

Mar"key"t place

Vendor relations is a big part of business. Our series continues with three the First Time Itch.

Instead of the 7-year itch, we call it the First Time Itch because it could be a week, a month, or a quarter year into the relationship when the first signs of poor service/product start to surface with your vendor. If that vendor is a payroll service, it could be the first time you have to void a check, or the service made a mistake on their end. If the vendor is a mechanic, it could be the first time you get your car back



from a repair and the car stalls on you again. Here are some suggestions to get through the itch:

1. Keep your cool. You don't want to assume the vendor is in the wrong. Perhaps there was a misunderstanding and the error lies in your court. Communicate your unhappiness with the service/product and wait for the vendor to respond.
2. Consider the relationship you have with the vendor. If this is a vendor you have moved all your eggs into its basket, don't be quick to shut down the relationship. You could be sabotaging yourself. You have a lot more leverage to get the problem fixed if the vendor is working to *keep* your business.
3. Be patient. Though the mistake may be the vendor's, and it caused an inconvenience, give the vendor a chance to earn back your trust.

Quote

He leads me beside still waters, he restores my soul.

—Psalm 23: 2

Q&A

Client: What benefits can I offer to retain employees (continued)?

BKC: Vacation time off.

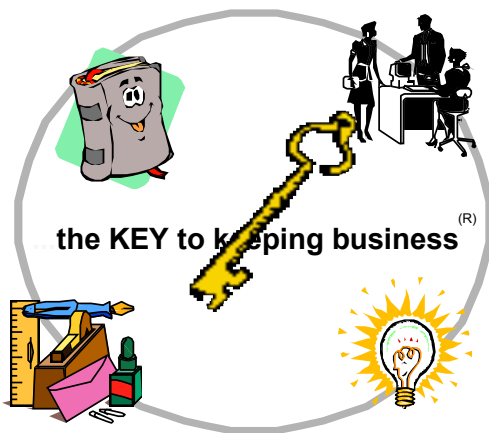
This works in the same way that Sick Pay works (see March issue). When processing payroll, be sure to note vacation pay or sick pay separate from regular pay so you can keep track of this benefit. Also, you want to be careful that vacation and sick pay don't kick your employee's time into OT.

(Discussed next month in Account-Able).



KEEPING LEDGER

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the KEY to keeping business^(R)

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ACCOUNT-ABLE

Our series on payroll issues continues with a mini-series on *pay period vs. pay date*.

Pay Period (PP) is determined by how much time is in each pay period. Whereas Pay Date (PD) is the date of the check. Here are a few more details to remember between the two:

- OT needs to be properly authorized. Perhaps you need another PP cycle to calculate OT only.
- Determine the work hours within a pay period. For example, do you want an easy 80 hour pay period (2 weeks)? Or pay on the 15th and the 30th (bi-monthly)? Consider how you will calculate OT and vacation/sick time (discussed next month's issue)
- Remember the PD is the check date therefore it's when the clock starts ticking on the payroll tax liability payments. If you have to pay federal PR tax on the 3rd day, it's the 3rd day AFTER the PD *not* the PE.
- PD also means that's the day you must have the money *in* the bank to cover payroll, regardless of when the payroll checks actually clear the bank.

Continued next month.



Calendar

Wednesday, April 1st
Sales tax in the whole state of California goes up 1%
Wednesday, April 8th

Passover

Friday, April 10th
Good Friday (sometimes observed)

Sunday, April 12th
Easter

The Sound of Business...

Sales tax increases 1% across the whole state of California effective April 1st, as part of the balanced budget in Sacramento. OC tax is 8.75%, LA tax is 9.25%, Riverside is 8.75%, San Diego is 8.75%, etc.

To refresh the memories of those who charge sales tax:

Sales tax is charged to the "end user." This means if you are a wholesaler, you are not affected by this increase. If you provide service and include materials, or you are in retail and you sell to the end user—the person, or company actually using your product—you must charge sales tax in the *county in which* you sold the product! What that means is if you build computers in your office in Orange County, but *you* deliver that computer to your customer in Los Angeles, you have to charge 9.25% on the material. Not the 8.75% OC rate, because you did not sell the product in OC, you sold it *in* LA.

However, if you built the computer, and had a 3rd party pick up (ie. UPS) from your OC office and it delivered the computer, than you charge the OC rate because you sold it the moment it left your "dock."

There is also Use Tax which is at the same rates. This tax is for you to pay directly to the State Board when you purchase something to be consumed by your business, that the vendor didn't charge you sales tax on. For example, if you bought a tool on ebay for \$500. It was shipped to you and the shipper didn't bother charging you sales tax. Your company has to still pay sales tax except that it's called Use Tax and there is a separate line (box 2) on the tax return indicating purchases you made that sales tax was not charged to you. Either way the company is to pay sales tax on product consumed by the company.

Continued next month.



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PAPERLESS NEWSLETTER: Sent via email. Please feel free to read and pass on this newsletter to any of your associates and friends. As always, we welcome questions and comments to rhonda@business-keepers.com.

Katch the Day

The Queen Mary is ported in Long Beach and is a great way to Katch the Day, even for a few hours. The ship was completed in 1936 and made 1001 crossings of the Atlantic Ocean. She served as a military personnel vessel from 1940-1946 and resumed cruise ship status in 1947.



She was retired on September 19, 1967 and Long Beach took ownership of the Queen on December 11, 1967. It's hard to believe this beauty has been in our local port for over 40 years. However, looking at Long Beach history you can't really separate the two. The ship is called The First Lady of Long Beach. She is substantially larger than the Titanic and you can find all kinds of facts related to this on the website.

What we like about her is that she is not the tourist trap you might think she would be. She's a hotel that is a ship that is a landmark of her own. There really is nothing like her in her class (pun intended). And you can find the strangest things in the stores of this ship. There is a Scotch-Irish store that sells bagpipe oil and Irish ties like you've never seen. Our favorite was a coffee mug in the shape of one of the ship's smokestacks—slanted. Very original!

Most amusing, and quite simple is walking along the decks of this historical vessel, imagining the people, places, and things she has seen. And looking out at her current view: the Long Beach Harbor. There are self guided audio tours, and for more money, tour guides covering various areas of the ship. Just an FYI: We did not find the ghost tours of any interest.

KATCH THE QUEEN MARY DAY AND LEAVE THE BUSINESS-KEEPING TO US!



Important Websites:

www.irs.gov

www.edd.ca.gov

www.boe.ca.gov

www.ftc.gov

www.katchtheday.com

www.business-keepers.com

www.queenmary.com

www.tabernacleexperience.com

(April 4-11th)

Happy Easter; celebrate the true meaning of Easter at your church on April 12th.