

Mar"key"t place

We continue our series on the hidden customers—your customer's vendors. The vendors of your customers are a direct line to your customers as well as a new source of information. You will find that the vendors' services/products are many times in line with your business and thus you can tap into the vendors' interest and resources. Here are a few more suggestions to foster this idea:

- Get to know the vendor through your dealings with your mutual customer.

Take the time to understand their business and their approach to customers. Sometimes we find that vendors need specific things to do their job. By working with them, it improves our performance

- Don't blow off your customer's vendor as a nuisance, but rather treat them as an ally that can enhance your job

- Make a good first impression with the vendor. Many times, when we are hurried to service our customer, and we find we have to work with a third party, (i.e. customer vendor), we move quickly through the vendor relationship and forget to be cordial. Listen to the vendor; find out what they need from you, or make your requests easily digestible to them. Remember, they have a schedule, too.

Quote
"Pick me up and throw me into the sea," he replied, "and it will become calm. I know that it is my fault that this great storm has come upon you."

Q&A

Client: What is the difference between a Flex Medical Account and a Health Savings Account?

BKC: This has a long answer so check in on this column for a few months as we proceed to answer this great question. First we need to define each kind of account. Flex Medical Account is through an employer. That is the first distinction. The second is that it expires every year. More next month.



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ACCOUNT-ABLE

We continue our series on payroll and it's blessing and perils. The perils we covered last month, specifically, are the five taxes employers have to pay over and above the employees' wages. They are: Social Security, Medicare, Federal Unemployment Insurance, State Unemployment Insurance, and Employment Training Tax (ETT). Last month we covered SS, Medicare, and FUI. We didn't get to finish discussing FUI. Here are some other facts you need to know:

FUI: It has a minimum rate of 0.8% for the first \$7000 each employee makes in the calendar year. The rate can go up to 6.0% depending on *claim history*. We will go into this in more detail later in the series

The last two employer taxes are SUI and ETT:

State Unemployment Insurance (SUI): This works almost exactly the same way Federal Unemployment Insurance (FUI) works with one difference: Not all states have SUI. California is one of the states that does. For those states that do not, they have to pay more to the Federal government to cover unem-



Account-able continued on back page...

Calendar

Monday, September 1st
Labor Day (observed)
Sunday, September 7th
Grandparent's Day
Thursday, September 11th
Patriot's Day
Monday, September 15th
2007 Corporate tax returns (on extension) are due
Monday, September 22nd
Autumnal Equinox (Fall begins)

The Sound of Business... (Account-able continued)



ployment to employees terminated from companies in that state. Depending on if your state imposes SUI or not, partially determines your FUI rate. In the case of California, the FUI rate is, and has been for many years, 0.8% of the first \$7000 each employee earns in the year.

- Employment Training Tax (ETT): This tax requires the employer set aside a percentage of money per employee, each year, to retrain employees who leave the company. A good example of the benefits of this tax was when McDonald-Douglas laid off thousands of workers in the early 1990s. These employees were highly specialized and found it difficult to find work in different industries. This tax is designed to help offset the cost of laid off employees to be educated, learn new skills in another trade, and subsequently re-enter the work force and be productive.



The ETT rate is 0.1% of the first \$7000 each employee makes in the calendar year. Now, this doesn't sound like much to an employer who has, say 10 employees. It only totals \$70 (or \$7 per employee). However, consider if you are Boeing and have 10,000 (rough approximation of employees at the Huntington Beach plant). That total is \$70,000 per year! And this is over and above each employees' wages.

We will discuss claim history next month. You don't want to miss that issue!



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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 Olympics are over, we got a taste of China, and now school is here. What better way to Katch the Day then to see the Terra Cotta Warriors exhibit at the Bowers Museum.

These statues were built for Emperor Qin, China's first emperor born 259 B.C. The 13 year old emperor had an obsession with death and ordered over 700,000 workers to build him a mausoleum with 7,000 life-size warriors to "protect" him in the afterlife. The terra cotta warriors were discovered in 1974 by farmers digging for a well.

(Remind you of the shepherd that discovered the dead sea scrolls?)



The warriors are made of baked clay (terra means "of the earth" and Cotta means "clay" in Latin) and some of the soldiers' armor was made of leather. Among the warriors were archers who wore more loosely fitted clothing. It was determined that the clay warriors were painted in bright colors indicative of the colors worn on actual soldiers of the time, based on the some of the flecks of paint still found on the statues. It wasn't until recent history that camouflage was the color worn by soldiers. Ancient armies were much more flamboyant in color and probably more intimidating in royal appearance.

The museum is conveniently located in Santa Ana, off of Main Street, south of Main Place Mall. Tickets can be purchased online at Ticketmaster or at the museum box office. We recommend becoming a member and supporting the museum year around.

KATCH THE WARRIOR 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.bowers.org

www.museumtix.com

**Remember our
troops on
Patriots' Day**