

## Two for Today: Taxes and Fuel

**Executive Summary:** Do two things today to improve your company: (1) check to make sure you are current on your 940 and 941 taxes and (2) make sure you're reviewing your fuel bill.

**Confirm you're current on your 940 and 941 payments.**

The federal Form 940 is used to pay Federal Unemployment Tax (comes from FUTA, the Federal Unemployment Tax Act). Your deposit is probably due by the last day of the month after the end of the quarter.

The Form 941 is used to calculate payments due to the federal government for compliance with the Federal Insurance Contributions Act (FICA). This payment is made by employers to report income taxes, social security tax, or Medicare tax withheld from employee's paychecks as well as pay the employer's portion of social security or Medicare tax. There are two deposit schedules, monthly and semi-weekly; you must determine which of the two deposit schedules you are required to use. The deposit schedule you must use is based on the total tax liability.

Directions, due dates, and the forms for 940 and 941 tax payment can be found here [QR]

**Why check my 940 and 941 payment status?** If you're late on your payment, you will be charged interest and a penalty. And neither are cheap.

**Be from Missouri.** Missouri is the Show Me state. You be like Missouri, and tell your financial professional to show you proof of current status.

**Review your fuel bill.** Fuel usage is a very common way for employees to steal. Driving the Company vehicle to personal events is one thing, but filling up the wife's car or boat on the Company gas card is stealing.

Today, ask to see the fuel bill and check out some vehicles in your fleet. Does it make sense that a foreman is using 400 gallons a week when he only drives 60 miles a day? Look for other anomalies like time of day fuel was purchased, grade of fuel, and the location of the pump (relative to the jobsite or the employee's home).

**My story.** Unfortunately, I had problems with both of these issues. Unbeknownst to me, I fell behind on my FUTA and FICA payments. And I paid interest and penalties. I know several companies who have had this problem.





And for the fuel bill I had over \$60,000 of embezzlement from one of my employees who had a gambling problem. He either handed out the gas card or just took his buddies to the pumping facility and filled him up too.