

“With present day costs in operating circulation departments, we must apply every method at our command to keep the ever-rising spiral of expenses to a minimum.”

— JOSEPH LAWRENCE,
Circulation Manager,
Bridgeton, N. J.,
Evening News

CHAPTER 17

Circulation Record Keeping and Accounting

RECORDS AND REPORTS of a newspaper clearly reflect the quality and efficiency of its circulation management and point the way to many economies that otherwise might be overlooked. Furthermore, they contribute to the efficiency and morale of those who work within the department.

To look upon them solely as cold figures to indicate the business-like operations of the department and its contribution to total income would be a grave mistake. They represent much more than that. They mirror circulation accomplishments and possibilities in many respects. Woven into the records are such intangibles as integrity and loyalty of personnel, character building, stemming the tide of delinquency, business training, tests of department procedures, weaknesses and strengths of circulation policies and theories, and community progress.

Those in the circulation department deal with people in a most intimate and particular way. Courtesy, consideration, understanding of human nature, fairness, politeness and punctuality are qualities required for success in this field — and the extent to which these qualities are applied is revealed to a great degree in the circulation department's accounts and reports.

MANY DETAILS FOR TABULATION

In no other department of a newspaper organization are there so many accounts to be kept and so many small but important details to be tabulated. These are in six main categories:

1. Accounts with dealers and carriers.
2. Advance payment accounts.
3. Mail subscription accounts.

4. ABC records and reports.
5. Expense accounting.
6. Cost-finding data.

In most newspaper organizations, circulation accounting and record keeping are set up as details to be handled by the main business office where other accounting and bookkeeping work is done. This is usually true of weekly and small daily papers. Some large newspapers, however, allow the circulation department to set up an accounting system in its own department. But when this is done, the department usually is required to submit to the main business office at intervals a summarized report of its accounting transactions.

"I strongly favor an independent bookkeeping setup for the circulation department," says L. C. Bollinger, circulation manager of the Santa Rosa, Calif., *Press-Democrat* (circulation 30,445, population 17,902). "The problems and adjustments connected with circulation bookkeeping are different from those pertaining to a normal bookkeeping operation."

Dealers' and Carriers' Accounts

Only those responsible for the over-all operation of a circulation department comprehend the many different items that must go into records each month. Those pertaining to carriers and dealers alone can easily run up into the thousands even on a medium-sized newspaper. They include:

1. *Carriers' contracts and leases* — It is very important that these be filed in good order for they are binding agreements between the carriers and the newspaper they sell and deliver.

2. *Carriers' bonds and deposits* — These bonds signify that carriers have deposited money with the newspaper as a pledge of faithful performance. It is money that belongs to the carrier and the newspaper must be a careful custodian.

3. *Carriers' daily "draws"* — The number of papers that each carrier draws daily from the press run to serve the patrons on his route must be carefully recorded.

4. *Daily deliveries to newsstands and dealers* — Tickets must be made out for newsstands and dealers, showing for each the number of papers he is to receive.

5. *Sales to street salesmen* — In order to make a proper accounting to the Audit Bureau of Circulations, careful records must be kept of the number of copies taken by each street salesman. Usually a salesman is required to maintain a deposit with the newspaper to cover his purchases. From this his orders are deducted on the basis of sales slips. On some small papers, however, each salesman pays cash for his copies when he receives them.

6. *Statements to carriers* — Carriers are expected to pay for their

papers promptly each week or month. Statements, showing the number of papers issued to them, are given at regular intervals (see Fig. 17.1).

7. *Statements to dealers* — Statements issued to dealers each month must show the number of papers they have received during the month and the number of papers returned.

8. *Sales records* — The circulation manager likes to know the results of sales efforts put forth by carriers and full-time solicitors. Usually some of these work on a commission basis, so accurate accounts are kept with each name.

Montgomery, Ala., _____ 195____

To THE ADVERTISER COMPANY, INC., Dr.
Publishers

THE MONTGOMERY ADVERTISER—ALABAMA JOURNAL

FOR WEEK ENDING SATURDAY, _____ 195____

NAMES OF
BONDSMEN

DAILY PAPERS AS CHARGED		BALANCE DUE FROM LAST WEEK				\$
Mon.		Daily Copies				
		@	c			
Tues.		Extra Sun. Copies				
		@	c			
Wed.		Reg. Sun. Copies				
		@	c			
Thu.		TOTAL CURRENT CHARGES				\$
Fri.		CREDITS	Paid @ 40c			
			In Advance @ 30c			
Sat.						
Total Daily Papers		TOTAL CREDITS				\$
		NET CURRENT BILL				\$
		TOTAL DUE—PAY THIS AMOUNT				\$

FIG. 17.1 — Weekly statement issued to their carriers by the Montgomery, Ala., Montgomery Advertiser and Alabama Journal.

9. *Carriers' route lists* — If the route is owned by the newspaper and leased to the carrier, the newspaper will expect the carrier to file a complete list of his customers and their addresses at least quarterly if not monthly.

10. *Subscription "starts"* — In order to obtain an accurate record of total copies sold and delivered, it is necessary to keep close tab on the "starts" each day. This is important, too, because it reflects the sales activities of the carriers and circulation salesmen and the attitude of subscribers toward the paper in various areas.

11. *Subscription "stops"* — Each district manager likes to check carefully the "stops" turned in by his carriers. Reasons for the "stops" also are recorded, for they may indicate conditions that can be corrected. "Stops" are as important as "starts," too, in determining the total circulation each day.

12. *Contest records* — If the newspaper is conducting a contest with its carriers and awarding them prizes on the basis of merit points, a careful record must be kept so that the points may be totaled at the end of the contest and the winners determined.

In addition to the records and accounts listed above are the accounts kept by each carrier with his customers. This requires the carrier to keep careful records, which adds to his business training.

Records of Advance Payments

Many newspapers have a great number of carrier-route subscribers who pay for a year, six months or three months in advance. When such a condition prevails, a holding fund must be set up, and a portion of the money received for each paid-in-advance subscription must go to the carrier in weekly or monthly installments. To do all this accurately and speedily requires intricate record keeping.

A good illustration of this complicated procedure is found in the records kept by the Santa Rosa, Calif., *Press-Democrat*. This newspaper delivers a large portion of its circulation on motor routes that have as many as 400 subscribers, making it impossible for the drivers to collect each month from each of these subscribers. Therefore, the *Press-Democrat* encourages advance payments, which are collected either by the driver and turned in at the office, or by mail. The drivers are responsible for all collections, but the circulation department assists them by sending to pay-in-advance subscribers a postcard notice, telling them when next payments are due and suggesting that they remit by mail.

When payments come in by mail, over the counter and through carriers, good help must be on hand to issue numerous receipts, make note of cash payments and later post them to the proper accounts. A motor-route driver may lessen the work somewhat by listing on a single sheet several subscribers from whom he has collected. One

receipt to the driver then will cover the whole report, and posting may be done from the report sheet.

Complicated record keeping is essential in handling these accounts, for the carrier in such cases must be paid his "commission" in weekly or monthly installments. If he were paid in one amount all that he should ultimately receive from a paid-in-advance yearly subscription, and then quit delivering his route before the year was up, still greater complications would arise in keeping records and in making settlement with the carrier who would succeed him. To avoid all such record-keeping difficulties, some newspapers will not permit payment in advance at the office for carrier-delivered subscriptions.

Mail Subscription Records and Accounts

Newspapers with a large number of subscriptions by mail also have much record keeping to do. Records and accounts in the mail subscription department pertain mainly to:

1. *New subscriptions* — Whenever a person orders the paper to be delivered by mail, a record must be made to show the person's correct address and the date when his subscription will expire. This information must be sent to the person who corrects the mailing galleys or addressograph plates. A copy of the order also must be filed as evidence to the Audit Bureau of Circulations that the subscription is bona fide, and a letter should be sent to the subscriber acknowledging the order.

2. *Renewal subscriptions* — When a subscriber renews his subscription, care must be taken to credit his account and a receipt should be issued. The order for a renewal should be filed the same as the order for a new subscription.

3. *Installment subscriptions* — These usually are on the basis of monthly payments and require more bookkeeping than subscriptions for a year or more. Some newspapers will not accept subscriptions on this basis because of the amount of bookkeeping, mailing, etc., involved. However, the La Crosse, Wis., *Tribune* (circulation 33,534, population 47,535), which has used this plan for several years, has not found it too much of an ordeal. Record keeping mainly consists of posting dates of payments on the subscribers' cards, which they send in when making payments and which are mailed back to them after payments are credited. Payments are entered also on office cards.

4. *Postal requirements* — To maintain the privilege of using the mails at second-class rates, the newspaper must meet several legal requirements and file certain annual statements with the post office. These requirements are more fully described in Chapter 19.

ABC Records and Reports

The Audit Bureau of Circulations requires of every newspaper member a full accounting for printed copies of every issue. Every

member newspaper, therefore, must keep a detailed monthly record. The ABC requires also the making out of a Quarterly Recapitulation Record, summarizing the items included in the Monthly Record, and a Quarterly Publisher's Statement, which is sent to the ABC office in Chicago. The Publisher's Statement is fully described in Chapter 16 and shown in Figure 16.5.

The information for the Monthly Record is in ten categories:

1. *City Zone Paid Circulation* — Under this heading are shown for each day of the month: (1) the number of papers delivered by carriers under an office collect system; (2) number delivered by carriers for which carriers collect; (3) number sold by dealers and individuals who are not regular carriers; (4) number sold by street vendors; (5) number sold direct to individuals at counter in newspaper office; (6) number of mail subscribers; and (7) the total paid subscriptions in city zone.

2. *Retail Trading Zone Paid Circulation* — Under this heading are listed the number of papers sold under the same circumstances and conditions as those mentioned in "City Zone Paid Circulation."

3. *All Other Paid Circulation* — Here are shown the number of papers sold by dealers and carriers and by mail outside the city and retail trading zones.

4. *Total Paid Circulation (Gross)* — This column gives the total of paid subscriptions shown in the three preceding classifications.

5. *Bulk Sales* — Shown here is the total number of papers sold in quantities of eleven or more which are judged to be for the purpose of promoting the professional or business interests of the purchaser.

6. *Arrears* — Tabulated here are: (1) the number of subscriptions in arrears of payment over three months; (2) those in arrears for shorter terms; (3) credit subscriptions in arrears; and (4) the total number of subscriptions in arrears.

7. *Service Copies* — This section shows the number of copies issued to: (1) advertisers, (2) employees, (3) city employees, (4) railroad and post office employees, and (5) total number of service copies.

8. *Unpaid Copies* — Here are shown: (1) the number of copies sent to advertising agencies for checking purposes; (2) copies sent in exchange to other newspapers; (3) complimentary copies to carriers; (4) complimentary copies sent by mail; (5) sample copies used in building circulation; (6) copies used in office and placed in office files; (7) number of copies left over and spoiled after printing; and (8) other copies unaccounted for.

9. *Press-Room Report of Production* — Listed here are: (1) the total press run each day; (2) copies spoiled in printing; (3) gross press run; (4) number of pages printed each day; and (5) pounds of paper wasted each day.

10. *Returns* — Shown here are the number of papers returned in: (1) the city zone, (2) retail trading zone, and (3) from other areas.

Expense Accounting

In addition to vital records of income and operation, are numerous expense items for which the circulation department must give an accounting. The most important of these are:

1. *Salaries and commissions* — Excluding the carriers, who are independent contractors in most newspaper organizations, the number of persons who draw regular salaries in the circulation department is not so great as in most other departments of the newspaper. There may be a number, however, who work part time or draw commissions on the business they produce. The total expenditure for help may run to a large figure.

2. *Supplies* — Usually all the material required for the circulation department is charged to it. Many newspapers charge newsprint cost entirely to circulation. Other regular expense items include expenditures for twine, rubber bands, stationery, printed forms, stamps and similar supplies.

3. *Equipment* — A careful record must be kept of equipment purchases. Mailers, conveyors, stuffers, trucks, delivery cars, carriers' bags and the like must be replaced when worn. These may not all be charged to the circulation department but a record should be kept. Expenditures for repairs on main equipment items also must be recorded.

4. *Transportation* — A large item of circulation expense is transportation costs. Copies and bundles of metropolitan newspapers are hauled great distances. The upkeep or the rental on cars and trucks is an item requiring careful study and supervision.

5. *Promotion* — If subscriptions are to be sold, the newspaper's features and services must be advertised and promoted. The expenditures for promotion through various media and methods must be recorded.

Circulation Cost Finding

All such items as those already described help to determine the subscription price of the newspaper. It is important for the circulation manager to know approximately, at least, the cost of delivering the newspaper to one subscriber for one year. For computing this the following formula is sometimes used:

1. Determine the cost of producing and delivering one issue to all subscribers.
2. Multiply this figure by the number of issues printed in one year. Ordinarily this would be 52 issues for a weekly newspaper, but will vary widely for dailies, depending upon whether it is a five-day, six-day or seven-day publication and whether it publishes morning and/or evening editions.
3. Divide the result by the total circulation.

The estimate is a rough one at best because it fails to consider varying delivery costs of issues distributed by mail, by rural free delivery, by street carrier, by plane or truck or by other methods. Nevertheless, a more accurate idea of the unit subscription cost can be gained in this way than by the "guesstimating" that long characterized the efforts of publishers to determine circulation costs.

Some publishers are intolerant of the detail involved in obtaining unit costs. They contend that a uniform cost system is impractical due to varying operating conditions in the newspaper industry. This, however, is a negative viewpoint, because production methods are basically the same regardless of the type of operation. Cost finding is essential in lieu of the alarming increase in costs of publishing. It is as useful to the paper with 5,000 circulation as to one with 50,000.

SYSTEM MUST BE ACCURATE, SPEEDY AND SIMPLE

What is wanted above all else in circulation accounting is accuracy, speed and explicitness. Rapid handling of accounts is necessary because of the great number of them and because of the importance of quick handling of moneys at the collection window and in the direct-by-mail department. Statements issued to carriers, dealers and subscribers should be as self-explanatory as possible. Inability of carriers and dealers to understand their statements often causes arguments and discontent. This lowers morale in the working organization. Subscribers, too, are dissatisfied if the statement is not explicit and accurate. Much circulation may be lost through sloppy accounting.

At the same time publishers need to make their accounting and record keeping as simple as possible. This is particularly true on small newspapers, where the keeping of books and records usually is given to someone in the office who carries other important responsibilities.

Hand-Recording Systems for Smaller Papers

For weekly newspapers, and even for some dailies, where most subscribers receive their papers by mail, a galley proof of the names and addresses of subscribers with expiration dates serves also as the newspaper's only permanent record of subscribers. The names are listed on the galley alphabetically according to towns and rural routes. When a customer comes in, the office clerk pulls the galley from a handy drawer, tells the subscriber what he owes and, when payment is made, changes the date of expiration on the galley. Statements, too, are made out from the galley list. In many respects, however, this is a poor system. It is time consuming and often results in needless errors. In the first place, the galley listing by towns and routes, as required by the post office, is inconvenient for use in finding a name for any purpose other than renewal, for only a subscriber could remember the number of his mail route. A much better system is a simple alpha-

Ordered by	
Subscription Started	
Paid \$----- to ----- 19__	Paid \$----- to ----- 19__
Paid \$----- to ----- 19__	Paid \$----- to ----- 19__
Paid \$----- to ----- 19__	Paid \$----- to ----- 19__
Paid \$----- to ----- 19__	Paid \$----- to ----- 19__
Paid \$----- to ----- 19__	Paid \$----- to ----- 19__
Paid \$----- to ----- 19__	Paid \$----- to ----- 19__
Paid \$----- to ----- 19__	Paid \$----- to ----- 19__

FIG. 17.2 — Subscription record card used by Centralia, Mo., **Fireside Guard**.

betical card index. The cards may be marked with signal pins or “flags” of some kind according to the month of expiration so that billings may be done handily from them. Better still, perhaps, is a double card-filing system, with cards in one file arranged alphabetically, and with cards in the other file arranged according to towns, rural routes and streets. When the subscription list goes beyond 1,000 names, a better record than a galley proof is essential.

The Centralia, Mo., *Fireside Guard* (circulation 2,258, population 2,460) uses two forms in a card system that simplifies its record keeping. The first form, made in duplicate, shows name, address, when subscription started and when it will expire (see Fig. 17.2). One set of cards in this form is filed alphabetically according to towns, the other set according to subscription expiration dates. The other form (see Fig. 17.3) shows the mailing tab, change of address and other data pertaining to record of that account. Filled-in copies of this form are kept in a counter drawer until the first day of each week, when the information on them is transferred to cards for the regular circu-

Proof of NEW TAB here:				Proof of OLD TAB here:	
NAME				Amount Paid	
Renewal				Date Paid	
New				Change from	
Street					
Route				To	
City					
State				File Card Credited	
East	West	Gen'l Deliv.	Box	Tab Made	

FIG. 17.3 — Memorandum blank used by the Centralia, Mo., **Fireside Guard** shows payments, change of address and other pertinent data.

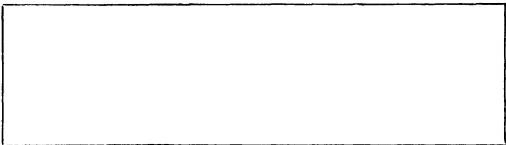
lation file, and mail tabs are made with an Elliott addressing machine. Renewal notices are mailed to subscribers a few weeks before their subscriptions expire and again a week or so after expiration if remittances have not been made by that time (see Fig. 17.4).

The Mosinee, Wis., *Times* (circulation 1,678, population 1,453) has found a two-card system convenient and time saving for keeping

THE CENTRALIA FIRESIDE GUARD

"Boone County's Leading Weekly Newspaper"

Centralia, Missouri - - EM 2-2513



Subscription Rate \$2.50 per Year
\$1.50 for 6 months

Your subscription will expire
has expired on ----- **19-----**

Subscriptions are payable in advance, and must be discontinued unless promptly renewed, or unless you tell us that you want the paper and will be in with, or send, your remittance in a few days.

FIG. 17.4 — Subscription expiration notice used by the Centralia, Mo., Fireside Guard.

records and serving subscribers. One card is in an alphabetical file, the other in an expiration-date file. The alphabetical file is used for quick reference when readers come in to renew their subscriptions; the other in mailing out expiration notices. The bookkeeper prepares the notices during slack periods from other work and has them ready for mailing at the proper date. If someone renews before mailing date, the card is removed. All subscriptions expire on the 1st and 15th of each month.

During the full eight years the Mosinee *Times* has used this sys-



FIG. 17.5 — Circulation accounting system of the Santa Rosa, Calif., **Press-Democrat** is built around this automatic accounting machine. (Courtesy of National Cash Register Company.)

tem, it has obtained 83 per cent renewals, according to Francis F. Schweinler, publisher.

Mechanical Equipment Has Many Advantages

To assure greater accuracy, speed and economy in handling accounts, many newspapers have installed mechanical equipment. Hand systems, even at their best, are slow. On busy days it is almost a full-time job to write receipts for subscribers, and posting can fall several days behind. Constant interruptions in a newspaper office can sever a bookkeeper's chain of concentration. Distractions break the continuity of posting, and errors, such as crediting the wrong account or crediting an amount twice for the same payment, happen to even the most skillful bookkeepers. Misreading of handwritten figures is a common error, because collector's figures are often written in haste, and collection cards are easily soiled, making the figures illegible. Furthermore, fig-

ures are often transposed in posting payments from collection cards to ledgers. Handwritten systems, too, are difficult to audit. It is hard to know if a subscriber paid by mail, in the office or to a collector; and in the event of dispute it is almost impossible to trace the complete history of an account.

Worst of all, handwritten accounts are vulnerable to chiseling by unscrupulous individuals. Figures can be altered with ease, and serious losses can occur before the act is detected. Most of these opportunities for errors and inefficiencies will be eliminated with mechanical equipment.

REDUCES CLERICAL FORCE

Operation costs may be lessened considerably, too, with mechanical equipment. The Santa Rosa, Calif., *Press-Democrat* reduced its clerical force 50 per cent when it installed in its circulation department a National Cash Register Model 31 accounting machine (see Fig. 17.5). "All work formerly done by four persons is now done by two operators," says L. C. Bollinger, circulation manager. "Our records are neater and much more legible, and errors are cut to practically nothing."

The *Press-Democrat's* electro-mechanical system begins with a Start or Stop order (see Fig. 17.6), filled in by a carrier or counter sales

Press Democrat		DATE		ROUTE	
STOP ORDER				103	
NAME <u>John Roe</u>					
ADDRESS <u>620 Cherry St. S.R.</u>					
GIVE REASON: <u>Leaving town</u>					
MOVED TO _____ BY _____					
PAID TO		COLLECT	DATE STARTED	STOP WRITTEN BY	

DATE		SUBSCRIPTION ORDER BLANK		ROUTE	
				101	
I HEREBY SUBSCRIBE TO					
THE PRESS DEMOCRAT of Santa Rosa for a period of Two Months,					
at \$1.50 per month, and thereafter until ordered discontinued.					
SUNDAY ONLY <input type="checkbox"/> — Check Box for Sunday Only					
Name <u>M. D. Roe</u>		Apt. No. _____		Tel. <u>643 J</u>	
Del. Address <u>710 Humbolt St.</u>		Receipt No. _____		by <u>phone</u>	
Town <u>S.R.</u>		Amt. Paid \$ _____			
Secured by <u>office</u>		Route No. _____		Paid to _____	
This blank MUST be SIGNED by SUBSCRIBER					
Former Address _____		Rt. _____			
20M-1253-4618-168					

FIG. 17.6 — Stop and Start order forms used by the Santa Rosa, Calif., *Press-Democrat*.

DAILY DRAW SHEET			
DATE		DAY	
6-23		Thurs.	
EDI- TION	ROUTE	START	STOP
F	101	3	
F	102	4	2
F	103		3
F	104	3	1

F	182	9	4
TOTAL		25	14

FIG. 17.7 — Simple Daily Draw Sheet used by the Santa Rosa, Calif., Press-Democrat.

girl. This form simply indicates the person or firm to whom the subscription is to be sent or the person or firm who wishes to discontinue a subscription. These Stop or Start orders are summarized daily by each of the ten district managers on a form known as the Daily Draw Sheet (see Fig. 17.7).

Next, the Daily Draw Sheets go to the machine where they are summarized by districts. This Daily Draw Sheet Summary (see Fig. 17.8a) indicates the production requirements for the day. It becomes an accurate quantity order for the press department. It also indicates the daily, Sunday and grand totals to date, and provides totals for each edition. Thus any end-of-month processing to develop special analysis totals is eliminated.

The Daily Draw Sheet Summary is created in triplicate. The first copy remains in the circulation department and is filed in an accumulative ring binder for later reference. The second copy goes to the district manager to be used in verifying the handling of all Draw Sheets. The third copy becomes the Circulation Manager's Work Sheet and is used for temporary reference.

In the process of creating the Daily Draw Sheet Summary, an additional form is completed which analyzes and indicates the distribution quantities assigned to trucks for delivery to the various control areas and the quantities for mailing (see Figs. 17.8b and 17.8c).

Periodically, the Press Run and Daily Circulation Report is summarized. This report makes available more vital information than any others in the system, because it automatically provides all the basic information concerning daily activity, such as quantities of each edition itemized by zone, and a press run summary by edition taken from reports in Figures 17.8a, 17.8b and 17.8c. From these figures comes the automatic information for the ABC report. The publisher

FIG. 17.8 — (a) Press Run and Daily Circulation Report; (b) Daily Draw Sheet Summary; and (c) Mail Summary used by the Santa Rosa, Calif., Press-Democrat.

PRESS RUN					DAILY CIRCULATION REPORT				
DATE <u>JUNE 27 '59</u>					DATE <u>JUNE 27 '59</u>				
NAME	HOME	PETALUMA	FINAL	TOTAL	NAME	STAFF	CITY	TOTAL	
City Carriers			8335	8335	City Carriers	23	14	8335	
City News Dealers	422		193	575	City News Dealers			575	
Honor Racks	371		170	541					
Street Sales	125		175	300	Street Sales			785	
Counter Sales	25		25	50	Counter Sales			43	
City Mail	2		2	2	Mail			2	
TOTAL CITY PAID					3240				
Office Control Ret Carr.	309		309	309	Suburban Carriers (Office Ctrl)	6	4	309	
Little Merchant Ret Carr.	1,133	10,506	1,892	12,531	Suburban Carriers	10	5	16,762	
Retail Agents	107	818	368	1,217	Suburban Carriers			1,217	
Retail Mail		199		199	Suburban Mail	20	2	199	
TOTAL SUBURBAN PAID					18,487				
All Other Carriers	314		314	314	Agents and Dealers	6	4	327	
All Other Dealers	10		3	13	Mail	20	5	347	
Outside Mail	347		347	347	TOTAL ALL OTHER PAID				
Special or Bulk Sales					Special or Bulk Sales			674	
Advertisements	40		40	40	City, Suburban or All Other				
Employees					TOTAL PAID CIRCULATION				
Correspondents					29,101				
City, R. R. and P. O. Employees					Advertisements			40	
Advertising Agents		28	28	28	Employees				
Exchanges					Correspondents				
Comp. by Carriers	3		6	9	City, R. R. and P. O. Employees				
Comp. by Mail	6		3	9	TOTAL SERVICE COPIES				
Samples	45	119	35	102	Advertising Agents			28	
Office Use & File	5	54	11	59	Exchanges				
TOTALS	1,310	13,670	2,200	12,500	Comp. by Carriers			9	
PRESS RUN MONDAY JUNE 27, 1959					Comp. by Mail			9	
HOME.....	13,670				Samples			301	
PETALUMA.....	2,200				Office Use & File			129	
SONOMA.....	1,310				TOTAL UNPAID COPIES				
FINAL.....	12,500				476				
TOTAL.....	29,680				Left Over & Spoils After Printing			500	
a					Copies Unaccounted For			63	
					Net Press Run			29,680	
					Copies Spoiled in Printing				
					Gross Press Run			29,950	
					No. Pages Colored Copies & or Magazine	18	To Dt. This Mo.		
					No. Pages Printed Today		To Dt. This Mo.		
					No. Pages Issued Today	30	To Dt. This Mo.		
					Bounds Pages Opened Today	10210			
					Pages of Waste	592			
					Press Started	12:28			
					Press Stopped	3:10			
					b				

4676-

BANKY

SONOMA	PETALUMA	HOME	FINAL	TOTALS
SUBURBAN 1153	SUBURBAN 1022	SUBURBAN 309	SUBURBAN 3211	CITY 8535 + 20-110
MOTOR 45	MOTOR 35	SAMPLES 119	SAMPLES 102	SUBURBAN 17071
		ALL OTHER 314	CITY 8535	MOTOR 309
				ALL OTHER 314 - 4
				SAMPLES 501

17071
- 309
16762

c

MAIL

City 4 Mendocino 1

Suburban 10222 Date 6-27-59 Lake 20-2-10

Country 35445-7-2847 Petaluma 23-1-2-2

and the editor each receive a copy of this summary and the circulation manager retains a copy for his file.

In the compiling of ABC statistics, the mechanical equipment is most helpful. The Daily Circulation Reports are simply returned to the machine and posted to an ABC approved report form. The machine retains and posts the totals for each, which are then visually compared to the summary totals from the Daily Circulation Report.

A similar operation is followed in preparing the Quarterly ABC Report. As in the case of the monthly report, the quarterly is also an ABC approved machine form (see Fig. 17.9). The monthly report totals become the basic media for the Quarterly ABC Report.

Before the accounting machine was installed, preparation of the *Press-Democrat's* Monthly ABC Report required forty hours. The same report is now completed in two hours. At one time, six circulation department clerks were required to process a minimum of detail necessary in the circulation department. Today, two machine operators handle the complete machine system. The volume can be increased from the current 29,000 to 50,000 copies daily without need for additional personnel or equipment.

ELIMINATES DUPLICATIONS

A similar effective transformation took place in the circulation department of the Yakima, Wash., *Republic* (circulation 17,185, population 38,486) when it went from a pen-and-ink system of record keeping and bookkeeping to modern mechanical equipment. The *Republic* felt that it had to do something because there were three essential weaknesses in its system: (1) records had to be copied two and three times; (2) records were partly prepared by hand and partly by typewriter and many errors occurred in transposing from one form to another; and (3) it was virtually impossible to trace a group of transactions through the system.

By investigating modern methods of bookkeeping, the publisher and circulation manager of the *Republic* found that the weaknesses of their system of circulation bookkeeping and record keeping could be overcome by gearing the system to a modern typewriter-bookkeeping machine, without changing their essential forms in any way. They installed a National Class 31 Accounting Machine, from which they derive the following advantages:

1. Records which formerly were created in four separate, disconnected manual operations are now created in one mechanical operation (see Fig. 17.10).
2. Start and Stop orders may be taken now and processed up to within thirty minutes of press time.
3. By producing statements on a day-by-day basis, the month-end overload is eliminated.

FIG. 17.9 — Quarterly Recapitulation Record kept by the Santa Rosa, Calif., **Press-Democrat** for Audit Bureau of Circulations.

CARRIER LEDGER													
JOHN DOE 211 NO. 4TH ST				REPUBLIC 89				Starting Date: 6-1-89 Rate: 1.18 CLY 30.000 Discount: Insurance: .05					
THE REPUBLIC PRINTING COMPANY													
DESCRIPTION	TOTAL DAILY DELAY	TOTAL DAILY DELAY	AV. NO. OF PAGES	DATE	DATE	DEBIT NUMBER	CHARGE	CREDIT	BALANCE	NO. INVOICE	PAY		
REP 89 PYMT VR					OCT 1 15		458		1967	0.00	20.00	3967	
INSURANCE					OCT 11 15			.85			20.00	20.00	0
EMPLOYEE OR					OCT 11 15			.30	0.55	20.00	20.00	20.00	0
REP 89 PYMT WP					OCT 11 15		1,382		3748	36.93	20.00	16.93	0
REP 89 PYMT ST					OCT 11 15		1,138		4240	79.53	25.00	54.53	0
BOND DEP 5.00					OCT 11 15		1,138				25.00	89.53	0
REP 89 PYMT RM					OCT 19 15		1,385		35.00	114.53	25.00	114.53	0
SUBS OR					OCT 21 15				1.50	116.03	25.00	116.03	0
DLT PAPERS	1,923		74	1.15	OCT 26 15			85.10		7.37	25.00	174.3	0
SUN PAPERS		307		.38	OCT 26 15			2356		6.52	25.00	180.8	0
INSURANCE					NOV 11 15			.85			25.00	180.8	0
REP 89 PYMT ST					NOV 12 15		1,640		16.00		30.00	74.8	0
BOND DEP 5.00					NOV 12 15		1,640			22.52			0

CARRIER'S DRAW RECORD														
JOHN DOE 211 NO. 4TH ST				REPUBLIC 89				THE YAKIMA DAILY REPUBLIC HIGHWAY CARRIER STATEMENT 114 NORTH FOURTH STREET YAKIMA, WASHINGTON						
THE REPUBLIC PRINTING COMPANY														
NO. TOTAL PICK-UP	DAILY PAGES	TOTAL DAILY	SUBMIT PAGES	TOTAL SUBMIT	DESCRIPTION	TOTAL DAILY DELAY	TOTAL DAILY DELAY	AV. NO. OF PAGES	DATE	DATE	DEBIT NUMBER	CHARGE	CREDIT	BALANCE
1	74				TOTAL DEBIT	25.00							1.37	OR
2	74				INSURANCE					NOV 11 15		.85		6.52
3	74				REP 89 PYMT ST					NOV 12 15	1,640		16.00	22.52
4	74				BOND DEP 5.00					NOV 12 15	1,640			
5	74	370	5.8	5.8										
6	74													
7	74													
8	74													
9	74													
10	74													
11	74													
12	74	815												
13	74		51	1.25										
14														
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Form 13-1-8888

Pay Last Amount in This Column

FIG. 17.10 — Ledger page and carrier statement produced with mechanical equipment in circulation department of the Yakima, Wash., Republic.

- The bookkeeping machine accumulates totals of carrier deliveries, sales by street vendors, mail subscriptions and so on, making it unnecessary to run individual adding-machine listings of the figures.
- Posting to the ABC form, which previously required a day and a half, is now done in an hour and a half.
- Statements and reports are produced in neat, accurate and easy-to-read form (see Fig. 17.11).

The Hackensack, N. J., *Bergen Evening Record* (circulation 67,604, population 29,219) cut both expenses and time in record keeping on accounts receivable for circulation, accounts payable and payroll when it installed two Burroughs Typewriter Accounting Machines (see Fig.

CASH RECEIPTS BOOK

THE REPUBLIC PRESS, YAKIMA, WASH.

NAME	DATE	RECEIPT NUMBER	CHARGES OR RECEIPTS	CARRIER RECEIPTS	BALANCE
JOHN DOE R R 1 MOORE PJ	NOV 12 55	5949		10.95	a
JOHN DOE R R 1 COWICHE	NOV 12 55	50		10.95	a
29 AT 10.95 6001 THRU 6029 PJ	NOV 12 55	6029		317.55	a
JOHN DOE HIGHLAND CALIF	NOV 12 55	30		4.50	a
VOID	NOV 12 55	31			
JOHN DOE BAKERSFIELD CALIF	NOV 12 55	32		9.50	a
JOHN DOE STAR RTE NACHES	NOV 12 55	33		10.95	a
JOHN DOE R R 2 TOPPENISH	NOV 12 55	34		3.50	a
JOHN DOE R R 2 TOPPENISH	NOV 12 55				

NEWS DEALER AND AGENT LEDGER

HAVEN MOTEL
P O BOX 941
YAKIMA WASH

Rate .07 DAILY

.12 SUNDAY

THE REPUBLIC PRESS, YAKIMA

DESCRIPTION	TOTAL DAILY DRAW	TOTAL SUNDAY DRAW	RATE	DATE	RECEIPT NUMBER	CHARGES	CREDITS	BALANCE	ROND BALANCE	PROOF
HAVEN MOTEL PYMT				AUG 3 55		22.02		22.02	0.00	22.02
HAVEN MOTEL PYMT				AUG 9 55	354		8.72	= 13.30	0.00	13.30
264 DLY @ .0350				AUG 12 55	409		13.30	= 0.00	0.00	0.00
48 SUN @ .08				SEP 7 55		9.24				
HAVEN MOTEL PYMT				SEP 7 55		3.84		13.08	0.00	13.08
DAILY @ .0750	214			SEP 8 55	717		13.08	= 0.00	0.00	0.00
SUNDAY @ .12		38		OCT 10 55		16.05		20.61	0.00	20.61
HAVEN MOTEL PYMT				OCT 10 55		4.56		0.00	0.00	0.00
DAILY PAPERS	123		.07	OCT 12 55	476		20.61	= 0.00	0.00	0.00
SUNDAY PAPERS		29	.12	NOV 1 55		8.61		12.09	0.00	12.09
HAVEN MOTEL PYMT				NOV 1 55		3.48		0.00	0.00	0.00
				NOV 12 55	1,439		12.09	= 0.00	0.00	0.00

YAKIMA MORNING HERALD
NEWS DEALER AND AGENT STATEMENT
114 NORTH FOURTH STREET
YAKIMA, WASHINGTON

HAVEN MOTEL
P O BOX 941
YAKIMA WASH

DESCRIPTION	TOTAL DAILY DRAW	TOTAL SUNDAY DRAW	RATE	DATE	RECEIPT NUMBER	CHARGES	CREDITS	BALANCE
DAILY PAPERS	123		.07	NOV 1 55		8.61		
SUNDAY PAPERS		29	.12	NOV 1 55		3.48		
HAVEN MOTEL PYMT				NOV 12 55	1,439		12.09	= 0.00
						BALANCE FORWARD		

Pay Last Amount in This Column

FIG. 17.11 — Records and statements produced by the Yakima, Wash., Republic are neat, easy to read and easy to understand.



FIG. 17.12 — Operator at work on Burroughs Typewriter Accounting Machine in office of Hackensack, N. J., **Bergen Evening Record**.

17.12) and a Burroughs Sensimatic Accounting Machine (see Fig. 17.13). The new system is centered around the use of a Circulation Charge Sheet with a carbon copy used as a Driver's Sheet (see Fig. 17.14).

The Charge Sheet shows the daily draw, and the Driver's Sheet tells the driver the number of papers to be left for each carrier and at each newsstand. The circulation department extends on Thursday nights the total of papers ordered for the week and forwards this

charge listing to the accounting department, where the Charge Sheet and a Circulation Bill are prepared in one operation. Charges are figured from a chart showing rates for papers sold on "no returns" and those sold "with returns," net charge and the amount to be charged on the weekly invoices. Carriers also are charged for insurance. The Charge Sheet contains also information on allowances, past due amounts, and the net amount of the invoice.

"To prove that our billing is correct," says Kenneth C. Doty, comptroller, "we merely multiply the total number of papers ordered, by the rate. This total must agree, within pennies, with the total amount that is furnished by the billing machine. A single operator can prepare between 200 and 250 circulation bills per hour, or some 1,440 accounts each Friday."



FIG. 17.13 — The Hackensack, N. J., **Bergen Evening Record** uses this type of Burroughs Sensimatic Accounting Machine for circulation billing.

Bergen Evening Record Corp.

CIRCULATION CHARGE SHEET

A. R. WHOLESALE CO., INC., N.Y. 40700

NAME OF ACCOUNT	MON.	TUES.	WED.	THURS.	FRI.	SAT.	TOTAL	BALANCE BROUGHT FORWARD	P A P E R S			AMOUNT	C A R R I E R S		ALLOW- ANCES	PAID DUE	BALANCE DUE	BALANCE CARRIED FORWARD	
									GROSS	RETURNS	NET		INSURANCE	SAVINGS					
Douglas Drug Co.	50	50	50	50	50	100	350	.00	350		350	13.30					13.30		
R. T. Moeller	30	30	30	40	40	50	220	.00	220		220	8.30					8.30		

Bergen Evening Record Corp.,

CIRCULATION DRIVERS SHEET

A. R. WHOLESALE CO., INC., N.Y. 40700

NAME OF ACCOUNT	P A P E R S D R A W N							R E T U R N S						
	MON.	TUES.	WED.	THURS.	FRI.	SAT.	TOTAL	MON.	TUES.	WED.	THURS.	FRI.	SAT.	TOTAL
Douglas Drug Co.	50	50	50	50	50	100	350							
R. T. Moeller	30	30	30	40	40	50	220							

FIG. 17.14 — Circulation Charge Sheet and Driver's Sheet used by the Hackensack, N. J., Bergen Evening Record.

PUNCHED-CARD SYSTEM IS POPULAR

Another system of circulation accounting used by many newspapers, especially the larger ones, is the punched-card method. The Allentown, Pa., *Call* and *Chronicle* (combined circulation 92,361, population 106,756) rent International Business Machine equipment, including an electric accounting machine, a reproducing summary punch and a sorter and alphabetic printing punch, to take care of the following details:

1. *Draw Sheet* — Daily draws for each account are printed, and a summary card is punched showing the accumulated draw and cost of copies so that on the last day of the billing period the total is printed.

2. *Carrier and Dealer billing* — All invoices are machine addressed, individual charges and credits are listed and calculated, and a "balance forward" card is reproduced for use in heading the next bill.

3. *Carrier Bond statements* — This operation is similar to carrier and dealer billing, but principally it serves to control the amount of money each carrier has deposited as guarantee of bill payment.

4. *Payroll information* — The time sheets for each department and the work sheets for the payroll clerks are listed every week. At any desired time it is possible to print an employee list either alphabetically, by departments or by rate of pay.

5. *Office Pay statements* — The amount of credit to be given carriers on pay-at-office subscriptions is calculated and credit cards for carrier accounts are punched for billing.

6. *Mail and Office Pay billing* — Name and address cards for all mail and office pay accounts are filed according to expiration dates. Fifteen days before expiration these accounts are listed on statements to be mailed. After payments are received the cards are moved to new expiration dates.

7. *Town and County reports* — These show the daily net paid circulation by county, township and town.

8. *Office Pay lists* — Each month the newspaper mails to each carrier a list of his office pay accounts, showing names and addresses of subscribers and expiration dates, which the carrier enters in his collection book and otherwise verifies the records of payments.

9. *Mail and Office Pay Reserve* — The cash paid in advance by all office pay subscribers is calculated at the end of the calendar year.

10. *Zone analysis* — Every three months a zone analysis is made for the Postal Department. This includes a tabulation from the mail ledger cards, which are filed in town and county order.

11. *Files checkup* — Every three months related files are machine listed and double checked for cards missing or misfiled.

12. *Code Books* — Listed on the tabulator are code books showing territory covered by carriers in all the large towns and boroughs, town and county mail and throw-offs.

The *Call* and *Chronicle* have been using this system for twenty years. Although during that period circulation has increased more than 26,000, no additional clerks have been required to handle the work on the machines.

"We believe the machines can carry additional circulation gains without additional operators for at least another ten years," says Edwin R. Horn, circulation manager. "When peak lots are hit, the need for speed and accuracy still remains, but the machine relieves the clerks of responsibility for error, and because of greater speed, the tension of all concerned is reduced."

KARDEX METHOD IS HANDY

Circulation conditions are not the same in all communities. Consequently, each newspaper is forced to work out an accounting system that best suits its needs. For example, the St. Petersburg, Fla., *Times* (circulation 83,707, population 96,738) has circulation problems more complicated than those of most newspapers. During the summer months its circulation is about 60,000. During the winter tourist season it zooms to 90,000. Some subscribers are on the list only for the length of time they spend in St. Petersburg; others pay for a full year, and the paper is sent to their summer address after they leave. In addition, the *Times* has home-delivered, seven-day subscriptions, mail-outs, Sunday only, and six-day subscribers. All in all, its clerks have to check from 30,000 to 40,000 individual cards a year — often up to 250 a day. Such a heavy number of constant references requires a file which permits quick, accurate referral, with posting held to a minimum.

To meet this situation, the *Times* uses a Remington Rand Kardex system. The newspaper's entire prepaid subscription file is housed in 15 Kardex units containing 20 slides each. Each slide holds from 65 to 70 cards in alphabetical order. The title insert at the bottom of each card contains the name of the subscriber. When inserted in the Kardex pocket, this insert slips into the visible edge. The clerk simply pulls the proper slide, glances rapidly down the visible edges to find the card she wants, flips the pocket upward and has before her all the information on the subscriber. Posting can be done quickly without removing the card.

"As we are still growing, we allowed for anticipated expansion when we bought the equipment," says John B. Olson, controller. "Signals we have devised ourselves highlight situations which bear watching, permitting us to keep on top of delinquent subscribers."

Analysis of Records Helps

The records and accounts kept in the circulation department give to the circulation manager a fair picture of the activities within his

department. They tell him to what extent his district managers, supervisors, salesmen and carriers are filling their positions satisfactorily. If there are weaknesses at certain points, the reports reveal them and give opportunity to make corrections.

The influence of well-kept records and reports on all persons in the department is good. They provide incentives to better work and greater results.

Careful accounting and record keeping also reveal wastes that take place within the newspaper office. They show where it is necessary to cut costs and keep expenditures in proper alignment with income. The circulation department has heavy expenses, and the circulation manager, while constantly striving to show a creditable growth in circulation, is at the same time watching expenditures.

RECORDS MUST BE PROTECTED

A safe place for all important records must be a part of any newspaper's equipment. The circulation records are of such vital importance that the newspaper must take no chances of destruction by fire or theft. Such losses are entirely unnecessary in the light of modern protective equipment and procedures for the storage of valuable files. Fireproof vaults, file rooms, safes and cabinets are available. Vaults are by far the most durable of all the various types of protective equipment for records. Where a newspaper has a large amount of records to be stored and desires better than average protection, file rooms often are the answer. The National Fire Protection Association recommends taking these steps to keep records safe from fire:

1. Train office staff to restore records to their places of safety accurately, quickly and with the least confusion or oversight, if fire suddenly starts during working hours.
2. Records belonging in vaults or safes should never be left out overnight.
3. Don't allow important materials belonging under protection to accumulate on desks.
4. Records normally safeguarded are often unprotected while temporarily out of the office. Where possible, originals should be retained and copies given out. A paper without fireproof equipment in its office should keep a duplicate mailing galley or subscription list in a bank vault or some other safe place, and the list should be revised often so as to keep it up to date.

HOW TO CUT COSTS

Here are some suggestions for cutting costs in the circulation department:

1. Review all office procedure and the efficiency of present personnel for the purpose of eliminating duplicated and unnecessary operations.

2. Eliminate printing costs by adding Multilith or Multigraph equipment for use in producing regular office forms. Printing, however, is better for promotion material.
3. Concentrate promotion expenditures in places where circulation is down and where the best results may be achieved.
4. Run Sunday supplements early in the week so that they may be stuffed on regular time rather than on overtime.
5. Make earlier press runs, enabling deliveries to be made with fewer trucks and drivers.
6. To reduce newspaper delivery costs, work out combinations with other newspapers or with milk and bread trucks.
7. Eliminate or reduce bonuses and special rates when possible.
8. Survey your town for good spots to locate "honor boxes."
9. Have carriers take care of inserting for their own papers.
10. In direct-mail promotion, use self-mailers for greater economy of paper and production.
11. Stop giving discounts on subscription rates to obtain new subscriptions.
12. Keep a close watch on car expenses.
13. Go over your give-away listings with the advertising manager and eliminate spasmodic advertisers.
14. Check periodically with both publisher and advertising manager the complete list of persons receiving free copies and cut such lists to the bone.
15. Send all complimentary copies on the day after issue; use copies left over after paid copies have been distributed.
16. Enforce the rule that no papers be given out without the knowledge of the circulation manager.
17. See that employees who are allowed to take papers home take no more than one copy each.
18. Charge double price for single copies sold three days or more after issue.
19. Instead of expensive Kraft paper, use "returns" as tops and bottoms to protect bundles in transit.
20. To avoid newsprint waste, see that press stops immediately when required number of copies have been printed.