when not written-off to the appropriate operating expense account, shall be included in this account.

§ 256.427 Interest on long-term debt.

This account shall include the amount of interest accrued on outstanding long-term debt owed by the service company to nonassociate persons.

§ 256.430 Interest on debt to associate companies.

This account shall include interest accrued on amounts included in account 223, Advances from associate companies, and account 233, Notes payable to associate companies. The records supporting the entries to this account shall be so kept as to show to whom the interest is to be paid, the period covered by the accrual, the rate of interest and the principal amount of the advances or other obligations on which the interest is accrued. Separate subaccounts should be maintained for each related debt account.

§ 256.431 Other interest expense.

This account shall include all interest charges not provided for elsewhere.

§ 256.457 Services rendered to associate companies.

This control account shall include amounts billed to associate companies for services rendered at cost. See accounts 457–1 through 457–3. Overbillings or underbillings arising from adjustments of estimated costs to actual costs shall be cleared through this account and concurrent adjustments made to other accounts involved.

§ 256.457–1 Direct costs charged to associate companies.

This account shall include those direct costs which can be identified through a work order system as being applicable to services performed for associate companies. This account shall not include any compensation for use of equity capital or intercompany interest on indebtedness.

§ 256.457–2 Indirect costs charged to associate companies.

This account shall include recovery of those indirect costs which cannot be separately identified to a single or group of associate companies and therefore must be allocated. Journal or memorandum entries should be prepared monthly, by departments, for all such cost accumulated and billed to customers. This account shall not include any compensation for use of equity capital or intercompany interest on indebtedness.

§ 256.457–3 Compensation for use of capital-associate companies.

This account shall include only the portion of compensation for use of equity capital and intercompany interest on indebtedness before income taxes which is properly allocable to services rendered to each associate company.

§ 256.458 Services rendered to nonassociate companies.

This account shall include amounts billed for services rendered to nonassociate persons. See accounts 458–1 through 458–4.

§ 256.458–1 Direct costs charged to nonassociate companies.

This account shall include those direct costs which can be identified through a work order system as being applicable to services performed for nonassociate persons. This account shall not include any compensation for use of equity capital or interest on indebtedness.

§ 256.458–2 Indirect costs charged to nonassociate companies.

This account shall include recovery of those indirect costs of services performed for nonassociate persons which cannot be separately identified to nonassociate persons and therefore must be allocated. The amounts would be as set forth in the same monthly departmental journal or memorandum entries referred to for these costs in account 457–2, Indirect costs charged to associated companies. This account shall not