilities, etc.). For a retailer or wholesaler, cost of goods sold is the purchase cost of items (including freight) that are acquired and then resold.

Selling and administrative expenses are additional expenses that can be incurred in operating a business. Examples are salesman’s salaries and expenses, clerical salaries, rent or property tax, insurance and depreciation on administrative facilities, and interest paid on bonds, notes, mortgages, and other loans. Only nonnegative integer answers are allowed. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

- P5.1** Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

- P5.2** Try to get an estimate. We want the total cost of conducting business. That is, we want the sum of the “cost of goods sold” and “selling and administrative expenses.”

The cost of goods or services sold is the cost of purchasing materials and the costs associated with preparing goods for sale during the last accounting year. For a manufacturing or service firm, these costs include direct labor costs (wages and benefits of persons producing the goods or services sold), cost of materials used to make the goods or provide the services, and overhead costs (such as supervisory costs; supplies; indirect labor costs such as janitors and guards; property taxes, rent, insurance, or depreciation on production facilities, etc.). For a retailer or wholesaler, cost of goods sold is the purchase cost of items (including freight) that are acquired and then resold.

Selling and administrative expenses are additional expenses that can be incurred in operating a business. Examples are salesman’s salaries and expenses, clerical salaries, rent or property tax, insurance and depreciation on administrative facilities, and interest paid on bonds, notes, mortgages, and other loans. Only nonnegative integer answers are allowed. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

- P5.3** Try to get the respondent to select a range. We want the total cost of conducting business. That is, we want the sum of the “cost of goods sold” and “selling and administrative expenses.”

The cost of goods or services sold is the cost of purchasing materials and the costs associated with preparing goods for sale during the last accounting year. For a manufacturing or service firm, these costs include direct labor costs (wages and benefits of persons producing the goods or services sold), cost of materials used to make the goods or provide the services, and overhead costs (such as supervisory costs; supplies; indirect labor costs such as janitors and guards; property taxes, rent, insurance, or depreciation on production facilities, etc.). For a retailer or wholesaler, cost of goods sold is the purchase cost of items (including freight) that are acquired and then resold.

Selling and administrative expenses are additional expenses that can be incurred in operating a business. Examples are salesman’s salaries and expenses, clerical salaries, rent or property tax, insurance and depreciation on administrative facilities, and interest paid on bonds, notes, mortgages, and other loans. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

P5. Now I want to ask you about the cost of doing business which is the sum of the cost of goods and services sold and the total of selling, general and administrative expenses. During (1998/the fiscal year ending [DATE]), what was the total cost of doing business?

PROMPT: The cost of doing business is the sum of the cost of all purchased goods and services, marketing expenses, administrative expenses, and other expenses.

PROMPT: The cost of goods or services sold is calculated by summing (1) the value of beginning-year inventory, (2) purchases less the cost of items withdrawn for personal use, (3) the cost of labor, materials and supplies, and (4) other costs subtracting year-end inventory. These expenses are subtracted from gross profit and other income to determine the firm's [net profit or loss/ordinary income from business activities/taxable income], such as salaries, business expenses, overhead, depreciation, and other expenses.

PROMPT: WORKSHEET SIDE 2 LINE 4

P5=P5*(12/P2MON)

TAX FORM INFO:

Sole proprietorship: 1040 Schedule C Part I Line 4 + Part II Lines 28 + 30 OR
Schedule C-EZ Part II Line 2

Partnership: 1065 Lines 2+20 plus Schedule K lines 8 thru 11+ 14a 17e+18b+21

S-Corporation: 1120S Lines 2 + 20 plus Schedule K lines 7 thru 11a +15e + 16b

C-Corporation: 1120 Lines 2 + 27 OR 1120A Lines 2 + 23

AMOUNT: \$ _____
 EX EX **GO TO SKIP43**
 DK DK **GO TO P5.2**
 RF RF **GO TO P5.3**

P5.1 That's (DOLLAR ENTRY)? **DROP**
 YES 1 **GO TO SKIP43**
 NO 2 **GO BACK to P5**

P5.2 Could you give an estimate? **COLLAPSED TO P5**
 AMOUNT: \$ _____ **GO TO SKIP43**
 EX EX **GO TO SKIP43**
 DK or RF DK or RF

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, P5 & P5.2 >=0

P5.3 Could you indicate whether total amount of total cost of doing business was: **COLLAPSED TO P5**
 \$10,000 or less 1 **50000**
 More than \$10,000 but less than or equal to \$50,000 2 **200000**
 More than \$50,000 but less than or equal to \$100,000 3 **750000**
 More than \$100,000 but less than or equal to \$500,000 4 **2000000**
 More than \$500,000 but less than or equal to \$1 million 5 **7500000**
 More than \$1 million but less than \$5 million 6 **30000000**
 \$5 million or more 7 **50000000**
 DK or RF DK or RF

ALL RESPONSES GO TO SKIP43

QUESTION BY QUESTION NOTES

- P6.** Entry can be positive or negative. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.
- P6.1** Verify that you have entered the correct amount by reading the dollar amount back to the respondent.
- P6.2** Try to get an estimate. Entry can be positive or negative. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

SKIP43

FOR SOLE PROP (B3 = 1 OR 9):

IF P2 (OR P2.2), P4 (OR P4.2), AND P5 (OR P5.2) ARE COMPLETE* GO TO SECTION R
OTHERWISE GO TO P6

FOR PARTNERSHIP OR S-CORPORATION (B3 = 2,3,5, OR 7):

IF P2 (OR P2.2), P4 (OR P4.2), AND P5 (OR P5.2) ARE COMPLETE* GO TO SECTION R
OTHERWISE GO TO P8

FOR C-CORPORATION (B3 =4, 6, OR 8):

IF P2 (OR P2.2), P4 (OR P4.2), AND P5 (OR P5.2) ARE COMPLETE* GO TO P12
OTHERWISE GO TO P10

***COMPLETE IS NONNEGATIVE INTEGER; NOT EXCEPTION CODE, DK OR RF**

Sole Proprietorships

P6. Profit is the firm's income after all expenses and taxes have been deducted. What was (FIRM'S) total profit or loss for (1998/the fiscal year ending [DATE])?

IWER INFO: RECORD LOSSES AS NEGATIVE NUMBERS

PROMPT: **WORKSHEET SIDE 2 LINE 5**

PROFIT = P6*(12/P2MON)

TAX FORM INFO:

Sole Proprietorship: 1040 Schedule C Part II Line 31 or Schedule C-EZ Part II, Line 3

AMOUNT: \$ _____

DK DK
 RF RF

MOVED TO PROFIT

GO TO P6.2
 GO TO P7

P6.1 That's a [PROFIT/LOSS] of (DOLLAR ENTRY)?

DROP

IWER INFO: IF P6 IS NEGATIVE, READ "LOSS", OTHERWISE READ "PROFIT"

YES 1
 NO 2

GO TO SECTION R
 GO BACK to P6

P6.2 Could you give an estimate?

COLLAPSED TO P6

AMOUNT: \$ _____
 DK or RF DK or RF

GO TO SECTION R

QUESTION BY QUESTION NOTES

- P7.** Try to get the respondent to clarify if the firm's income was positive, negative or zero for the fiscal year.
- P7.1** Try to get the respondent to select a range.
- P7.2** Try to get the respondent to select a range.

P7. Could you tell me whether (FIRM) had a profit, loss, or broke even for (1998/the fiscal year ending [DATE])? **DROP**

- Positive net profit/net gain 1 GO TO P7.1
- Negative net profit/net loss 2 GO TO P7.2
- No profit/breakeven 3 GO TO SECTION R
- DK or RF DK or RF GO TO SECTION R

P7.1 Could you indicate whether the net profit was: **COLLAPSED TO P6**

- \$10,000 or less 1 **50000**
- More than \$10,000 but less than or equal to \$50,000 2 **300000**
- More than \$50,000
but less than or equal to \$100,000 3 **750000**
- More than \$100,000
but less than or equal to \$500,000 4 **3000000**
- More than \$500,000
but less than or equal to \$1 million 5 **7500000**
- More than \$1 million
but less than \$5 million 6 **30000000**
- \$5 million or more 7 **50000000**
- DK or RF DK or RF

ALL RESPONSES GO TO SECTION R

P7.2 Could you indicate whether the net loss was: **COLLAPSED TO P6**

- \$10,000 or less 1 **50000**
- More than \$10,000 but less than or equal to \$50,000 2 **300000**
- More than \$50,000
but less than or equal to \$100,000 3 **750000**
- More than \$100,000
but less than or equal to \$500,000 4 **3000000**
- More than \$500,000
but less than or equal to \$1 million 5 **7500000**
- More than \$1 million
but less than \$5 million 6 **30000000**
- \$5 million or more 7 **50000000**
- DK or RF DK or RF

ALL RESPONSES GO TO SECTION R

QUESTION BY QUESTION NOTES

- P8.** Entry can be positive or negative. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.
- P8.1** Verify that you have entered the correct amount by reading the dollar amount back to the respondent.
- P8.2** Try to get an estimate. Entry can be positive or negative. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.
- P9.** Try to get the respondent to clarify if the firm's ordinary income was positive, negative or zero for the fiscal year.

Partnerships or S-corporations

P8. During (1998/the fiscal year ending [DATE]), what was (FIRM's) ordinary income or loss?

PROMPT: Ordinary income or loss is the total amount of income or loss less the total amount of deductions.

IWER INFO: RECORD LOSSES AS NEGATIVE NUMBERS

PROMPT: WORKSHEET SIDE 2 LINE 5

PROFIT=P8*(12/P2MON)

TAX FORM INFO:
 Partnership: 1065 Line 22
 S-Corporation: 1120S Line 21 plus Schedule K Line 23

AMOUNT: \$ _____ **MOVED TO PROFIT**
 DK DK GO TO P8.2
 RF RF GO TO P9

P8.1 That's an [ordinary income of/loss of] (DOLLAR ENTRY)? **DROP**

IWER INFO: IF P8 IS NEGATIVE, READ "LOSS", OTHERWISE READ "ORDINARY INCOME"

YES 1 GO TO SECTION R
 NO 2 GO BACK to P8

P8.2 Could you give an estimate? **COLLAPSED TO P8**

AMOUNT: \$ _____ GO TO SECTION R
 DK or RF DK or RF

P9. Could you indicate whether the ordinary income was ... **DROP**

Positive ordinary income/net gain 1 GO TO P9.1
 Negative ordinary income/net loss 2 GO TO P9.2
 Zero ordinary income/breakeven 3 GO TO SECTION R
 DK or RF DK or RF GO TO SECTION R

QUESTION BY QUESTION NOTES

P9.1 Try to get the respondent to select a range.

P9.2 Try to get the respondent to select a range.

P9.1 Could you indicate whether the gain in ordinary income was: **COLLAPSED TO PB**

\$10,000 or less	1	<u>5000</u>
More than \$10,000 but less than or equal to \$50,000	2	<u>300000</u>
More than \$50,000 but less than or equal to \$100,000	3	<u>75000</u>
More than \$100,000 but less than or equal to \$500,000	4	<u>3000000</u>
More than \$500,000 but less than or equal to \$1 million	5	<u>750000</u>
More than \$1 million but less than \$5 million	6	<u>30000000</u>
\$5 million or more	7	<u>50000000</u>
DK or RF	DK or RF	

ALL RESPONSES GO TO SECTION R

P9.2 Could you indicate whether the loss in ordinary income was: **COLLAPSED TO PB**

\$10,000 or less	1	<u>5000</u>
More than \$10,000 but less than or equal to \$50,000	2	<u>300000</u>
More than \$50,000 but less than or equal to \$100,000	3	<u>75000</u>
More than \$100,000 but less than or equal to \$500,000	4	<u>3000000</u>
More than \$500,000 but less than or equal to \$1 million	5	<u>750000</u>
More than \$1 million but less than \$5 million	6	<u>30000000</u>
\$5 million or more	7	<u>50000000</u>
DK or RF	DK or RF	

ALL RESPONSES GO TO SECTION R

QUESTION BY QUESTION NOTES

- P10.** Entry can be positive or negative. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.
- P10.1** Verify that you have entered the correct amount by reading the dollar amount back to the respondent.
- P10.2** Try to get an estimate. Entry can be positive or negative. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.
- P11.** Try to get the respondent to clarify if the firm's taxable income was positive, negative or zero for the fiscal year. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.
- P11.1** Try to get the respondent to select a range.

Corporations

P10. During (1998/the fiscal year ending [DATE]), what was (FIRM's) taxable income?

PROMPT: Taxable income is the total amount of income less the total amount of deductions. The total amount of deductions includes any net operating loss or special deductions.

IWER INFO: RECORD LOSSES AS NEGATIVE NUMBERS

PROMPT: **WORKSHEET SIDE 2 LINE 5a**
PROFIT = P10*(12/P2MON)

TAX FORM INFO:
 C-Corporation: 1120 Line 30 OR 1120A Line 26

AMOUNT: \$ _____ **MOVED TO PROFIT**
 DK DK **GO TO P10.2**
 RF RF **GO TO P11**

P10.1 That's a [gain/loss] in taxable income of (DOLLAR ENTRY)? **DROP**
 YES 1 **GO TO P12**
 NO 2 **GO BACK to P10**

P10.2 Could you give an estimate? **COLLAPSED TO P10**
 AMOUNT: \$ _____ **GO TO P12**
 DK or RF DK or RF

P11. Could you tell me whether [FIRM] had positive taxable income, negative taxable income, or broke even for (1998/the fiscal year ending [DATE])? **DROP**
 Positive taxable income/net gain 1 **GO TO P11.1**
 Negative taxable income/net gain 2 **GO TO P11.2**
 Zero taxable income/break even 3 **GO TO SECTION R**
 DK or RF DK or RF **GO TO P12**

P11.1 Could you indicate whether the net gain in taxable income was: **COLLAPSED TO P10**
 \$10,000 or less 1 **5000**
 More than \$10,000 but less than or equal to \$50,000 2 **30000**
 More than \$50,000 but less than or equal to \$100,000 3 **75000**
 More than \$100,000 but less than or equal to \$500,000 4 **300000**
 More than \$500,000 but less than or equal to \$1 million 5 **750000**
 More than \$1 million but less than \$5 million 6 **3000000**
 \$5 million or more 7 **5000000**
 DK or RF DK or RF

ALL RESPONSES **GO TO P12**

QUESTION BY QUESTION NOTES

- P11.2** Try to get the respondent to select a range.
- P12.** Only nonnegative integer answers are allowed. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.
- P12.1** Verify that you have entered the correct amount by reading the dollar amount back to the respondent.
- P12.2** Try to get an estimate. Only nonnegative integer answers are allowed. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.
- P13.** Try to get the respondent to clarify if the firm's total corporate tax was positive, negative or zero for the fiscal year.

P11.2 Could you indicate whether the net loss in taxable income was: **COLLAPSED TO P10**

- \$10,000 or less 1 **5000**
- More than \$10,000 but less than or equal to \$50,000 2 **30000**
- More than \$50,000
but less than or equal to \$100,000 3 **75000**
- More than \$100,000
but less than or equal to \$500,000 4 **300000**
- More than \$500,000
but less than or equal to \$1 million 5 **750000**
- More than \$1 million
but less than \$5 million 6 **3000000**
- \$5 million or more 7 **5000000**
- DK or RF DK or RF

ALL RESPONSES Ⓢ GO TO P12

P12. What was the firm's total corporate tax?

IWER INFO: RECORD NET TAX REFUND AS NEGATIVE NUMBER

PROMPT: WORKSHEET SIDE 2 LINE 5b

TAX FORM INFO:
C-Corporation: 1120 Line 31 OR 1120A Line 27

AMOUNT: \$ _____

DK DK Ⓢ **GO TO P12.2**

RF RF Ⓢ **GO TO P13**

P12.1 That's (DOLLAR ENTRY)? **DROP**

YES 1 Ⓢ **GO TO SECTION R**

NO 2 Ⓢ **GO BACK to P12**

P12.2 Could you give me an estimate? **COLLAPSED TO P12**

IWER INFO: RECORD NET TAX REFUND AS NEGATIVE NUMBER

AMOUNT: \$ _____ Ⓢ **GO TO SECTION R**

DK or RF DK or RF

P13. Could you indicate whether the firm's total corporate tax was: **DROP**

A positive amount 1 Ⓢ **GO TO P13.1**

A negative amount 2 Ⓢ **GO TO P13.2**

Zero/break even 3 Ⓢ **GO TO SECTION R**

DK or RF DK or RF Ⓢ **GO TO SECTION R**

QUESTION BY QUESTION NOTES

P13.1 Try to get the respondent to select a range.

P13.2 Try to get the respondent to select a range.

P13.1 Could you indicate whether the firm's total corporate tax expense was: **COLLAPSED TO P12**

\$10,000 or less	1	<u>5000</u>
More than \$10,000 but less than or equal to \$50,000	2	<u>300000</u>
More than \$50,000		
but less than or equal to \$100,000	3	<u>75000</u>
More than \$100,000		
but less than or equal to \$500,000	4	<u>3000000</u>
More than \$500,000		
but less than or equal to \$1 million	5	<u>7500000</u>
More than \$1 million		
but less than \$5 million	6	<u>30000000</u>
\$5 million or more	7	<u>50000000</u>
DK or RF	DK or RF	

ALL RESPONSES GO TO SECTION R

P13.2 Could you indicate whether the firm's total corporate tax deduction was: **COLLAPSED TO P12**

\$10,000 or less	1	<u>5000</u>
More than \$10,000 but less than or equal to \$50,000	2	<u>300000</u>
More than \$50,000		
but less than or equal to \$100,000	3	<u>75000</u>
More than \$100,000		
but less than or equal to \$500,000	4	<u>3000000</u>
More than \$500,000		
but less than or equal to \$1 million	5	<u>7500000</u>
More than \$1 million		
but less than \$5 million	6	<u>30000000</u>
\$5 million or more	7	<u>50000000</u>
DK or RF	DK or RF	

ALL RESPONSES GO TO SECTION R

QUESTION BY QUESTION NOTES

- R1.** We wish to know the total dollar amount of the firm's cash holdings. In this question, "cash" refers to the total amount of cash on hand (i.e., currency and coin used in operations, petty cash, etc.), balances in business checking accounts, and the total balances of all savings accounts, money market accounts (both deposit accounts and mutual fund accounts), time deposits and certificates of deposit (CDs). Make sure only business cash holdings are included. All balances are to be reported as of the fiscal year end date. Entry can be positive or negative. Refer respondent to the appropriate line of their tax return or worksheet, if necessary.
- R1.1** Verify that you have entered the correct amount by reading the dollar amount back to the respondent.
- R1.2** Try to get an estimate. We wish to know the total dollar amount of the firm's cash holdings. In this question, "cash" refers to the total amount of cash on hand (i.e., currency and coin used in operations, petty cash, etc.), balances in business checking accounts, and the total balances of all savings accounts, money market accounts (both deposit accounts and mutual fund accounts), time deposits and certificates of deposit (CDs). Make sure only business cash holdings are included. All balances are to be reported as of the fiscal year end date. Entry can be positive or negative. Refer respondent to the appropriate line of their tax return or worksheet, if necessary.

SECTION IV - BALANCE SHEET

READ29: Now I'd like to ask about the firm's assets, liabilities, and equity. The first questions are about the firm's assets as of [DATE]. If an asset is used 50 percent or more in the firm, then please consider it a business asset and include it in your answers.

Subsection R. ASSETS

SKIP44
 IF FIRM HAS A CHECKING OR SAVINGS ACCOUNT, E1=1 OR E4=1 Ⓢ GO TO READ30
 IN NO CHECKING OR SAVINGS ACCOUNT Ⓢ GO TO R1

READ30: Earlier you said that, at the end of (1998/the fiscal year ending [DATE]), the firm had checking or savings accounts at...

IWER INFO: READ ALL INSTITUTION NAMES WITH A CHECKING OR SAVINGS ACCOUNT(S).

R1. First, I am going to ask you about cash, that is, the total amount of cash on hand, and in checking, savings, money market accounts, certificates of deposit, and other time deposits. What was the total dollar amount of the firm's cash holdings?

PROMPT: WORKSHEET SIDE 2 LINE 6

TAX FORM INFO:
 Partnership: 1065 Schedule L Line 1d
 S-Corporation: 1120S Schedule L Line 1d
 C-Corporation: 1120 Schedule L Line 1d OR 1120A Part III Line 1b

IWER INFO: IF THE AMOUNT HAS ALREADY BEEN PRORATED THEN TAKE THE PRORATED AMOUNT. IF THE AMOUNT HAS NOT BEEN PRORATED, TAKE THE TOTAL VALUE.

AMOUNT: \$ _____ Ⓢ GO TO R1.1
 DK DK Ⓢ GO TO R1.2
 RF RF Ⓢ GO TO R1.3

R1.1 That's (DOLLAR ENTRY)? **DROP**
 YES 1 Ⓢ GO TO R2
 NO 2 Ⓢ GO BACK to R1

R.1.2 Could you give me an estimate? **COLLAPSED TO R1**
 AMOUNT: \$ _____ Ⓢ GO TO R2
 DK or RF DK or RF

QUESTION BY QUESTION NOTES

R1.3 Try to get the respondent to select a range. We wish to know the total dollar amount of the firm's cash holdings. In this question, "cash" refers to the total amount of cash on hand (i.e., currency and coin used in operations, petty cash, etc.), balances in business checking accounts, and the total balances of all savings accounts, money market accounts (both deposit accounts and mutual fund accounts), time deposits and certificates of deposit (CDs). Make sure only business cash holdings are included. All balances are to be reported as of the fiscal year end date. Refer respondent to the appropriate line of their tax return or worksheet, if necessary.

R2. This question collects the amount of notes payable and accounts receivable, minus any allowance for bad debts. An allowance for bad debts is an amount set aside in advance in case some of the bills due and payable remain outstanding. Refer respondent to the appropriate line of their tax return or worksheet, if necessary.

For some firms, such as a small retail outlet, this item could be zero or very small. Most firms bill some customers for goods and services and do not immediately collect from them when the items are delivered or picked up.

NOTE: This question instructs respondents to subtract Line 2b column b from Line 2a column b. On the 1120A tax form, Line 2b column b is enclosed in parentheses, signifying it as a negative number, i.e. add the numbers together. This question seeks the difference between two positive numbers.

NOTE: If the respondent gives a negative response, use the exception code and procedure. Make sure you enter the negative amount in the comment box.

R2.1 Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

R2.2 This question collects the amount of notes payable and accounts receivable, minus any allowance for bad debts. An allowance for bad debts is an amount set aside in advance in case some of the bills due and payable remain outstanding. Refer respondent to the appropriate line of their tax return or worksheet, if necessary.

For some firms, such as a small retail outlet, this item could be zero or very small. Most firms bill some customers for goods and services and do not immediately collect from them when the items are delivered or picked up.

NOTE: This question instructs respondents to subtract Line 2b column b from Line 2a column b. On the 1120A tax form, Line 2b column b is enclosed in parentheses, signifying it as a negative number, i.e. add the numbers together. This question seeks the difference between two positive numbers.

NOTE: If the respondent gives a negative response, use the exception code and procedure. Make sure you enter the negative amount in the comment box.

R2.3 Try to get the respondent to select a range. This question collects the amount of notes payable and accounts receivable, minus any allowance for bad debts. An allowance for bad debts is an amount set aside in advance in case some of the bills due and payable remain outstanding.

For some firms, such as a small retail outlet, this item could be zero or very small. Most firms bill some customers for goods and services and do not immediately collect from them when the items are delivered or picked up.

NOTE: This question instructs respondents to subtract Line 2b column b from Line 2a column b. On the 1120A tax form, Line 2b column b is enclosed in parentheses, signifying it as a negative number, i.e. add the numbers together. This question seeks the difference between two positive numbers.

R1.3 Could you indicate whether the firm's cash holdings were:

COLLAPSED TO R1

\$10,000 or less	1	5000
More than \$10,000 but less than or equal to \$50,000	2	20000
More than \$50,000 but less than or equal to \$100,000	3	75000
More than \$100,000 but less than or equal to \$500,000	4	200000
More than \$500,000 but less than or equal to \$1 million	5	750000
More than \$1 million but less than \$5 million	6	3000000
\$5 million or more	7	5000000
DK or RF	DK or RF	

R2. What was the amount of the firm's accounts receivable and trade notes, minus allowances for bad debts?

PROMPT: That is, how much money was the firm owed by customers who bought goods or services on account?

PROMPT: WORKSHEET SIDE 2 LINE 7

TAX FORM INFO:
 Partnership: 1065 Schedule L Line 2b(d)
 S-Corporation: 1120S Schedule L Line 2b(d)
 C-Corporation: 1120 Schedule L Line 2b(d)
 OR 1120A Part III Lines 2a(b) less 2b(b)

AMOUNT: \$ _____	<input type="checkbox"/> GO TO R2.1
EX	<input type="checkbox"/> GO TO R3
DK	<input type="checkbox"/> GO TO R2.2
RF	<input type="checkbox"/> GO TO R2.3

R2.1 That's (DOLLAR ENTRY)?	<u>DROP</u>
YES	<input type="checkbox"/> GO TO R3
NO	<input type="checkbox"/> GO BACK to R2

R2.2 Could you give me an estimate?	<u>COLLAPSED TO R2</u>
AMOUNT: \$ _____	<input type="checkbox"/> GO TO R3
EX	<input type="checkbox"/> GO TO R3
DK or RF	

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, R2 & R2.2 >=0

R2.3 Could you indicate whether the firm's accounts receivable and trade notes, minus allowances for bad debts were:	<u>COLLAPSED TO R2</u>	
\$10,000 or less	1	5000
More than \$10,000 but less than or equal to \$50,000	2	20000
More than \$50,000 but less than or equal to \$100,000	3	75000
More than \$100,000 but less than or equal to \$500,000	4	200000
More than \$500,000 but less than or equal to \$1 million	5	750000
More than \$1 million but less than \$5 million	6	3000000
\$5 million or more	7	5000000
DK or RF	DK or RF	

QUESTION BY QUESTION NOTES

- R3.** Inventory typically includes merchandise or production materials. Merchandise held for sale in the normal course of business or materials in the process of production, including raw materials, work in process, or finished goods, are included in this category. This category does not include office equipment and office supplies, such as stationary or pens. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

- R3.1** Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

- R3.2** Try to get an estimate. Inventory typically includes merchandise or production materials. Merchandise held for sale in the normal course of business or materials in the process of production, including raw materials, work in process, or finished goods, are included in this category. This category does not include office equipment and office supplies, such as stationary or pens. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

- R3.3** Try to get the respondent to select a range. Inventory typically includes merchandise or production materials. Merchandise held for sale in the normal course of business or materials in the process of production, including raw materials, work in process, or finished goods, are included in this category. This category does not include office equipment and office supplies, such as stationary or pens. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

R3. What was the total dollar amount of any inventory of merchandise or production materials held by the firm?

PROMPT: That is, what is the total dollar amount of merchandise for sale or materials for production such as raw materials, work in progress, or finished goods?

PROMPT: WORKSHEET SIDE 2 LINE 8

TAX FORM INFO:
 Sole Proprietorship: 1040 Schedule C Part III line 41
 Partnership: 1065 Schedule L Line 3d
 S-Corporation: 1120S Schedule L Line 3d
 C-Corporation: 1120 Schedule L Line 3d OR 1120A Part III Line 3b

AMOUNT: \$ _____ GO TO R3.1
 EX EX GO TO R4
 DK DK GO TO R3.2
 RF RF GO TO R3.3

R3.1 That's (DOLLAR ENTRY)? **DROP**

YES 1 GO TO R4
 NO 2 GO BACK to R3

R3.2 Could you give me an estimate? **COLLAPSED TO R3**

AMOUNT: \$ _____ GO TO R4
 EX EX GO TO R4
 DK or RF DK or RF

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, R3 & R3.2 >=0

R3.3 Could you indicate whether the amount of any inventory of merchandise or production materials held by the firm was: **COLLAPSED TO R3**

\$10,000 or less	1	<u>5000</u>
More than \$10,000 but less than or equal to \$50,000	2	<u>30000</u>
More than \$50,000 but less than or equal to \$100,000	3	<u>75000</u>
More than \$100,000 but less than or equal to \$500,000	4	<u>300000</u>
More than \$500,000 but less than or equal to \$1 million	5	<u>750000</u>
More than \$1 million but less than \$5 million	6	<u>3000000</u>
\$5 million or more	7	<u>5000000</u>
DK or RF	DK or RF	

QUESTION BY QUESTION NOTES

- R4.** This question determines whether or not the firm had any other current assets, other than those mentioned above (i.e., cash, inventories, notes and accounts receivable). Current assets are assets that can be converted to cash or sold or used up within a year. Such assets generally consist of prepaid expenses, stock, or bonds, including treasury bills or bonds, municipal (state and local government) bonds, and corporate bonds. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

Use the appropriate sections of the PROMPT if the respondent requires additional explanation.

- R4.1** Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

- R4.2** Try to get an estimate. This question determines whether or not the firm had any other current assets, other than those mentioned above (i.e., cash, inventories, notes and accounts receivable). Current assets are assets that can be converted to cash or sold or used up within a year. Such assets generally consist of prepaid expenses, stock, or bonds, including treasury bills or bonds, municipal (state and local government) bonds, and corporate bonds. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

Use the appropriate sections of the PROMPT if the respondent requires additional explanation.

- R4.3** Try to get the respondent to select a range. This question determines whether or not the firm had any other current assets, other than those mentioned above (i.e., cash, inventories, notes and accounts receivable). Current assets are assets that can be converted to cash or sold or used up within a year. Such assets generally consist of prepaid expenses, stock, or bonds, including treasury bills or bonds, municipal (state and local government) bonds, and corporate bonds. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

Use the appropriate sections of the PROMPT if the respondent requires additional explanation.

R4. What was the total dollar amount of the firm’s other current assets? Do not include cash, accounts receivable and inventory. Other current assets are assets that can be converted to cash, sold, or used up within a year through normal operation of the firm. Examples are bonds, stocks, and prepaid expenses.

PROMPT: Bonds include Treasury bonds and bills, bonds issued by federally sponsored credit agencies, municipal bonds, bonds issued by corporations, and so on.
Stocks include publicly traded stocks held as temporary investments. Do not include stocks held for ownership control or long-term investment.
Prepaid expenses are payments for items such as insurance, interest, rents, taxes, advertising, and operating supplies that were made in advance but had not been used as of [DATE].

PROMPT: WORKSHEET SIDE 2 LINE 9

TAX FORM INFO:
 Partnership: 1065 Schedule L Lines 4d+5d+6d
 S-Corporation: 1120S Schedule L Lines 4d+5d+6d
 C-Corporation: 1120 Schedule L Lines 4d+5d+6d OR 1120A Part III Lines 4b+5b+6b

AMOUNT: \$ _____		<input type="radio"/> GO TO R4.1
EX EX		<input type="radio"/> GO TO R5
DK DK		<input type="radio"/> GO TO R4.2
RF RF		<input type="radio"/> GO TO R4.3

R4.1 That’s (DOLLAR ENTRY)? **DROP**

YES 1	<input type="radio"/> GO TO R5
NO 2	<input type="radio"/> GO BACK to R4

R4.2 Could you give me an estimate? **COLLAPSED TO R4**

AMOUNT: \$ _____		<input type="radio"/> GO TO R5
EX EX		<input type="radio"/> GO TO R5
DK or RF DK or RF		

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, R4 & R4.2 >=0

R4.3 Could you indicate whether the amount of the firm’s other current assets was: **COLLAPSED TO R4**

\$10,000 or less 1	<u>50000</u>
More than \$10,000 but less than or equal to \$50,000 2	<u>300000</u>
More than \$50,000 but less than or equal to \$100,000 3	<u>750000</u>
More than \$100,000 but less than or equal to \$500,000 4	<u>3000000</u>
More than \$500,000 but less than or equal to \$1 million 5	<u>7500000</u>
More than \$1 million but less than \$5 million 6	<u>30000000</u>
\$5 million or more 7	<u>50000000</u>
DK or RF DK or RF	

QUESTION BY QUESTION NOTES

- R5.** In addition to the assets identified in R4 that can be converted to cash in a relatively short period of time, the firm may have other assets that are long-term investments or cannot be readily converted to cash. This question is designed to account for assets that are considered investments. These may include stocks and bonds, land not used for the business operations, long-term loans made to stockholders or other businesses, and other investments. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

- R5.1** Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

- R5.2** Try to get an estimate. In addition to the assets identified in R4 that can be converted to cash in a relatively short period of time, the firm may have other assets that are long-term investments or cannot be readily converted to cash. This question is designed to account for assets that are considered investments. These may include stocks and bonds, land not used for the business operations, long-term loans made to stockholders or other businesses, and other investments. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

- R5.3** Try to get the respondent to select a range. In addition to the assets identified in R4 that can be converted to cash in a relatively short period of time, the firm may have other assets that are long-term investments or cannot be readily converted to cash. This question is designed to account for assets that are considered investments. These may include stocks and bonds, land not used for the business operations, long-term loans made to stockholders or other businesses, and other investments. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

R5. What was the total dollar amount of other investments held by the business, including (all loans to shareholders/partners, and) real estate loans (mortgages) owed to the business? Remember, these are amounts owed to the firm, NOT owed by the firm.

PROMPT: Other investments are any items not yet discussed that were purchased by [FIRM] with the intent to generate a return on the invested capital. Examples are investments in other companies, or artwork owned by the firm.

PROMPT: WORKSHEET SIDE 2 LINE 10

TAX FORM INFO:
 Partnership: 1065 Schedule L Lines 7d + 8d
 S-Corporation: 1120S Schedule L Lines 7d + 8d + 9d
 C-Corporation: 1120 Schedule L Lines 7d+8d+9d OR 1120A Part III Lines 7b+8b

AMOUNT: \$ _____ GO TO R5.1
 EX EX GO TO R6
 DK DK GO TO R5.2
 RF RF GO TO R5.3

R5.1 That's (DOLLAR ENTRY)? **DROP**
 YES 1 GO TO R6
 NO 2 GO BACK to R5

R5.2 Could you give me an estimate? **COLLAPSED TO R6**
 AMOUNT: \$ _____ GO TO R6
 EX EX GO TO R6
 DK or RF DK or RF

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, R5 & R5.2 >=0

R5.3 Could you indicate whether the amount of all loans to shareholders/partners, real estate loans (mortgages) owed to the business and other investments was: **COLLAPSED TO R5**

\$10,000 or less	1	<u>50000</u>
More than \$10,000 but less than or equal to \$50,000	2	<u>300000</u>
More than \$50,000 but less than or equal to \$100,000	3	<u>750000</u>
More than \$100,000 but less than or equal to \$500,000	4	<u>3000000</u>
More than \$500,000 but less than or equal to \$1 million	5	<u>7500000</u>
More than \$1 million but less than \$5 million	6	<u>30000000</u>
\$5 million or more	7	<u>50000000</u>
DK or RF	DK or RF	

QUESTION BY QUESTION NOTES

R6. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

R6.1 Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

R6.2 Try to get an estimate. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

R6.3 Try to get the respondent to select a range. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

R6. What was the book value of any land owned by [FIRM]?

PROMPT: Book value of land represents the value of the land at the time the land was acquired by the firm.

PROMPT: WORKSHEET SIDE 2 LINE 11

TAX FORM INFO:
 Partnership: 1065 Schedule L Line 11d
 S-Corporation: 1120S Schedule L Line 12d
 C-Corporation: 1120 Schedule L Line 12d OR 1120A Part III Line 10b

AMOUNT: \$ _____ GO TO R6.1
 EX EX GO TO R7
 DK DK GO TO R6.2
 RF RF GO TO R6.3

R6.1 That's (DOLLAR ENTRY)? **DROP**
 YES 1 GO TO R7
 NO 2 GO BACK to R6

R6.2 Could you give me an estimate? **COLLAPSED TO R6**
 AMOUNT: \$ _____ GO TO R7
 EX EX GO TO R7
 DK or RF DK or RF

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, R6 & R6.2 >=0

R6.3 Could you indicate whether the amount of the book value of any land was: **COLLAPSED TO R6**

\$10,000 or less 1	<u>5000</u>
More than \$10,000 but less than or equal to \$50,000 2	<u>30000</u>
More than \$50,000 but less than or equal to \$100,000 3	<u>75000</u>
More than \$100,000 but less than or equal to \$500,000 4	<u>300000</u>
More than \$500,000 but less than or equal to \$1 million 5	<u>750000</u>
More than \$1 million but less than \$5 million 6	<u>3000000</u>
\$5 million or more 7	<u>5000000</u>
DK or RF DK or RF	

QUESTION BY QUESTION NOTES

- R7.** This question asks for the net book value for any depreciable assets, intangible assets, or depletable assets that are used in the operation of the business. Assets that are not used in the operation of the business but are held for long-term investment purposes, such as land, are not included in this category. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

Read the PROMPT if the respondent does not understand what depreciable, depletable, or intangible assets are.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

- R7.1** Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

- R7.2** Try to get an estimate. This question asks for the net book value for any depreciable assets, intangible assets, or depletable assets that are used in the operation of the business. Assets that are not used in the operation of the business but are held for long-term investment purposes, such as land, are not included in this category. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

Read the PROMPT if the respondent does not understand what depreciable, depletable, or intangible assets are.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

- R7.3** Try to get the respondent to select a range. This question asks for the net book value for any depreciable assets, intangible assets, or depletable assets that are used in the operation of the business. Assets that are not used in the operation of the business but are held for long-term investment purposes, such as land, are not included in this category. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

Read the PROMPT if the respondent does not understand what depreciable, depletable, or intangible assets are.

R7. What was the net book value as of [DATE] of any buildings and equipment and any other depreciable, depletable or intangible assets?

PROMPT: That is, what was the acquisition cost minus any accumulated depreciation, depletion, and amortization?

PROMPT: Depreciable assets are assets that wear out as they are used or whose usefulness decreases over time.
Depletable assets include natural resources such as mines, timberlands, and oil wells.
Intangible assets include patents, copyrights, franchises, and good will.

PROMPT: The net book value for buildings should not include the value of the land.

PROMPT: WORKSHEET SIDE 2 LINE 12

TAX FORM INFO:
 Partnership: 1065 Schedule L Lines 9b(d) + 10b(d) + 12b(d)
 S-Corporation: 1120S Schedule L Lines 10b(d) + 11b(d) + 13b(d)
 C-Corporation: 1120 Schedule L Lines 10b(d) + 11b(d) + 13b(d)
 OR 1120A Part III Line 9b(b)

AMOUNT: \$ _____ GO TO R7.1
 EX EX GO TO R8
 DK DK GO TO R7.2
 RF RF GO TO R7.3

R7.1 That's (DOLLAR ENTRY)? **DROP**
 YES 1 GO TO R8
 NO 2 GO BACK to R7

R7.2 Could you give me an estimate? **COLLAPSED TO R7**
 AMOUNT: \$ _____ GO TO R8
 EX EX GO TO R8
 DK or RF DK or RF

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, R7 & R7.2 >=0

R7.3 Could you indicate whether the amount the net book value as of [DATE] of any buildings and equipment or any other depreciable, depletable or intangible assets were: **COLLAPSED TO R7**

\$10,000 or less	1	<u>5000</u>
More than \$10,000 but less than or equal to \$50,000	2	<u>30000</u>
More than \$50,000 but less than or equal to \$100,000	3	<u>75000</u>
More than \$100,000 but less than or equal to \$500,000	4	<u>300000</u>
More than \$500,000 but less than or equal to \$1 million	5	<u>750000</u>
More than \$1 million but less than \$5 million	6	<u>3000000</u>
\$5 million or more	7	<u>5000000</u>
DK or RF	DK or RF	

QUESTION BY QUESTION NOTES

R8. Insurance should be considered an asset only if it will be converted to another asset, such as cash, over time and not due to a "life event", such as fire or death. Therefore, cash surrender value insurance should be considered an asset, whereas term-life or whole-life insurance should not.

R9. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

R9.1 Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

R9.2 Try to get an estimate. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

R9.3 Try to get the respondent to select a range. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

R8. As of [DATE], did the firm have any other assets that were not yet discussed? Examples of other assets are the cash surrender value of life insurance and security deposits. **DROP**

- YES 1
- NO 2 FILL R9=\$0, GO TO SKIP45
- DK or RF DK or RF GO TO SKIP45

R9. What was the total dollar amount of these other assets not yet described?

PROMPT: WORKSHEET SIDE 2 LINE 13

TAX FORM INFO:
 Partnership: 1065 Schedule L Line 13d
 S-Corporation: 1120S Schedule L Line 14d
 C-Corporation: 1120 Schedule L Line 14d OR 1120A Part III Line 11b

- AMOUNT: \$ _____ GO TO R9.1
- EX EX GO TO READ31
- DK DK GO TO R9.2
- RF RF GO TO R9.3

R9.1 That's (DOLLAR ENTRY)? **DROP**

- YES 1 GO TO READ31
- NO 2 GO BACK to R9

R9.2 Could you give me an estimate? **COLLAPSED TO R9**

- AMOUNT: \$ _____ GO TO READ31
- EX EX GO TO READ31
- DK or RF DK or RF GO TO R9.3

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, R9 & R9.2 >=0

R9.3 Could you indicate whether the total dollar amount of these other assets not yet described was:

- COLLAPSED TO R9**
- \$10,000 or less 1 **50000**
- More than \$10,000 but less than or equal to \$50,000 2 **300000**
- More than \$50,000 but less than or equal to \$100,000 3 **750000**
- More than \$100,000 but less than or equal to \$500,000 4 **3000000**
- More than \$500,000 but less than or equal to \$1 million 5 **7500000**
- More than \$1 million but less than \$5 million 6 **30000000**
- \$5 million or more 7 **50000000**
- DK or RF DK or RF

READ31: Describe the three largest of these other assets.

IWER INFO: ASK **R10** AND **R11** FOR THE THREE LARGEST ASSETS.

QUESTION BY QUESTION NOTES

R10. This question is asked only for the three largest other assets included in R8 and R9. If the firm has fewer than three, then enter "NONE" as appropriate.

R11. When "NONE" is entered in R10(2) or R10(3), then CATI will fill-in R11 accordingly. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

R12. This asks for the total dollar value of all the firm's assets. Record the response to the nearest whole dollar. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

EXPANDED COMMENT BOX D10 D11 D12-D16 D17

What are the three largest of these other assets?

Assets

Cash

10 = Cash checking deposits

12 = Savings deposits, CDs

Accounts Receivable and Trade Notes net of allowances for bad debt

20 = Notes receivable (long term)

22 = Credit card receivables, accounts receivable, short term notes receivable

23 = Deferred income payments taxes, interest

Inventory or Production Materials

25 = Supplies inventory merchandise

Other Current Assets - within a year bonds stocks prepaid expenses

11 = Marketable securities

12 = Refunds

14 = Funds and tax deposits, accrued taxes

15 = Deposits

17 = Bonds

26 = Extended service agreements

21 = Prepaid expenses

40 = Fees

52 = Fees

55 = Benefits

Investments - also see

18 = Investments (not reportable)

19 = Investment in research, acquisition, joint

42 = Pension plan retirement fund

43 = Organizational costs

44 = Subsidies and franchises

46 = Loans to others-employee advances, partners, shareholders

53 = Stock and equity

Land - book value

22 = Land

52 = Value of land or business

Buildings or equipment - intangible, depletable or depreciable

20 = Equipment tools parts misc furniture, fixtures software cars, trucks, and computers

21 = Property, plant

24 = Additions, improvements, refinishings, alterations

27 = Other agreements (no complete covenants, etc.)

40 = Client lists, subscription list

50 = Amortization

51 = Depreciation

57 = Fair lease costs, lease hold improvements

58 = Leases-capital equipment supplies

Other - security deposits, other and more than 1 category

Other 6 20 = Permits licenses etc

Other 7 40 = Goodwill intangible intangibles

Other 8 45 = Deposits-security, utility, worker comp (deposits)

Other 9 47 = Research and development

Other 7 16 = Trust funds

Other 8 41 = Insurance-Cash surrender value of life insurance (insurance)

Goodwill

54 = Same as previous

56 = Delete this asset

57 = Other

58 = Not reportable

59 = Not reportable

D = Missing or don't know

E = refuse

Y = Exception

Net 20 asset

Net 21 asset 56 = Retained earnings > drop and subtract out

NOTE- All insurance not otherwise assignable coded to 41

All deposits coded to 45

TAX FORM INFO:

Partnership: 1065 Schedule L Line 13d
 S-Corporation: 1120S Schedule L Line 14d
 C-Corporation: 1120 Schedule L Line 14d
 OR 1120A Part III Line 11b

SEE EXPANDED CODEFRAME FOR R10, R1-R10, R2 ON PAGE 193

Asset Number	R10. What were the three largest of these other assets?	R11. What was the dollar amount of (ASSET) as of [DATE]?	R10A Are there any other assets not yet described? DROP
1	R10_1V MOVED TO R10_R1	R11_1 \$ _____, or DK or RF or EX	R10A Yes <input type="checkbox"/> R10_2; No, DK, RF <input type="checkbox"/> SKIP45
2	R10_2V MOVED TO R10_R2	R11_2 \$ _____, or DK or RF or EX	R10A2 Yes <input type="checkbox"/> R10_3; No, DK, RF <input type="checkbox"/> SKIP45
3	R10_3V MOVED TO R10_R3	R11_3 \$ _____, or DK or RF or EX	NA

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, R11_(1-3) >=0

SKIP45

IF R1 (OR R1.2) THRU R7 (OR R7.2) AND R9 (OR R9.2) ARE COMPLETE* GO TO SECTION S
 IF ANY ITEMS R1-R9 ARE DK, RF OR A REPORTED RANGE GO TO R12

***COMPLETE MEANS NONNEGATIVE INTEGER FOR ALL R VARIABLES EXCEPT R1 AND R1_2, WHERE COMPLETE MEANS INTEGER. COMPLETE DOES NOT INCLUDE EX, DK, OR RF**

R12. As of [DATE], what was the total dollar amount of all assets of the firm?

PROMPT: Total assets is equal to the sum of the recorded year-end values of the firm's assets.

PROMPT: WORKSHEET SIDE 2 LINE 14

TAX FORM INFO:

Partnership: 1065 Schedule L Line 14d
 S-Corporation: 1120S Schedule L Line 15d
 C-Corporation: 1120 Schedule L Line 15d OR 1120A Part III Line 12b

For the businesses that do not complete a balance sheet (because they are not required to complete the balance sheet if they have less than \$25,000 in assets), they indicate on the face of the return the total assets at the end of the year. For these businesses:

Partnership: Form 1065 Line F
 S-Corporation: Form 1120S Line E
 C-Corporation: Form 1120, Line D OR Form 1120A Line D

AMOUNT: \$ _____ GO TO R12.1
 EX EX GO TO SECTION S
 DK DK GO TO R12.2
 RF RF GO TO R12.3

QUESTION BY QUESTION NOTES

R12.1 Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

R12.2 Try to get an estimate. This asks for the total dollar value of all the firm's assets. Record the response to the nearest whole dollar. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

R12.3 Try to get the respondent to select a range. This asks for the total dollar value of all the firm's assets. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

R12.1 That's (DOLLAR ENTRY)?

DROP

YES 1
 NO 2

GO TO SECTION S
 GO BACK TO R12

R12.2 Could you give me an estimate?

COLLAPSED TO R12

AMOUNT: \$ _____
 EX EX
 DK or RF DK or RF

GO TO SECTION S
 GO TO SECTION S
 GO TO R12.3

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, R12 & R12.2 >=0

R12.3 Could you indicate whether total assets were:

COLLAPSED TO R12

\$10,000 or less 1
 More than \$10,000 but less than or equal to \$50,000 2
 More than \$50,000 but less than or equal to \$100,000 3
 More than \$100,000 but less than or equal to \$500,000 4
 More than \$500,000 but less than or equal to \$1 million 5
 More than \$1 million but less than \$5 million 6
 \$5 million or more 7
 DK or RF DK or RF

5000
30000
75000
300000
750000
3000000
5000000

ALL RESPONSES GO TO SECTION S

QUESTION BY QUESTION NOTES

- S1.** Enter to the nearest whole dollar the total combined amount of all loans, mortgages, notes, and bonds. This represents the firm's total borrowings as of the reference date. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

If a respondent does not know what a "nonrecourse" loan is, read the PROMPT.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

- S1.1** Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

Subsection S. LIABILITIES AND EQUITY

READ32: The next questions are about liabilities and equity the firm had as of [DATE]. If the firm is responsible for 50 percent or more of a liability, then please consider it a business liability and include it in your answers.

SKIP46

IF FIRM HAS ANY LOANS, F7, F16, F20, F27, F33, F39 OR F42 =1 **GO TO READ33**
 IN NO LOANS **GO TO S1**

READ33: Earlier you said that, at the end of (1998/the fiscal year ending [DATE]), the firm had loans with the following sources...

IWER INFO: READ ALL INSTITUTION NAMES WITH ANY LOANS: LINES OF CREDIT, LEASES, MORTGAGES, MOTOR VEHICLE, EQUIPMENT, LOANS FROM STOCKHOLDERS OR PARTNERS, AND OTHER LOANS.

PROGRAMMER NOTE

IF FIRM IS A PARTNERSHIP (B2 = 2, 3 OR 7) SAY “including any nonrecourse loans” IN S1 & S1.3

S1. As of [DATE] what was the combined amount of any loans, mortgages, notes, or bonds [, or capital leases] [, including any loans from stockholders/, including any nonrecourse loans] that the firm had?

PROMPT: With nonrecourse loans, the partners are not personally liable should the firm not repay the debt. Usually, with nonrecourse loans the creditor can only repossess the collateral.

PROMPT: WORKSHEET SIDE 2 LINE 15

IWER INFO: IF THE AMOUNT HAS ALREADY BEEN PRORATED THEN TAKE THE PRORATED AMOUNT. IF THE AMOUNT HAS NOT BEEN PRORATED, THEN TAKE THE TOTAL VALUE.

TAX FORM INFO:
 Partnership: 1065 Schedule L Lines 16d + 18d + 19d
 S-Corporation: 1120S Schedule L Lines 17d + 19d + 20d
 C-Corporation: 1120 Schedule L Lines 17d + 19d + 20d
 OR 1120A Part III Lines 15b + 16b

AMOUNT: \$ _____		<input type="radio"/> GO TO S1.1
EX	EX	<input type="radio"/> GO TO S2
DK	DK	<input type="radio"/> GO TO S1.2
RF	RF	<input type="radio"/> GO TO S1.3

S1.1 That’s (DOLLAR ENTRY)?

DROP

YES	1	<input type="radio"/> GO TO S2
NO	2	<input type="radio"/> GO BACK to S1

QUESTION BY QUESTION NOTES

S1.2 Try to get an estimate. Enter to the nearest whole dollar the total combined amount of all loans, mortgages, notes, and bonds. This represents the firm's total borrowings as of the reference date. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

If a respondent does not know what a "nonrecourse" loan is, read the PROMPT.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

S1.3 Try to get the respondent to report a range. This represents the firm's total borrowings as of the reference date. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

If a respondent does not know what a "nonrecourse" loan is, read the PROMPT.

S2. Enter to the nearest whole dollar the sum of all debts owed to other suppliers for purchases made on account. Accounts payable are current liabilities (short-term) incurred in the normal course of business as a firm purchases supplies with payment due at a later date. If a firm pays before or on delivery for all of its purchases, no accounts payable will appear on the firm's balance sheet. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

S2.1 Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

S2.2 Try to get an estimate. Enter to the nearest whole dollar the sum of all debts owed to other suppliers for purchases made on account. Accounts payable are current liabilities (short-term) incurred in the normal course of business as a firm purchases supplies with payment due at a later date. If a firm pays before or on delivery for all of its purchases, no accounts payable will appear on the firm's balance sheet. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

S1.2 Could you give me an estimate?

COLLAPSED TO S1

AMOUNT: \$ _____
 EX EX
 DK or RF DK or RF

GO TO S2
 GO TO S2

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, S1 & S1.2 >=0

S1.3 Could you indicate whether the firm's combined amount of any loans, mortgages, notes, or bonds [, or capital leases] [, including any loans from stockholders/ , including any nonrecourse loans] was:

\$10,000 or less 1
 More than \$10,000 but less than or equal to \$50,000 2
 More than \$50,000 but less than or equal to \$100,000 3
 More than \$100,000 but less than or equal to \$500,000 4
 More than \$500,000 but less than or equal to \$1 million 5
 More than \$1 million but less than \$5 million 6
 \$5 million or more 7
 DK or RF DK or RF

COLLAPSED TO S1

50000
300000
750000
3000000
7500000
30000000
50000000

S2. What was the total amount of the firm's accounts payable during (1998/the fiscal year ending [DATE])? Accounts payable is typically money the firm owes to other businesses for supplies and services.

PROMPT: WORKSHEET SIDE 2 LINE 16

TAX FOR INFO:
 Partnership: 1065 Schedule L Line 15d
 S-Corporation: 1120S Schedule L Line 16d
 C-Corporation: 1120 Schedule L Line 16d OR 1120A Part III Line 13b

AMOUNT: \$ _____
 EX EX
 DK DK
 RF RF

GO TO S2.1
 GO TO S3
 GO TO S2.2
 GO TO S2.3

S2.1 That's (DOLLAR ENTRY)?

DROP

YES 1
 NO 2

GO TO S3
 GO BACK TO S2

S2.2 Could you give me an estimate?

COLLAPSED TO S2

AMOUNT: \$ _____
 EX EX
 DK or RF DK or RF

GO TO S3
 GO TO S3

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, S2 & S2.2 >=0

QUESTION BY QUESTION NOTES

- S2.3** Try to get the respondent to select a range. Accounts payable are current liabilities (short-term) incurred in the normal course of business as a firm purchases supplies with payment due at a later date. If a firm pays before or on delivery for all of its purchases, no accounts payable will appear on the firm's balance sheet. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.
- S3.** Enter to the nearest whole dollar the total amount of all other current liabilities. Other current liabilities include other obligations due within the next year such as customer prepayments or deposits and accrued expenses or taxes payable. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

Short-term loans, notes, bonds, or mortgages, i.e. those with remaining maturities one year or less are not included in this category. They are to be included in S1.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

- S3.1** Verify that you have entered the correct amount by reading the dollar amount back to the respondent.
- S3.2** Try to get an estimate. Enter to the nearest whole dollar the total amount of all other current liabilities. Other current liabilities include other obligations due within the next year such as customer prepayments or deposits and accrued expenses or taxes payable. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

Short-term loans, notes, bonds, or mortgages, i.e. those with remaining maturities one year or less are not included in this category. They are to be included in S1.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

S2.3 Could you indicate whether the firm's accounts payable during (1998/the fiscal year ending [DATE]) was:

\$10,000 or less	1	COLLAPSED TO S2	5000
More than \$10,000 but less than or equal to \$50,000	2		30000
More than \$50,000 but less than or equal to \$100,000	3		75000
More than \$100,000 but less than or equal to \$500,000	4		300000
More than \$500,000 but less than or equal to \$1 million	5		750000
More than \$1 million but less than \$5 million	6		3000000
\$5 million or more	7		5000000
DK or RF	DK or RF		

S3. What was the total amount of the firm's other current liabilities? Do not include loans and accounts payable. Other current liabilities are debts, other than those discussed earlier, that are due within one year. Examples include accrued expenses, taxes payable, prepayments, and deposits or advances from customers.

PROMPT: This amount should not include the liabilities that you just reported in the firm's loans and accounts payable.

PROMPT: Accrued expenses are expenses that have been incurred but not yet paid such as salaries, taxes, and interest.
Taxes payable are taxes that are owed but not yet paid such as property, payroll, or income tax.
Prepayments, deposits, and advances from customers are payments made in advance by customers as evidence that they intend to buy a particular product or service.

PROMPT: WORKSHEET SIDE 2 LINE 17

TAX FORM INFO:
 Partnership: 1065 Schedule L Line 17d
 S-Corporation: 1120S Schedule L Line 18d
 C-Corporation: 1120 Schedule L Line 18d OR 1120A Part III line 14b

AMOUNT: \$ _____		<input type="checkbox"/> GO TO S3.1
EX	EX	<input type="checkbox"/> GO TO S4
DK	DK	<input type="checkbox"/> GO TO S3.2
RF	RF	<input type="checkbox"/> GO TO S3.3

S3.1 That's (DOLLAR ENTRY)? **DROP**

YES	1	<input type="checkbox"/> GO TO S4
NO	2	<input type="checkbox"/> GO BACK to S3

S3.2 Could you give me an estimate? **COLLAPSED TO S3**

AMOUNT: \$ _____		<input type="checkbox"/> GO TO S4
EX	EX	<input type="checkbox"/> GO TO S4
DK or RF	DK or RF	

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, S3 & S3.2 >=0

QUESTION BY QUESTION NOTES

S3.3 Try to get the respondent to select a range. Other current liabilities include other obligations due within the next year such as customer prepayments or deposits and accrued expenses or taxes payable. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

Short-term loans, notes, bonds, or mortgages, i.e. those with remaining maturities one year or less are not included in this category. They are to be included in S1.

S4.

S5. This question identifies if the firm has any other debts or obligations not recorded elsewhere. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

S5.1 Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

S5.2 Try to get an estimate. This question identifies if the firm has any other debts or obligations not recorded elsewhere. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

S3.3 Could you indicate whether the firm's other current liabilities were:

\$10,000 or less	1	COLLAPSED TO S3
More than \$10,000 but less than or equal to \$50,000	2	50000
More than \$50,000 but less than or equal to \$100,000	3	300000
More than \$100,000 but less than or equal to \$500,000	4	750000
More than \$500,000 but less than or equal to \$1 million	5	3000000
More than \$1 million but less than \$5 million	6	7500000
\$5 million or more	7	30000000
DK or RF	DK or RF	50000000

S4. As of [DATE], did the firm have any other debts or liabilities that were not yet discussed? **DROP**

YES	1	
NO	2	<input type="checkbox"/> FILL S5=\$0, GO TO SKIP47
DK or RF	DK or RF	<input type="checkbox"/> GO TO SKIP47

S5. As of [DATE], how much did (FIRM) owe on other debts or liabilities not yet discussed?

IWER INFO: IF THE RESPONDENT ASKS ABOUT INCLUDING EQUITY, RETAINED EARNINGS, OR CAPITAL ACCOUNTS: Equity, retained earnings, and capital accounts are not included in liabilities. These items are accounted for in the next few questions.

PROMPT: WORKSHEET SIDE 2 LINE 18

TAX FORM INFO:
 Partnership: 1065 Schedule L Line 20d
 S-Corporation: 1120S Schedule L Line 21d
 C-Corporation: 1120 Schedule L Line 21d OR 1120A Part III Line 17b

AMOUNT: \$ _____	<input type="checkbox"/> GO TO S5.1
EX	<input type="checkbox"/> GO TO READ34
DK	<input type="checkbox"/> GO TO S5.2
RF	<input type="checkbox"/> GO TO S5.3

S5.1 That's (DOLLAR ENTRY)? **DROP**

YES	1	<input type="checkbox"/> GO TO READ34
NO	2	<input type="checkbox"/> GO BACK TO S5

S5.2 Could you give me an estimate? **COLLAPSED TO S5**

AMOUNT: \$ _____	<input type="checkbox"/> GO TO READ34
EX	<input type="checkbox"/> GO TO READ34
DK or RF	

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, S5 & S5.2 >=0

QUESTION BY QUESTION NOTES

- S5.3 Try to get the respondent to select a range. This question identifies if the firm has any other debts or obligations not recorded elsewhere. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.
- S6. This question is asked only for the three largest other liabilities included in S5. If the firm has fewer than three, then enter "NONE" as appropriate.
- S7. When "NONE" is entered in S6(2) or S6(3), then CATI will fill-in S7 accordingly. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

EXPANDED CODEFRAME FOR S6 R1-S6 R3

What are the three largest of these other Liabilities?

Liabilities
Loans - loans, mortgages, bonds, notes, capital leases, loans from stockholders, non-recourse loans
 10 = Capital lease
 30 = SBA loan
 31 = Bank loan
 32 = Long-term loan
 33 = Mortgage
 34 = Personal, family loan
 35 = Stockholder, partner loan
 36 = Secured loans (auto, equipment, etc.)
 37 = Loan (not ascertainable)
 41 = Debt (not ascertainable)
 43 = Credit lines, revolving credit
 50 = Working capital
 80 = Bank overdraft
Accounts Payable
 38 = Notes payable
 39 = Accounts payable (wages, taxes, rent, etc.)
 52 = Accrued expenses
 75 = Purchases
 79 = Profit sharing
Other Current Liabilities - debts due within 1 year, accrued expenses (salaries, taxes and interest), taxes payable, prepayment, and deposits from customers)
 20 = Deferred income
 21 = Deferred income taxes (not ascertainable)
 22 = Deferred income taxes (federal, state)
 23 = Taxes
 24 = Deferred credit
 25 = Deferred compensation
 26 = Deferred interest payable
 27 = Deferred taxes from inventory
 40 = Other current liabilities
 53 = Deposits
 74 = Fees

Other Liabilities

Other 1 42 = Bonds
 Other 7 65 = Trust fund
 Other 2 70 = Negative goodwill
 Other 3 71 = Buying-out partner
 Other 4 72 = Insurance policies
 Other 5 73 = Minority interest
 Other 6 78 = Pension, retirement
Liabilities do not include equity, retained earnings, or capital accounts
excludes partner's capital account, common and preferred stock, extra paid in capital

Not Liabilities - drop

51 = Prepaid expenses
 60 = Owners' Capital
 61 = Capital stock
 62 = Stock
 63 = Retained earnings
 64 = Reserves

Special

94 = Same as previous
 96 = Delete this liability
 97 = Other
 98 = Not ascertainable
 0 = Not ascertained
 .B = Missing or don't know
 .R = refuse
 .X = Exception

S5.3 Could you indicate whether the firm's other current liabilities were:

- \$10,000 or less 1
- More than \$10,000 but less than or equal to \$50,000 2
- More than \$50,000 but less than or equal to \$100,000 3
- More than \$100,000 but less than or equal to \$500,000 4
- More than \$500,000 but less than or equal to \$1 million 5
- More than \$1 million but less than \$5 million 6
- \$5 million or more 7
- DK or RF DK or RF

COLLAPSED TO S5
50000
300000
750000
3000000
7500000
30000000
50000000

READ34: Describe the three largest of these other liabilities.

IWER INFO: ASK S6 AND S7 FOR THE THREE LARGEST LIABILITIES.

TAX FORM INFO:

Partnership: 1065 Schedule L for Line 20d
 S-Corporation: 1120S Schedule L for Line 21d
 C-Corporation: 1120 Schedule L for Line 21d
 OR 1120A Part III for Line 17b

SEE EXPANDED CODEFRAME FOR S6_R1-S6_R3 ON PAGE 205

Liability Number	S6. What were the three largest of these <u>other</u> liabilities?	S7. What was the dollar amount of (LIABILITY) as of [DATE]?	S6A Are there any other liabilities not yet described? DROP
1	S6_1V MOVED TO S6_R1	S7_1 \$ _____, or DK or RF or EX	S6A Yes <input type="checkbox"/> S6_2; No, DK, RF <input type="checkbox"/> SKIP47
2	S6_2V MOVED TO S6_R2	S7_2 \$ _____, or DK or RF or EX	S6A2 Yes <input type="checkbox"/> S6_3; No, DK, RF <input type="checkbox"/> SKIP47
3	S6_3V MOVED TO S6_R3	S7_3 \$ _____, or DK or RF or EX	NA

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, S7_(1-3) >=0

SKIP47

IF S1 (OR S1.2) THRU S3 (OR S3.2) AND S5 (OR S5.2) ARE COMPLETE*
 IF S1, S2, S3, & S5 ARE DK, RF OR A REPORTED RANGE

GO TO SKIP48
 GO TO S8

***COMPLETE IS NONNEGATIVE INTEGER; COMPLETE DOES NOT INCLUDE EX, DK OR RF**

QUESTION BY QUESTION NOTES

S8. This question asks for the total dollar amount of all the firm's debts and liabilities. Record the response to the nearest whole dollar. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

S8.1 Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

S8.2 Try to get an estimate. This question asks for the total dollar amount of all the firm's debts and liabilities. Record the response to the nearest whole dollar. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

NOTE: If the respondent gives a negative response, then use the exception code and procedure. Make sure you enter the negative amount in the comment box.

S8.3 Try to get the respondent to report a range. This question asks for the total dollar amount of all the firm's debts and liabilities. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

S8. As of [DATE], what was the total dollar amount owed by [FIRM] for all debts and liabilities? Do not include equity.

PROMPT: Total liabilities equal the sum of the recorded year-end values for all liability accounts.

PROMPT: WORKSHEET SIDE 2 LINE 19

TAX FORM INFO:
 Partnership: 1065 Schedule L for Lines 15d+16d+17d+18d+19d+20d
 S-Corporation: 1120S Schedule L for Line 16d+17d+18d+19d+20d+21d
 C-Corporation: 1120 Schedule L for Line 16d+17d+18d+19d+20d+21d
 OR 1120A Part III for Line 13b thru 17b

AMOUNT: \$ _____	<input type="checkbox"/> GO TO S8.1
EX	<input type="checkbox"/> GO TO SKIP48
DK	<input type="checkbox"/> GO TO S8.2
RF	<input type="checkbox"/> GO TO S8.3

S8.1 That's (DOLLAR ENTRY)? **DROP**

YES	1	<input type="checkbox"/> GO TO SKIP48
NO	2	<input type="checkbox"/> GO BACK to S8

S8.2 Could you give me an estimate? **COLLAPSED TO S8**

AMOUNT: \$ _____	<input type="checkbox"/> GO TO SKIP48
EX	<input type="checkbox"/> GO TO SKIP48
DK or RF	

RANGE CHECK: NONNEGATIVE INTEGERS ONLY, S8 & S8.2 >=0

S8.3 Could you indicate whether total liabilities were: **COLLAPSED TO S8**

\$10,000 or less	1	<u>5000</u>
More than \$10,000 but less than or equal to \$50,000	2	<u>30000</u>
More than \$50,000 but less than or equal to \$100,000	3	<u>75000</u>
More than \$100,000 but less than or equal to \$500,000	4	<u>300000</u>
More than \$500,000 but less than or equal to \$1 million	5	<u>750000</u>
More than \$1 million but less than \$5 million	6	<u>3000000</u>
\$5 million or more	7	<u>5000000</u>
DK or RF	DK or RF	

ALL RESPONSES GO TO SKIP48

QUESTION BY QUESTION NOTES

S9. For partnerships, collect total partners' equity in the firm. This includes the amount invested by the partners plus any profits reinvested in the firm (or less any losses) over the life of the business. Entry can be positive or negative. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

Read the PROMPT if the respondent needs additional explanation.

S9.1 Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

S9.2 Try to get an estimate. For partnerships, collect total partners' equity in the firm. This includes the amount invested by the partners plus any profits reinvested in the firm (or less any losses) over the life of the business. Entry can be positive or negative. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

Read the PROMPT if the respondent needs additional explanation.

S9.3 Try to get the respondent to clarify if the firm's equity was positive, negative or zero for the fiscal year. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

SKIP48

ALL SOLE PROPRIETORSHIPS, B3=1 OR 9 **⌂ GO TO SECTION U**

IF OTHER FIRM TYPE AND
 R1 (OR R1.2) THRU R7 (OR R7.2) & R9 (OR R9.2) ARE COMPLETE*; AND
 S1 (OR S1.2) THRU S3 (OR S3.2) & S5 (OR S5.2) ARE COMPLETE* **⌂ GO TO SECTION U**

IF PARTNERSHIP, B3=2 OR 3 OR 7 **⌂ GO TO S9**

IF C-CORP OR S-CORP, B3=4 OR 5 OR 6 OR 8 **⌂ GO TO S10**

***COMPLETE IS AN INTEGER FOR R1 AND R1_2, NONNEGATIVE INTEGER FOR ALL OTHER VALUES, AND NOT EX, DK, OR RF**

EQUITY -- Partnerships

READ35a: Now we are going to ask you about equity. Equity is equal to assets minus liabilities. Equity can be negative or positive.

S9. As of [DATE], what was the total amount of [FIRM's] equity? **MOVED TO EQUITY**

PROMPT: Equity is sometimes referred to as the partners' capital accounts.

PROMPT: WORKSHEET SIDE 2 LINE 20

TAX FORM INFO:
Partnership: 1065 Schedule L Line 21d

AMOUNT: \$ _____		⌂ GO TO S9.1
DK	DK	⌂ GO TO S9.2
RF	RF	⌂ GO TO S9.3

S9.1 That's (DOLLAR ENTRY)? **DROP**

YES	1	⌂ GO TO SECTION U
NO	2	⌂ GO BACK TO S9

S9.2 Could you give me an estimate? **COLLAPSED TO S9**

AMOUNT: \$ _____		⌂ GO TO SECTION U
DK or RF	DK or RF	

S9.3 Could you tell me whether (FIRM) had positive, zero, or negative equity as of [DATE]? **DROP**

Positive equity	1	⌂ GO TO S9.4
Zero equity	2	⌂ GO TO SECTION U
Negative equity	3	⌂ GO TO S9.5
DK or RF	DK or RF	⌂ GO TO SECTION U

QUESTION BY QUESTION NOTES

- S9.4** Try to get the respondent to select a range. For partnerships, collect total partners' equity in the firm. This includes the amount invested by the partners plus any profits reinvested in the firm (or less any losses) over the life of the business. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.
- S9.5** Try to get the respondent to select a range. For partnerships, collect total partners' equity in the firm. This includes the amount invested by the partners plus any profits reinvested in the firm (or less any losses) over the life of the business. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

S9.4 Could you indicate whether the positive equity was:

\$10,000 or less	1
More than \$10,000 but less than or equal to \$50,000	2
More than \$50,000 but less than or equal to \$100,000	3
More than \$100,000 but less than or equal to \$500,000	4
More than \$500,000 but less than or equal to \$1 million	5
More than \$1 million but less than \$5 million	6
\$5 million or more	7
DK or RF	DK or RF

COLLAPSED TO S9
50000
300000
750000
3000000
7500000
30000000
50000000

ALL RESPONSES GO TO SECTION U

S9.5 Could you indicate whether the negative equity was:

\$10,000 or less	1
More than \$10,000 but less than or equal to \$50,000	2
More than \$50,000 but less than or equal to \$100,000	3
More than \$100,000 but less than or equal to \$500,000	4
More than \$500,000 but less than or equal to \$1 million	5
More than \$1 million but less than \$5 million	6
\$5 million or more	7
DK or RF	DK or RF

COLLAPSED TO S9
50000
300000
750000
3000000
7500000
30000000
50000000

ALL RESPONSES GO TO SECTION U

QUESTION BY QUESTION NOTES

- S10.** Entry can be positive or negative. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.
- S10.1** Verify that you have entered the correct amount by reading the dollar amount back to the respondent.
- S10.2** Try to get an estimate. Entry can be positive or negative. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.
- S10.3** Try to get the respondent to clarify if the firm's equity was positive, negative or zero for the fiscal year. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

EQUITY -- S-Corporations and C-Corporations

READ35b: Now we are going to ask you about equity. Equity is equal to assets minus liabilities. Equity can be negative or positive.

S10. As of [DATE], what was the total amount of [FIRM's] equity?

MOVED TO EQUITY

PROMPT: Equity is the sum of the book value of common and preferred stock, additional paid-in-capital, and retained earnings, less the cost of any treasury stock.

PROMPT: WORKSHEET SIDE 2 LINE 20

TAX FORM INFO:
 S-Corporation: 1120S Schedule L Lines 22b(d)+23d+24d+25d less 26d
 C-Corporation: 1120 Schedule L Lines 15d less (16 d thru 21d)
 OR 1120A Part III Lines 12b less (13b thru 17b)

AMOUNT: \$ _____ GO TO S10.1
 DK DK GO TO S10.2
 RF RF GO TO S10.3

S10.1. That's a [positive/negative] equity of (DOLLAR ENTRY)? **DROP**

YES 1 GO TO SECTION U
 NO 2 GO BACK TO S10

S10.2 Could you give me an estimate? **COLLAPSED TO S10**

AMOUNT: \$ _____ GO TO SECTION U
 DK or RF DK or RF

S10.3 Could you tell me whether (FIRM) had positive, zero, or negative equity as of [DATE]? **DROP**

Positive equity 1 GO TO S10.4
 Zero equity 2 GO TO SECTION U
 Negative equity 3 GO TO S10.5
 DK or RF DK or RF GO TO SECTION U

QUESTION BY QUESTION NOTES

- S10.4** Try to get the respondent to select a range. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.
- S10.5** Try to get the respondent to select a range. Refer the respondent to the appropriate line of their tax return or worksheet, if necessary.

S10.4 Could you indicate whether the positive equity was:

\$10,000 or less	1
More than \$10,000 but less than or equal to \$50,000	2
More than \$50,000 but less than or equal to \$100,000	3
More than \$100,000 but less than or equal to \$500,000	4
More than \$500,000 but less than or equal to \$1 million	5
More than \$1 million but less than \$5 million	6
\$5 million or more	7
DK or RF	DK or RF

COLLAPSED TO S10

5000
30000
75000
300000
750000
3000000
5000000

ALL RESPONSES GO TO SECTION U

S10.5 Could you indicate whether the negative equity was:

\$10,000 or less	1
More than \$10,000 but less than or equal to \$50,000	2
More than \$50,000 but less than or equal to \$100,000	3
More than \$100,000 but less than or equal to \$500,000	4
More than \$500,000 but less than or equal to \$1 million	5
More than \$1 million but less than \$5 million	6
\$5 million or more	7
DK or RF	DK or RF

COLLAPSED TO S10

5000
30000
75000
300000
750000
3000000
5000000

ALL RESPONSES GO TO SECTION U

QUESTION BY QUESTION NOTES**U1.****U1.1**

U2. Be sure to emphasize PERSONAL obligations. If necessary, let the respondent know that we will be asking about business obligations next.

U3.

U4. The prompt provides a simple explanation of a judgement and a good example. Read this to the respondent, if necessary.

Subsection U. CREDIT HISTORY

READ36: The next questions are to help us understand the credit history of the firm and its principal owner. As a reminder, the principal owner typically has the largest ownership share and the primary authority to make financial decisions.

U1. Within the past seven years, has the firm or its principal owner declared bankruptcy?

YES	.....	1	
NO	.....	2	⊖ GO TO U2
DK or RF	.....	DK or RF	⊖ GO TO U2

U1.1 Was bankruptcy declared by the firm, the principal owner, or both?

FIRM	.....	1
PRINCIPAL OWNER	.....	2
BOTH	.....	3
DK OR RF	.....	DK or RF

U2. Within the past three years, on how many different personal obligations has the principal owner been 60 or more days delinquent?

NONE	.....	1
ONE	.....	2
TWO	.....	3
THREE OR MORE	.....	4
DK or RF	.....	DK or RF

U3. Within the past three years, on how many different business obligations has the firm been 60 or more days delinquent? Please include trade credit, or credit from suppliers.

NONE	.....	1
ONE	.....	2
TWO	.....	3
THREE OR MORE	.....	4
DK or RF	.....	DK or RF

U4. Within the past three years, have any judgments been rendered against the principal owner?

PROMPT: Judgments are court orders or lawsuits requiring either payment or some action. An example of an action is cessation of infringement on a patent.

YES	.....	1
NO	.....	2
DK or RF	.....	DK or RF

QUESTION BY QUESTION NOTES

U5.

U5.1

U5.2 Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

U5.3 Try to get an estimate.

U5.4 Try to get the respondent to select a range.

READ37: Banks usually require personal guarantees or collateral from the owners when extending credit or making loans to small businesses. The last three questions are about personal assets the owner of the business has available to pledge as collateral or guarantee for credit extended to the business.

SKIP49

IF B3 = 1 or 9 (Sole Proprietorship)
 IF B3 = 5, 6 or 8 AND B3.1 = 2 or DK or RF ⊖ GO TO U5

IF B3 = 2, 3, 4 or 7
 IF B3 = 5, 6 or 8 AND (B3.1 = 1 or A10.1 >1) ⊖ GO TO READ38

U5. (Do you/Does the owner) own (your/his or her) home or primary residence? **MOVED TO U_HOME**

- YES 1
- NO 2 ⊖ GO TO U6
- DK or RF DK or RF ⊖ GO TO U6

U5.1 What is the approximate equity in (your/[OWNER's]) home or primary residence? Please deduct all primary and secondary mortgages, as well as any other home equity loans, from the market value of the house. **MOVED TO U_HEQ**

PROMPT: WORKSHEET SIDE 2 LINE 21

- AMOUNT: \$ _____ ⊖ GO TO U5.2
- DK DK ⊖ GO TO U5.3
- RF RF ⊖ GO TO U5.4
- EX EX ⊖ GO TO U6

U5.2 That's (DOLLAR ENTRY)?

- YES 1 ⊖ GO TO U6
- NO 2 ⊖ GO BACK to U5.1

U5.3 Could you give me an estimate? **DROP**

- AMOUNT: \$ _____ ⊖ GO TO U6
- DK or RF DK or RF

U5.4 Could you indicate whether the home's equity is: **COLLAPSED TO U5_1**

- \$5,000 or less 1 **5000**
- More than \$5,000 but less than or equal to \$10,000 2 **7500**
- More than \$10,000 but less than or equal to \$50,000 3 **30000**
- More than \$50,000 but less than or equal to \$100,000 4 **75000**
- More than \$100,000 but less than \$500,000 5 **300000**
- \$500,000 or more 6 **750000**
- DK or RF DK or RF

QUESTION BY QUESTION NOTES

- U6.** If the respondent is having trouble with the question, read the prompt.
- U6.1** Verify that you have entered the correct amount by reading the dollar amount back to the respondent.
- U6.2** Try to get an estimate.
- U6.3** Try to get the respondent to select a range.

U6. Excluding {(your/[OWNER's]) primary home and} the value of [FIRM], what is (your/the owner's) approximate total net worth, that is all (your/his or her) assets minus all debts? **MOVED TO U_NETW**

PROMPT: Owner's net worth is the sum of the owner's personal assets less the sum of the owner's personal debts and liabilities. For this question, we want to EXCLUDE the net worth of the owner's house, and net worth of the owner's share of [FIRM].

PROMPT: WORKSHEET SIDE 2 LINE 22

AMOUNT: \$ _____ GO TO U6.1
 DK DK GO TO U6.2
 RF RF GO TO U6.3
 EX EX .. GO TO REMARKS

U6.1 That's (DOLLAR ENTRY)? **DROP**

YES 1 GO TO REMARKS
 NO 2 GO BACK to U6

U6.2 Could you give me an estimate? **COLLAPSED TO U6_1**

AMOUNT: \$ _____ GO TO REMARKS
 DK or RF DK or RF

U6.3 Could you indicate whether (your/the owner's) total net worth is:

		COLLAPSED TO U6_1
\$10,000 or less	..... 1	5000
More than \$10,000 but less than or equal to \$50,000	..... 2	30000
More than \$50,000 but less than or equal to \$100,000	..... 3	75000
More than \$100,000 but less than or equal to \$500,000	..... 4	300000
More than \$500,000 but less than or equal to \$1 million	..... 5	750000
More than \$1 million but less than \$5 million	..... 6	3000000
\$5 million or more	..... 7	5000000
DK or RF	..... DK or RF	

ALL RESPONSES GO TO REMARKS

RANGE CHECK: U6 OR U6_2 MUST BE A NON NEGATIVE INTEGER

QUESTION BY QUESTION NOTES

U7.

U7.1

U.7.2 Verify that you have entered the correct amount by reading the dollar amount back to the respondent.

U7.3 Try to get an estimate.

U7.4 Try to get the respondent to select a range.

READ38: Once again, please think about the principal owner of the firm. This is typically the (partner/owner) who has the largest ownership share.

U7. Does the principal owner own his or her home or primary residence? **MOVED TO U_HOME**

- YES 1
- NO 2 GO TO U8
- DK or RF DK or RF GO TO U8

U7.1 What is the approximate equity in the principal owner’s home or primary residence? Please deduct all primary and secondary mortgages, as well as any other home equity loans, from the market value of the house. **MOVED TO U_HEQ**

PROMPT: WORKSHEET SIDE 2 LINE 21

- AMOUNT: \$ _____ GO TO U7.2
- DK DK GO TO U7.3
- RF RF GO TO U7.4
- EX EX .. GO TO U8

U7.2 That’s (DOLLAR ENTRY)? **DROP**

- YES 1 GO TO U8
- NO 2 GO BACK to U7.1

U7.3 Could you give me an estimate? **COLLAPSED TO U7_1**

- AMOUNT: \$ _____ GO TO U8
- DK or RF DK or RF

U7.4 Could you indicate whether the home’s equity is: **COLLAPSED TO U7_1**

- \$5,000 or less 1 **5000**
- More than \$5,000 but less than or equal to \$10,000 2 **7500**
- More than \$10,000 but less than or equal to \$50,000 3 **30000**
- More than \$50,000 but less than or equal to \$100,000 4 **75000**
- More than \$100,000 but less than \$500,000 5 **300000**
- \$500,000 or more 6 **750000**
- DK or RF DK or RF

RANGE CHECK: U7_1 OR U7_3 MUST BE >=0

QUESTION BY QUESTION NOTES

- U8.** If the respondent is having trouble with the question, read the prompt.
- U8.1** Verify that you have entered the correct amount by reading the dollar amount back to the respondent.
- U8.2** Try to get an estimate.
- U8.3** Try to get the respondent to select a range.

U8. Excluding (the principal owner's primary home and) the value of [FIRM], what is the principal owner's approximate total net worth, that is all his or her assets minus all debts? **MOVED TO U_NETW**

PROMPT: Owner's net worth is the sum of the owner's personal assets less the sum of the owner's personal debts and liabilities. For this question, we want to EXCLUDE the net worth of the owner's house, and net worth of the owner's share of [FIRM].

PROMPT: WORKSHEET SIDE 2 LINE 22

AMOUNT: \$ _____ GO TO U8.1
 DK DK GO TO U8.2
 RF RF GO TO U8.3
 EX EX GO TO REMARKS

U8.1 That's (DOLLAR ENTRY)? **DROP**

YES 1 GO TO REMARKS
 NO 2 GO BACK TO U8

U8.2 Could you give me an estimate? **COLLAPSED TO U8**

AMOUNT: \$ _____ GO TO REMARKS
 DK or RF DK or RF

U8.3 Could you indicate whether the principal owner's total net worth is:

		COLLAPSED TO U8
\$10,000 or less	..... 1	5000
More than \$10,000 but less than or equal to \$50,000	..... 2	30000
More than \$50,000 but less than or equal to \$100,000	..... 3	75000
More than \$100,000 but less than or equal to \$500,000	..... 4	300000
More than \$500,000 but less than or equal to \$1 million	..... 5	750000
More than \$1 million but less than \$5 million	..... 6	3000000
\$5 million or more	..... 7	5000000
DK or RF	..... DK or RF	

RANGE CHECK: U8 OR U8_2 MUST BE NON NEGATIVE INTEGER

ALL RESPONSES GO TO REMARKS

REMARKS: To resolve any discrepancies that might turn up as we look over the notes I've made, we would like to receive worksheets or copies of the firm's balance sheet, income statement, and income tax return. We would appreciate your mailing the completed worksheets or these other records to us in the postage-paid envelope supplied.

PROMPT: If you do not have the postage-paid envelope, our address is:

National Opinion Research Center
 at The University of Chicago
 1525 East 55th Street
 Chicago, Illinois 60615

Thank you for participating in the survey. We greatly appreciate your time and effort. The Federal Reserve will send you a report summarizing the findings of the survey. Have a nice [day/evening]. Goodbye.

