



REMINGTON ARMS COMPANY, INC.
Ilion Works
-cCo-

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ACCOUNTING OUTLINE
PROJECT EXPENDITURES FOR M/721 MACHINERY, TOOLS & EQUIPMENT

MACHINERY (FTI-5)

1. Machinery retained by Technical (per 5/29/46 letter of J. A. Roberts) to be set up as Technical Plant Assets, inclusive of original installation cost.

If, as and when released to Plant, the total book value is to be transferred to Ilion Plant assets, and the second installation cost charged to Reserve for Depreciation.

2. Remaining machinery installed in Plant areas, as 46-1 and 48-1, even though temporarily part of the Technical Pilot Line, to be charged to Ilion Plant Assets - inclusive of installation.
3. Work Orders are to be closed into Plant Assets as soon as physically complete.
4. Above Project has been analyzed to Plant Increase. Revised face sheet is to be issued at a later date. In the meantime, Work Orders for other than Plant Increase items are to be re-analyzed to R & M accounts corresponding to applicable Works Ledger accounts instead of to the original capital account 88-02.

HANDLING EQUIPMENT (FI-180)

Inasmuch as all of this equipment is intended for use on M/721 factory production, all Work Orders are to be closed to Ilion accounts, as physically completed, despite any minor-temporary use in Technical Pilot Line operations.

TOOLS (FI-123)

The tools ordered against this Project include:

- (a) Initial set up of Gages, Fixtures and Cutting Tools for the new model - these will be capitalized.
- (b) A limited stock of various Gages and Cutting Tools to be used as replacements in factory production - Gages chargeable to the Tool Reserve account, and Cutting Tools chargeable to either Perishable Tool and Cutter Stores or Expense Tool and Cutter Stores.
- (c) Tools to be retained by Technical

(Some of the above tools originally were ordered on FTI-5 and will be transferred to FI-123 as each Work Order is completed)

The Cutting Tools are being physically received by Cutter Stores, listed on Kardex record without money value and requisitioned out at no value to Technical.

Gages are being received by Tool Inspection and turned over to Technical on a weekly listing.

1. As each Work Order is physically closed, a final review will determine quantities in excess of one set. The value of the "extra" perishable tools and cutters will be credited to the Project and charged as follows:

When ordered by the Plant - Charge Cutter Stores

When ordered by Technical - Charge Technical Project FTD-151

Cutter Stores in turn will charge above tools to Technical Project FTD-151 as withdrawn by Technical

Cutter Stores will notify Accounting of the return of such "extra" tools, indicating whether Standard or Expense tools. Entry then will be made crediting FTD-151 and setting up these new and unused tools in Perishable Tools & Cutter Stores and Expense Tool & Cutter Stores respectively.

Technical therefore will absorb in FTD-151 the cost of all all "extra" cutting tools consumed, partially used in Pilot Line operations, or not returned to the Plant.

It is not anticipated that the purchases under FI-123 will include any "extra" fixtures or gages except to a very minor extent; therefore these categories will be taken into Plant Assets in total.

2. The cost cards - for initial tooling - remaining after removing the "extra" tooling will be transferred to a pending closed file, and the cost transferred to the Tool Capital Account by December 31, 1946, or before, after approval of tools by Technical.
3. Technical to notify Accounting of all tools not approved for use in factory production, which have been ordered as initial tooling on FI-123. The value of these tools shall then be removed from the Project and charged to Technical M/721 Development Expense, unless returnable to vendor.

As the various tools are approved by Technical, Cutter Stores will arrange for the purchase of necessary stores balances. The accounting for these purchases will be handled in the regular manner and will apply to Tool Project FI-123.

JJP:ah
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