



# Alabama Tire Dealers Association

6096 County Road 434

Trinity, AL 35673

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[www.alatiredealers.com](http://www.alatiredealers.com)

## Spare Tire

## January 2013

### In This Edition...



TIA Certified ATS  
Training Tour

Pages 10-12

FBI Sets Up Ways  
for Dealers to  
Report on Scam  
Page 7

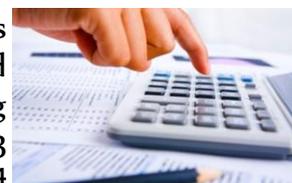


2013 Annual  
Convention Info  
Page 16-17

Top 10 Questions  
About Small  
Business  
Incorporation  
Answered  
Page 15



IRS Provides  
Updated  
Withholding  
Guidance for 2013  
Page 4



The 11  
Commandments  
of Proper TPMS  
Service  
Page 9



"Branding" Your  
Business with Great  
Customer Service Can  
Increase Your Profits  
Page 18

Alabama Tire Dealers Association  
6096 County Road 434  
Trinity, AL 35673

## **Executive Committee**

### *President*

Scott Roberson  
Royal Tire Service

### *First Vice President*

Bob Gipson  
Gipson Auto Tire, Inc.

### *Second Vice President*

Steve Westmoreland  
Westmoreland Tire Co.

### *Secretary / Treasurer*

Shane Adams  
Trax Tires, Inc.

## **Board of Directors**

Beverly Fox (3<sup>rd</sup> Year)  
Dodge City Tire & Lube  
Michael Johnston (3<sup>rd</sup> Year)  
Tire Engineers  
Warry Sexton (1<sup>st</sup> Year)  
S & S Discount Tire  
Terry Treesh (1<sup>st</sup> Year)  
American Tire Distributors

## **Supplier Representatives**

Frank Harcrow (2<sup>nd</sup> Year)  
Mohawk Rubber Sales  
Parrish Sellers (1<sup>st</sup> Year)  
NAPA Genuine Auto Parts

## **TIA Representative**

Jim Short  
Radial Tire & Bandag

## **Past Presidents' Council**

Rhett Marques  
Goodson Tire & Auto  
Steve Breland  
Top Line Tires  
Mike Griffin  
S & S Tire  
Dolan Davis, Jr. (*Chaplain*)  
Southside Davis Tire

## **Co-Executive Directors**

Cheryl Lentz  
Sabrina Lentz Knop

## **Letter from the President**

Believe it or not, another year has come and gone. It seems just like yesterday that 2012 was just beginning. As the saying goes, the older you get time seems to go by quicker. Just the other day my wife and I had two children in diapers and now we have one driving and one getting ready to, and in just no time they will be gone and on their own.



As we all look to the next year, I hope you have exciting plans for your business. We all know we have challenges ahead for us. We have new tax laws, uncertainty in health care, and we all wish for our economy to improve. As you are planning for next year, please remember and try to attend the ATDA annual convention. Bob Gipson is planning another exciting convention for us at Sandestin with great business information for you and a great time for your family. By renewing your membership early, you can receive special registration fees for the convention.

I hope you all had a Merry Christmas and wish you a prosperous new year.

Scott Roberson  
ATDA President  
Royal Tire Service

# Calendar of Events

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## **TIA's Certified Automotive Tire Service Training Sessions**

*February 25 – 27, 2013*

*March 18 – 20, 2013*

Trax Tires Training Facility, Mobile, Alabama

4230 Halls Mill Road, Mobile, AL 36693

TIA is the industry leader in passenger and light truck tire service training and certification. TIA's Certified

Automotive Tire Service Program is designed to educate technicians on the proper procedures for servicing tire and tire pressure monitoring systems (TPMS) on domestic and foreign cars, SUVs, vans and light trucks. The 2-day Certified Technician class is a combination of classroom instruction and hands-on training, allowing companies to certify their technicians in a local facility.

Limited to first 15 paid registrations. Registration deadline: November 9, 2012.

Additional classes will be held in Central & South Alabama.



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## **ATDA Board of Directors Meeting**

*February 13, 2013 – 8:00 am – Prattville, AL*

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## **Annual Convention**

*June 21-22, 2013*

Sandestin Golf and Beach Resort, Destin, Florida

Golf Tournament – Friday, June 21<sup>st</sup>

Educational Sessions, General Business Meeting, Awards & Honors,  
Great Opportunity to Visit with Suppliers & Dealers!



# IRS Provides Updated Withholding Guidance for 2013



IR-2013-1, Jan. 3, 2013

WASHINGTON — The Internal Revenue Service today released updated income-tax withholding tables for 2013 reflecting this week's changes by Congress.

The updated tables, issued today after President Obama signed the changes into law, show the new rates in effect for 2013 and supersede the tables issued on December 31, 2012. The newly revised version of [Notice 1036](http://www.irs.gov/pub/irs-pdf/n1036.pdf) (<http://www.irs.gov/pub/irs-pdf/n1036.pdf>) contains the percentage method income-tax withholding tables and related information that employers need to implement these changes. In addition, employers should also begin withholding Social Security tax at the rate of 6.2 percent of wages paid following the expiration of the temporary two-percentage-point payroll tax cut in effect for 2011 and 2012. The payroll tax rates were not affected by this week's legislation.

Employers should start using the revised withholding tables and correct the amount of Social Security tax withheld as soon as possible in 2013, but not later than Feb. 15, 2013. For any Social Security tax under-withheld before that date, employers should make the appropriate adjustment in workers' pay as soon as possible, but not later than March 31, 2013.

Employers and payroll companies will handle the withholding changes, so workers typically won't need to take any additional action, such as filling out a new W-4 withholding form.

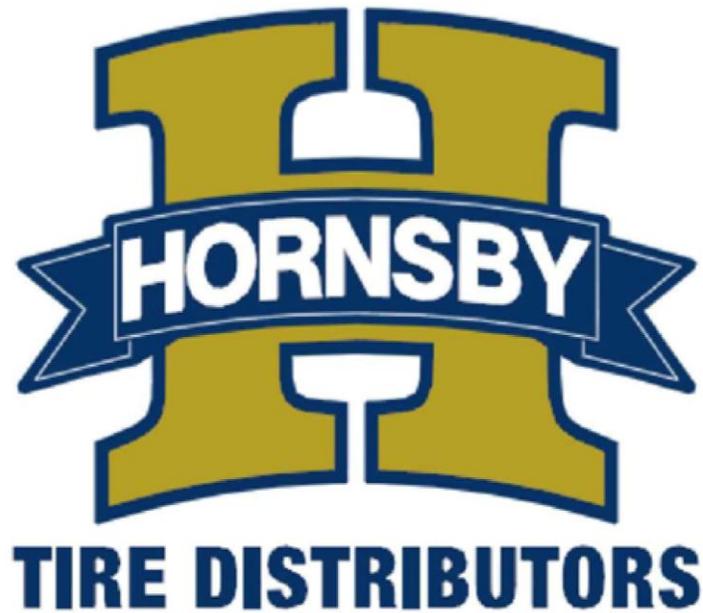
As always, however, the IRS urges workers to review their withholding every year and, if necessary, fill out a new W-4 and give it to their employer. For example, individuals and couples with multiple jobs, people who are having children, getting married, getting divorced or buying a home, and those who typically wind up with a balance due or large refund at the end of the year may want to consider submitting revised W-4 forms.



With the new guidance, the employee tax rate for Social Security reverts to its 2010 level of 6.2 percent. In 2011 and 2012, as a result of the payroll tax cuts, the employee tax rate for Social Security was 4.2 percent. The employer tax rate for Social Security remains unchanged at 6.2 percent. The Social Security wage base limit is \$113,700. The Medicare tax rate is 1.45 percent each for the employee and employer, unchanged from 2012. There is no wage base limit for Medicare tax.

Employers should implement the 6.2 percent employee Social Security tax rate as soon as possible, the IRS advised, but not later than Feb. 15, 2013. After implementing the new 6.2 percent rate, employers should make an adjustment in a subsequent pay period to correct any underwithholding of Social Security tax as soon as possible, but not later than March 31, 2013.

For the latest information about developments related to Notice 1036, such as legislation enacted after it was published, visit [www.irs.gov/notice1036](http://www.irs.gov/notice1036).



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256.852.8530  
800.447.7116

**BIRMINGHAM**

1227 4<sup>th</sup> Avenue N.  
Birmingham, AL 35203  
205.251.9781  
800.447.7116

# With Economy Improving, Labor Market Churning

November 07, 2012

*With a recovering U.S. economy, increasing job growth and unhappy employees, the long-awaited, significant employee turnover is going to happen next quarter, according to the Herman Group.*

## Tire Review

The pieces are clearly in place: the long-awaited, significant employee turnover is going to happen next quarter, according to the Herman Group.

All the signs are there: a recovering U.S. economy, increasing job growth and unhappy employees. In fact, in a recent study conducted by the Society for Human Resource Management (SHRM), the majority of HR professionals and managers agreed that once the job market improved, they expected that employee turnover would rise significantly.

Now, the just-released 2012 Aflac WorkForces Report indicates that 49% of workers are "at least somewhat likely to look for a job this year." In addition, 50% of workers say employee benefits are "very or extremely influential" on a decision to leave.

Most employers have no clue how vulnerable they really are. They may lose valuable productivity, not to mention intellectual capital. Who will they lose? Most of the people who intend to leave describe themselves as "top talent" – the kind of workers companies can least afford to lose. These workers are the highly valued employees companies need in order to remain competitive in a tight economy.

"History is repeating itself, as we head into a new 'impending crisis' situation," the management consultant said. "There are many similarities between the position we find ourselves in now and where we were in 2003 – when we first published the 'Impending Crisis: Too Many Jobs, Too Few People.' We have experienced several years of recession and a painfully slow recovery. Top talent has been restless for a while. If nothing else catastrophic occurs, we believe there will be a major exodus of talent beginning in the first quarter of next year."



The difference, Herman Group observed, is that now many employers are cutting back on healthcare and other employee benefits – obviously, not a very smart idea. The study also found workers who are extremely or very satisfied with their benefits program are nine times more likely to stay with their employer than workers who are dissatisfied with their benefits program.

Moreover, 76% of employees said they'd be at least somewhat likely to accept a job with a more robust benefits package but lower compensation.

# FBI Sets Up Ways for Dealers to Report on Scam

November 20, 2012

A recently reported "sophisticated" [tire buying scam](#) called "Canstruct" has resulted in the FBI creating a website for victims.

Under the purported scam, a company going by the name "Canstruct Inc." carries a Champlain, N.Y., address.

"They look great on Dunn & Bradstreet and their website, but I discovered that they do not actually exist," said Direct Tire owner Barry Steinberg. "It's a very sophisticated scam. They order tires, send a trucking company to pick them up, and then they are gone."

The site – [fbi.gov/stats-services/victim\\_assistance](http://fbi.gov/stats-services/victim_assistance) – allows those dealers who have been contacted or defrauded by the scammers to file a report. Once on the website, visitors should click on "Operation Canscam" link.

The FBI also created a dedicated email address for victims to supply more information – [canscam@ic.fbi.gov](mailto:canscam@ic.fbi.gov). And there is an 800-number (800-236-8947) where dealers can leave "a voice message providing information and updates on the scheme."



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## Tire Buying Scam Re-emerges in Alabama

**November 26, 2012**

ATDA Members be on alert for worthless checks, especially for "tires-to-go"!

Please be advised that a man, Anquinton Stovall, is going to tire stores in the southern half of Alabama attempting to purchase tires with worthless checks. He drove off when a tire dealer in Brundidge started verifying his check. This man has passed worthless checks, attempted to pass worthless checks, and stolen tires from dealers from Troy to Dothan, that we know of.

Stovall was last seen driving a Ford Truck, license number 3A65T25. He does not have a valid driver's license, only an identification card. The phone number listed on his check is 334-233-9772.

If you have had contact with, or if you currently have a worthless check on this person, please let the ATDA office know about it and we will compile the information for law enforcement. If you come in contact with this person, please contact your local law enforcement and inform them the Brundidge Police Department has warrants for his arrest.

**November 26, 2012**

From McGriff Tire: McGriff Tire in Dothan was hit by Stovall 2 weeks prior to this report reaching our office.

From Dack Auto Sales: Dack Auto Sales was contacted by a woman, Dominique Ford, 656 Columbia Ave., Montgomery but said she had moved to Co. Rd. 57, Elba. Her driver's license # was 1736023. The check was on BBVA Compass Bank in Fairhope.

From A-One Tire Sales, Dothan: Joyce McKenzie reported they were contacted by him, but did not sell to him. She said this was similar to another scam from a couple of years ago when they were taken for \$5,000.

**November 27, 2012**

From Jim Whaley's Tires: Jim Whaley's store in Enterprise was approached by this same guy using the name Jorell Octavis Benson, 927 Ataline St., Montgomery. He was driving a 90 model GMC truck, blue/green in color. The phone number given was 334-303-9763.

Mitch Lowery from Jim Whaley's Tires in Ozark was also hit and the ID (AL I646215) presented said the man's name was Ervin Brown, 3024 Kelley Circle, Montgomery, AL 36116, and phone 334-303-2151. He was driving a mid 90s green Chevy 1500 truck.

**January 3, 2013**

From Road-Mart: Stovall was reported to be attempting the same scam in Andalusia.

# Standard Mileage Rates for 2013



R-2012-95, Nov. 21, 2012

WASHINGTON — The Internal Revenue Service today issued the 2013 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2013, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

**56.5 cents per mile for business miles driven.**

**24 cents per mile driven for medical or moving purposes.**

**14 cents per mile driven in service of charitable organizations.**

The rate for business miles driven during 2013 increases 1 cent from the 2012 rate. The medical and moving rate is also up 1 cent per mile from the 2012 rate.

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for more than four vehicles used simultaneously.



These and other requirements for a taxpayer to use a standard mileage rate to calculate the amount of a deductible business, moving, medical, or charitable expense are in Rev. Proc. 2010-51. Notice 2012-72 (<http://www.irs.gov/pub/irs-drop/n-12-72.pdf>) contains the standard mileage rates, the amount a taxpayer must use in calculating reductions to basis for depreciation taken under the business standard mileage rate, and the maximum standard automobile cost that a taxpayer may use in computing the allowance under a fixed and variable rate plan.

# The 11 Commandments of Proper TPMS Service

By Andrew Markel  
October 15, 2012

*Cut comebacks and boost profits by following the 11 Commandments of proper TPMS service.*

**1. Every time a stem-mounted TPMS sensor is removed from a wheel, it must be serviced, no ifs, ands or buts.** This goes for sensors that are six months old or six years old. And do not reuse seals or valve caps.

**2. Always use a new kit.** The typical kit includes a nut, valve core, grommets and valve cap. Each component has a specific function and lifespan that is not only determined by time, but what happens when – and after – it is installed.



When you are using a tire changer, always be aware where the TPMS sensor is located and avoid all possible contact with shovels, bead breakers and tire irons.

**3. Buy an assortment of TPMS sensor service kits.** If your shop sells even a few tires a week, you should stock an assortment of service kits. Most TPMS toolmakers and tire service product suppliers have an assortment of common kits you will need to handle most vehicles. Not having the right parts to service sensors might result in a car stuck in a bay that could be used for other repairs.

**4. Never reuse the nut.** TPMS fastener nuts are designed in anodized aluminum to eliminate the contact of two dissimilar metals that would create galvanic corrosion and material deterioration. The nut has a bonded lubricant to help provide the proper torque required for seating a new grommet, in addition to the engineered advantages. If a nut is reused, the anodized surface may be scratched away and corrosion could occur between the sensor, wheel and the stem. It may even make the nut impossible to torque to the correct specifications or to remove due to corrosion on the threads.

**5. Never reuse the seals/grommets.** Never. Two grommets seal the sensor and nut to the wheel. Grommets conform to the mating surface of the wheel. The instant the nut is torqued, the seal/grommet starts to take on the shape of the surfaces it is sealing against. This memory cannot be erased. If the seal is reused, it could cause a slow leak.

**6. Always use a torque wrench.** As stated in Commandments 4 and 5, the nut and seal/grommet are one-use items. The torque specifications are measured in inch-pounds and not foot-pounds for a reason. The nuts are made of aluminum and will strip. The hollow stems can take only so much abuse before they break. There are many solid TPMS sensor torque wrenches available on the market. Buy one and keep it in good calibration.

**7. The leak cannot be eliminated by tightening the nut more.** Sealing grommets are engineered to work at a specific torque. Any torque above the specified value will cause the seal to leak. Also, extra force may damage the nut or valve stem, or fracture the sensor body.

**8. Never reuse the valve stem or core.** Replacing the valve stem core on TPMS sensors prevents leaks. With stems, the elastomeric rubber and plastics degrade over time due to heat. The valve stem is subjected to heat from both the brakes and the road. Also, a torque-calibrated driver should be used to tighten the valve core.

**9. Always use the valve core that is in the kit.** A TPMS valve core is nickel-plated and prevents galvanic corrosion to ensure the integrity of the primary seal. To prevent galvanic corrosion, never use a brass valve core with an aluminum TPMS sensor. Instead, always use a nickel-plated valve core. It is usually the only one – and the correct one – in the kit. If the wrong valve core is used, accelerated galvanic corrosion could result in the core becoming “frozen” and seized, stuck in the stem, unable to be removed. Also, TPMS valve cores have special Teflon coatings that help seat and seal the stem.

**10. Set the correct tire pressure.** Oddly, this often is overlooked. Seasonal temperature changes can dramatically alter tire pressure, which can cause the tire pressure warning lamp to illuminate. “Cold” tire pressure is generally considered to be the pressure in a tire that has not been driven in the past three hours and has been parked outdoors. Remember that tire pressure drops about 1 psi for every 10°F drop in ambient temperature. Additionally, tires lose as much as 1.5 psi per month as air naturally permeates the tire and wheel.

**11. Take extra care when mounting and dismounting tires.** When you are using a tire changer, always be aware where the TPMS sensor is located and avoid all possible contact with shovels, bead breakers and tire irons. With some vehicles, the sensor is not located at the valve stem area, so make sure you double check each make and model.

# Tire Safety Starts with Certified Technicians



- TIA's Certified ATS Program includes comprehensive instruction on all proper procedures for servicing passenger and light truck tires, including TPMS.
- TIA Certification reduces liability exposure because technicians must demonstrate proficiency in both the classroom AND in the shop.
- TIA Certified ATS Instructors are qualified to train and certify technicians, letting retailers standardize training by establishing consistency and quality control in every location and with every technician.

## ATS Certification Curriculum:

- Basic principles of tire construction, sizing and sidewall information.
- Vehicle lifting procedures using above-ground and portable equipment.
- Tire and wheel assembly removal and installation including rotation patterns.
- Wheel fastener torque procedures and guidelines.
- Step-by-step demount and mount procedures using a center-post and rim-clamp tire changing machine.
- Tire and wheel assembly balancing procedures.
- Diagnosing tire and wheel problems.
- Step-by-step procedures for installing one-piece and two-piece nail hole repair units.
- Tire Pressure Monitoring Systems
- Rubber Manufacturers Association passenger and light truck tire service guidelines and information bulletins.
- Automotive Lift Institute Lift Point Guide and lift inspection guidelines.
- Tire and Rim Association load and inflation tables and tire dimension charts.

**Technician Certification** - The ATS Technician Certification class is a two-day class and those that attend are Certified as Technicians. Each student who successfully passes the 100-question exam receives a Certified Technician Certificate and 13 Certified Technician uniform patches. Certification is good for two years, at which time Technicians are required to take a 60-question exam available via the Internet.



# ATS Certified Technician Training Tour

The Tire Industry Association (TIA) is the industry leader in passenger and light truck tire service training and certification. TIA's Certified Automotive Tire Service (ATS) Program is designed to educate technicians on the proper procedures for servicing tires and tire pressure monitoring systems (TPMS) on domestic and foreign cars, SUV's, vans and light trucks. The 2-Day Certified Technician class is a combination of classroom instruction and hands-on training. This allows companies to certify their technicians in a local facility.

## Technician Training is coming to Alabama!

**February 25 – 27, 2013**

**March 18 – 20, 2013**

**Trax Tires Training Facility  
4230 Halls Mill Road, Mobile, AL 36693**



**\*\*\*Special Member Pricing\*\*\***

<b>Members</b>	<b>\$150</b>	<b>Non-Members</b>	<b>\$250</b>
<b>Owner Audit – Free</b>		<b>Owner Audit w/ Resource Material Pack – \$75</b>	

*(Prices per student)*

*\*\*Owners wishing to audit the class without certification are invited to attend.  
The cost of the resource pack for the class without certification is \$75.*

### **Classroom Instruction (19 Modules):**

Automotive Tire Service Intro	Tire Conditions Analysis
Tire Construction	TPMS Identification
Wheels & Fasteners	TPMS Service Requirements
Lifts – Raising a Vehicle	TPMS Relearn Procedures
Tire/Wheel Assembly Removal	TPMS Diagnostics
Torque & Clamping Force	RMA Care & Service Guide
R.I.S.T. Procedure	ALI Vehicle Lifting Guide
Demounting, Mounting & Inflation	Load & Inflation Tables
Balance & Run-out	Tire Dimensions
Puncture Repair	

**Lunch provided by  
ATDA each day!**

**Hands-on  
Instruction:**  
Lifts  
Tire Changers  
Balancers  
TPMS

For more information contact the ATDA office at 256-616-3587  
or by email at [alatiredealers@cs.com](mailto:alatiredealers@cs.com).

**Sign Up Today!** Complete the enclosed registration form and return to the  
ATDA office at 6096 County Road 434, Trinity, Alabama 35673.

Classes are limited to the first 15 paid registrations.

**Registration deadline is 10 days prior to each scheduled class.**

**Additional classes will be scheduled for Central and North Alabama.**



# Automotive Tire Service Training Certification Registration

**February 25 – 27, 2013**  
**March 18 – 20, 2013**

**Trax Tires Training Facility**  
**4230 Halls Mill Road, Mobile, AL 36693**

**\*\*\*Special Member Pricing\*\*\***

<b>Members \$150</b>	<b>Non-Members \$250</b>
<b>Owner Audit – Free</b>	<b>Owner Audit w/ Resource Material Pack – \$75</b>
	<i>(Prices per student)</i>

*\*\*Owners wishing to audit the class without certification are invited to attend.  
The cost of the resource pack for the class without certification is \$75.*

**Classroom Instruction (19 Modules):**

Automotive Tire Service Intro	Tire Conditions Analysis
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Torque & Clamping Force	RMA Care & Service Guide
R.I.S.T. Procedure	ALI Vehicle Lifting Guide
Demounting, Mounting & Inflation	Load & Inflation Tables
Balance & Run-out	Tire Dimensions
Puncture Repair	

**Lunch provided by  
ATDA each day!**

**Hands-on  
Instruction:  
Lifts  
Tire Changers  
Balancers  
TPMS**

**Registration:**

**Class Dates: (Circle One)      February 25 – 27, 2013      March 18 – 20, 2013**

Student Name \_\_\_\_\_ Student Name \_\_\_\_\_

Student Name \_\_\_\_\_ Student Name \_\_\_\_\_

Company Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone Number \_\_\_\_\_ Fax Number \_\_\_\_\_ E-mail \_\_\_\_\_

Total Due \$ _____	Please charge: <input type="checkbox"/> MasterCard <input type="checkbox"/> Visa    Exp. Date _____
Enclosed is Check # _____	Card # _____ V-Code: _____
Billing Zip Code: _____	Signature: _____

Mail Registration Form and check payable to: Alabama Tire Dealers Association, 6096 County Road 434, Trinity, AL 35673, or fax to (256) 974-1480 if paying with credit card. For questions, call (256) 616-3587.

Classes are limited to the first 15 paid student registrations.

**Registration forms must be received no later than 10 days prior to class start date.**



## Too Busy To Protect Your Business?

Contact your local Federated representative to learn more about business succession and estate planning resources, including a complimentary initial consultation with our independent attorney network\*.

Visit [www.federatedinsurance.com](http://www.federatedinsurance.com) to find a representative near you.

*\*Retail value of \$250. Some restrictions may apply.*



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# Are Your Employees Working Overtime During the Holidays? Understand Overtime Wage Law

by Caron Beesley, Community Moderator      December 5, 2012

The holidays tend to complicate small business payrolls, what with employees looking to earn a little extra cash and owners needing coverage for extended hours or shifts. But not all employers must pay overtime and not all employees are eligible. Confused? Here's what you need to know about your obligations as a business owner when it comes to overtime pay.



## When is Overtime Due?

Under the Fair Labor Standards Act (FLSA), both full- and part-time employees have equal rights concerning overtime pay (enforced by the Department of Labor). Some states also have overtime laws. The FLSA requires that covered, nonexempt employees are paid overtime pay at not less than one and one-half times their regular pay rate (hence “time and a half”) after 40 hours of work, per workweek.

It's important to note that these hours must be within the workweek, so for example, employees who work a 12-hour day on Monday but no other days that week are not entitled to overtime because they didn't work over 40 hours within that one week – no matter how long their first shift was.

## Do all Employers Have to Pay Overtime?

Although most employers are required to pay overtime, there are many exceptions.

To determine if you need to pay overtime, you need to understand what the term “covered” means. A “covered” employee is “covered” by the FLSA and therefore eligible for overtime pay. But not all employees are “covered.” Here's what you need to know to determine whether your employees are covered:

If none of these criteria apply to you, you might still be covered by your state's overtime law.

## Which Employees are Entitled to Overtime?

If your business is covered by the FLSA or state overtime laws, most but not all your employees may be entitled to overtime. We've just discussed what a “covered” employee is, but it's also important to understand what an “exempt” or “nonexempt” employee is and how this factors into overtime pay.

While “nonexempt” employees are eligible for overtime, “exempt” employees are not. But what is an exempt employee? The FLSA has a fairly broad list of job types that are exempt, such as newspaper deliverers or seamen, among others. For the complete list, check out this overview of employees who are exempt from overtime rules from the Department of Labor.

There is one category of exempt workers than can confuse employers – administrative, executive and professional employees. Sounds like a broad definition! But here's the deal: employers aren't required to pay overtime to these employees *if they are paid on a salary basis and earn at least \$455 a week, every week and perform certain job duties* – generally managerial or supervisory. The Department of Labor offers more information about the basic requirements that determine whether an administrative, executive or professional employee is exempt from overtime.

## Do I Have to Pay Overtime to Part-Time Employees

Yes. Part-time and full-time employees have equal rights when it comes to overtime, minimum wage and other requirements of the Fair Labor Standards Act.

## Is Extra Pay Required for Weekend or Night Work?

Extra pay for working weekends or nights is a matter of agreement between the employer and the employee. The FLSA does not require extra pay for weekend or night work. However, if covered and nonexempt workers do work more than 40 hours in a work week, they are due time-and-a-half in overtime pay.

## When is Double Time Due?

The Fair Labor Standards Act has no requirement for double-time pay. This is a matter of agreement between you and your employees.

*About the Author: Caron Beesley is a small business owner, a writer, and marketing communications consultant. Caron works with the SBA.gov team to promote essential government resources that help entrepreneurs and small business owners start-up, grow and succeed. Follow Caron on Twitter: @caronbeesley*

# Top 10 Questions About Small Business Incorporation Answered

by Caron Beesley, Community Moderator

Thinking of incorporating your business? Have questions about which business entity is right for you – limited liability company (LLC), S Corporation, partnership, or sole proprietor? Maybe you're moving out of state and aren't sure what happens to your business entity? For answers to these and other important facts about business incorporation, check out these 10 frequently asked questions:

## What's the best option for small business owners, an LLC or an S Corporation?

[LLCs](#) and [S Corporations](#) are two very popular forms of incorporation, and both offer liability protection and pass-through income tax treatment for business owners, since taxes are reported on your personal income tax return, not by the entity. Which is best for you? Among the issues to consider are the number of owners involved, what you can and cannot write-off for tax purposes, the amount of employment tax you may be required to pay, and individual state tax laws.

## I'm a freelancer. Do I need to incorporate?

Legally, the answer is no. In fact, over 70 percent of U.S. businesses are owned by sole proprietors and operate successfully without incorporating. However if you need liability protection to protect personal assets if a client sues you, potential tax savings (at a price), or a loan to grow your business in the future, then incorporation might benefit you.

## Which state should I incorporate in?

Typically, if you only operate in one state, you should incorporate in that state. If you operate in multiple states, you should determine which state is the friendliest to corporations and incorporate in that state. File your articles of incorporation in the state where you intend to incorporate – usually with the Secretary of State's office and for a fee, depending on where you live. Check your state website for more info.

## I'm forming an LLC. What documents do I need?

Each state has specific guidelines for forming an LLC, but they all adhere to the same general principles. Whichever method you choose and no matter where your LLC is formed, you'll need to complete two specific documents to legally form your LLC: your *Articles of Organization* and your *Operating Agreement*.

## How do I form a legal business partnership?

Partnerships are unincorporated businesses and you don't have to file any paperwork to create one, although it is a good idea to put a formal partnership agreement into writing and run it past an attorney. You'll also need to register it with the IRS and your state and county for tax purposes, and you'll want to register your "Doing Business As" name. Many partnerships formalize their business entity as an LLC. An LLC protects the partners by reducing their liability for business debts while still allowing profits to pass through to them.

## What kind of legal entity should a married couple in business operate as?

Married couples in business may form any kind of legal entity they choose and many opt for an LLC. However, for federal tax purposes, an *unincorporated business* jointly owned by a married couple is classified as a partnership. This classification stands on the assumption that each spouse has an equal say and share of business affairs. However, eligible couples can file as sole proprietors for federal tax purposes. Under this provision, each spouse must separately report a share of all business income, gains, losses, deductions, and credits. Both will receive credit for Social Security and Medicare.

To be considered a "qualified joint venture," your business must meet the following three conditions:

- A husband and wife must be the only members of the joint venture and file a joint return
- Each spouse materially participates in the business
- Both spouses agree not to be treated as a partnership

## I operate an LLC. What happens if I move to another state?

It's always best to consult an attorney if you are moving your LLC to a new state because there are several options that require careful consideration, for both online and bricks and mortar businesses:

**Continue the LLC in your old state and register as a foreign (out of state) LLC in your new state.** This will mean more paperwork (duplicate annual reports) and tax filing. Reporting for multi-member LLCs can get more complex.

**Liquidate the old LLC and form an LLC in your new state.**

**Register a new LLC in the new state and have each member transfer membership interest** (percent ownership) from the old LLC to the new LLC in the new state.

**Form a new LLC in your new state and merge the previous LLC into it.** The IRS views this as a continuation of the old LLC and you can continue with your existing EIN. Assuming LLC members still have a 50 percent interest in the capital and profits of the new LLC, there are no tax consequences either.



Continued on page 18...

# 2013 Annual Convention

Retail Tire Dealers who renew their membership with or join the ATDA by February 28, 2013, will receive Two (2) Free Registrations to the 2013 Annual Convention.



June 21<sup>st</sup> & 22<sup>nd</sup>  
Sandestin Golf & Beach Resort  
Destin, Florida



**Reservations & Registration Deadline:  
May 15, 2013**

## Room Rates:

Accommodations	Single Rate
Bayside 1 Bdrm	\$ 195.00
Bayside 2 Bdrm	\$ 259.00
Bayside 3 Bdrm	\$ 339.00
LeCiel - Guest Room	\$ 186.00

Room rates will be honored for three (3) days before group arrival and three (3) days after group departure based on availability.

**RESORT CHARGE:** In addition to the rates set forth, there will be a Resort Charge of 12% per room, per night, plus applicable taxes, which are currently 11.5%. The Resort Charge at Sandestin® Golf and Beach Resort includes: self-parking, reservation processing, and Wi-Fi in the Baytowne and Linkside Conference Centers.

For Reservations Visit [www.sandestin.com](http://www.sandestin.com) or Call 800-622-1038  
and use group code **22X4NJ**.

Sandestin Golf Beach Resort is rated the "Best Resort" in Destin by Destin Magazine, and the "Best Resort of the Emerald Coast" by the readers of Emerald Coast Magazine.

Located on the Northwest Florida Gulf Coast in Destin, Florida, Sandestin is a 2,400-acre premier destination resort located between Pensacola and Panama City. Sandestin invites guests to enter its world of 30 charming village neighborhoods featuring rental condominiums, villas, town homes and a wide variety of luxury beach hotel accommodations.

The Sandestin Beach Resort boasts more than seven miles of sugar-white sand beach and bayfront property, four championship golf courses, 15 world-class tennis courts, 19 swimming pools, a 113-slip marina, marina dockage facilities, water sports, children's programs, a fitness center and spa, 65,000 square feet of meeting space for weddings, family reunions, corporate meetings, retreats and more, and a pedestrian village complete with shopping, restaurants, ice skating, zip lining, and vibrant nightlife.

For your convenience, Sandestin's 1,300 accommodations and luxury vacation rentals are grouped into four resort areas: [Beachside](#), [Village](#), [Lakeside](#) and [Bayside](#). Each of the four Florida resorts offer a unique locale, secure environment, and a lodging rate range designed to suit your style and accommodate your budget.

# Tentative Agenda:

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## Friday, June 21<sup>st</sup>

- 9:00 AM**                    **Golf Tournament** – 4-man Scramble Tournament with a Shotgun Start. Mulligan Packages will be available. Check-in by 8:30 am.
- 2:00 – 4:00 PM**            **Convention Registration** – Pickup your convention registration packets and goodie bags in the Resort’s Beachside Check-in Lobby.
- 5:00 – 5:30 PM**            **General Business Meeting** – Open to Full Membership. Election of 2013-2014 Officers and Board of Directors, State of the Association Reports.
- 5:30 – 7:00 PM**            **Tire Dealer Open Forum** – Retail and Commercial Tire Dealers are invited to participate in an open forum discussion of issues currently affecting the tire industry in Alabama. The ATDA Board of Directors will be available for questions and answers.
- 7:00 – 10:00 PM**         **Welcome Dinner** – Join us for a buffet and open bar as we open our Convention weekend. The Scholarship Fundraiser Silent Auction will begin during dinner and the golf tournament prizes will be awarded following dinner.

## Saturday, June 22<sup>nd</sup>

- 8:00 – 9:00 AM**            **Past Presidents Breakfast** – Attendees are invited to join us for a full breakfast buffet to be directly followed by our Educational Sessions.
- 9:00 – 10:30 AM**         **Educational Session** – Federated Insurance presents “*Making the Right Moves for the Future.*” Family business owners who wish to leave a legacy will benefit from this presentation. It explores the timeless questions that all family business owners need to consider when planning their estates, and offers insight to help simplify the planning process. Federated's proven planning strategy can help bring a measure of certainty to entrepreneurs as they create, build, and preserve family wealth.
- 10:30 – 12:00 PM**       **Educational Session** – TIA’s VP of Training, Kevin Rolhwing, presents an overview of TIA’s ATS Certified Technician Program and the necessities of training and certification in today’s marketplace. In the event of an accident, the best protection for a tire dealer is documented proof of training for the technician who performed the service, and TIA's Basic Automotive Tire Service (ATS) Program is designed to meet that need.
- 6:00 – 7:00 PM**            **Reception**
- 7:00 – 10:00 PM**         **Scholarship Banquet** – Join us as we honor our 2013 Scholarship Recipients. The Scholarship Fundraiser Silent Auction will conclude at the end of dinner.

## **Small Business Incorporation - Continued from page 15...**

### **How do I pay myself in an LLC structure?**

It depends on the circumstances. It's always recommended that you consult a tax professional.

**If you are a single-member LLC**, the practicalities of payment and taxation are relatively straightforward because the IRS requires that your earnings are reported on your own personal tax return. Open a separate business and personal checking account (merging them just exposes your personal assets to liability), and pay yourself by writing a check from your business account to your personal account. Remember that all your business expenses should be paid from your business checking account.

**If you are a multi-member LLC**, your situation is likely unique to your business, so your best advice is to talk to an accountant.

### **What happens if I change the name of my business?**

All business types, except sole proprietors, should first notify their Secretary of State to change names in their articles of incorporation. States have online forms for this and usually charge a small fee. You'll find out whether your new name is already in use in your state by another corporation or partnership. You can do this via online state databases of registered business names and fictitious names.

### **Where can I get more information online about business incorporation?**

For more information check out SBA's [Small Business Guide to Business Incorporation](#) or post your question on the [SBA Community Discussion Boards](#).

*About the Author: Caron Beesley is a small business owner, a writer, and marketing communications consultant. Caron works with the SBA.gov team to promote essential government resources that help entrepreneurs and small business owners start-up, grow and succeed. Follow Caron on Twitter: @caronbeesley*

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## **"Branding" Your Business with Great Customer Service Can Increase Your Profits**

Written by Patricia Brown-Dixon *Regional Administrator -U.S. Small Business Administration*

Do increased profits sound good to you?

The Institute of Customer Service has conducted research showing that companies with a reputation for service excellence have on average a 24% higher net profit margin than same-sector rivals.

Who is the first person someone talks to or sees at your company? Who is the "contact us" person on your website? These are the people who establish the first impression that prospective customers form about your business.

That all-important "first impression" sets the tone for future business. At a minimum, people considering spending money with your company expect to be treated with courtesy.

What role does your customer service strategy- or lack of one-play in increasing profits?

Looking at what it should be, and making sure your staff knows what it is and are trained in using it, is critical in "branding" your business as customer responsive.

To evaluate or develop your customer service strategy, ask yourself a few questions:

1. If I walked in or called in to my business for the first time, how would I expect to be treated? (Was the phone answered quickly and professionally? Was my presence acknowledged immediately (even if I had to wait)?
2. If I made a repeat visit, how would I expect to be treated and what would be different? (Did they remember me or who I represent?)
3. If a transaction didn't go well, what would I expect? (Did they listen to my concern? Can I talk to someone who has power to rectify it, or at least explain it to me in a manner that I can understand? Do I have options?)
4. Are there steps my company can take to repair a damaged customer relationship?
5. What level of customer service do I expect when I deal with other companies?

Consistent, good customer service instills customer loyalty. The customer may not buy from you during their first interaction with your company; but they certainly won't buy from you in the future if their initial contact was unpleasant. People remember both good and bad interactions. You want yours to be remembered as a good one. Success must be measured not solely by a sale or an upsell, but also by producing a pleasant, personal interaction and lasting relationship with the customer.

As the owner or manager, you must be responsible for setting the tone for good customer service. You have to model what you expect. You have to teach your "brand" of customer service. Employees must know what you expect.

Consider adding customer service assessment sessions to your employee meetings, where you teach or reinforce your expectations. Also, give employees a forum to discuss both difficult customer interactions and successful customer interactions in a structured setting with the goal of making customer interactions even better. Let your employees know how to communicate "deals" and other promotions to the customer. And, if you haven't already, you can identify and authorize key trusted employees to make customer reparations should/when a situation goes awry.

Highly responsive and pleasant (excellent) customer service can increase your business, while the opposite means fewer customers (who can't wait to tell others about what a terrible experience they had).

I don't mean to be preachy, but good customer service can be as simple as "do unto others as you would have them do unto you".



# Chaplain's Corner

*“Trust in the LORD with all your heart,  
and do not lean on your own  
understanding.” Proverbs 3:5*



Ready or not 2013 is here. Just seems like yesterday we were welcoming in 2012. Like me I am sure you have read of many economic and political predictions for the New Year. Reality is that nobody knows for certain what 2013 will bring. I can make one prediction that I know will come true. Life will happen. There will be some good experiences and some difficult experiences for us all. I am grateful that there is a GOD who knows exactly what will happen and WHO wants us to trust in HIM.



GOD bless.  
Dolan Davis Jr.  
Chaplain ATDA  
205 758 6624  
dolan@davistires.com

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## Welcome New Members!

*Please add these companies to your membership directory.*

We thank the following businesses for their commitment to the Alabama Tire Industry by their investment in the Alabama Tire Dealers Association. We look forward to serving you!

### DEB'S TIRES & ACCESSORIES

1395 Hwy 69 S  
Hanceville, AL 35077  
[www.debstire.com](http://www.debstire.com)

Phone: 256-727-5440  
Fax: 256-727-5414

Key Contacts:

Debra / Roger Curington – [debstires9@gmail.com](mailto:debstires9@gmail.com)

### TIRE BROKERS OF ALABAMA

114 Hwy 231 N  
Troy, AL 36081  
Key Contacts:

Phone: 334-770-2715

Ashley Pelham – [ashleypelham@gmail.com](mailto:ashleypelham@gmail.com)

### TIRE BROKERS OF ALABAMA

62 Creel Richardson Dr  
Ariton, AL 36311  
Key Contacts:

Phone: 334-762-2715

Ashley Pelham – [ashleypelham@gmail.com](mailto:ashleypelham@gmail.com)

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# Please Support Your Supplier Members:

## **AAA Tire Recyclers**

Wanda Sherrell  
Bud Adams  
205-590-7352

## **Alpha & Omega Processing**

Victoria Gulsby  
Dan Deyton  
866-242-4325

## **American Tire Distributors**

Barry McGirt  
800-950-3928  
Terry Hadder  
800-783-6936  
Terry Treesh  
800-476-3868  
Phil Baker  
800-654-5273

## **Ashberry Tire Landfill**

Ty Ashberry  
334-493-1250

## **Automotive Equipment Service**

Hardy & Jane Thompson  
888-664-5490

## **B & B Tire Landfill**

Bud & Barbara Adams  
205-647-6736

## **Bridgestone Americas**

Robert Pritchett  
615-513-1282  
Christopher Rogers  
682-831-2565  
Todd Lavender  
682-831-2564

## **C.W. Owens Enterprises – Scrap Tire Management**

Wayne & Phyllis Owens  
800-869-1372

## **CARQUEST – Distribution Center**

Raymond McGough  
334-280-5843

## **Carroll Tire**

Cecil Bowden  
205-655-2182  
Don Pylant  
800-446-0589

## **Castrol**

Gene Logan  
205-266-4863

## **Cintas Corp.**

Craig Casey  
256-355-6431

## **Continental Tire**

Steven P. Shanks  
205-441-7285

## **David Tire Co., Inc.**

John David / Bill David  
205-251-8473

## **Federated Insurance**

Keith Ellard  
205-795-1227

## **50 Below**

Ben Moore  
Jon Napoli  
888-781-6934

## **Friend Tire Company**

Joe Davis  
901-794-2777

## **Harris Tire & Rubber Co.**

Mickey Taylor  
334-566-2691  
Jason Berry  
256-382-0797

## **Hesselbein Tire**

Tony Case  
601-974-5917

## **Hornsby Tire Distributors**

Steve Mattis  
334-762-2333  
Joey McGhee  
256-852-8530

## **Hunter Engineering**

Sterling Yearber  
256-606-7691

## **J Scott Enterprises, Inc. DBA Metro Recycler**

Phillip Tidwell  
205-841-1930

## **Jones Interstate Tire Co**

Jimmy Jones / Bill Jones  
334-874-2265  
Coby Hutchinson  
800-239-6649  
Martha Tillison  
800-239-2825

## **Kauffman Tire**

Matt Wall  
205-605-0110  
Richard Dulaney  
404-762-8433  
Mike Helms  
866-758-8473

## **McGriff Industries**

Barry McGriff / Bert McGriff  
256-739-0780

## **McGriff Treading Company**

Randy Drake  
256-739-7080

## **McPherson Oil Company**

Michael Glass  
251-666-6744

## **Merchants Against Unfair Interchange (MAUI)**

Brian Bibb  
800-395-0091

## **Mohawk Rubber**

Frank Harcrow  
205-368-4130

## **Myers Tire Supply**

Barry Morgan  
800-328-5110

## **NAPA Auto Parts**

Parrish Sellers  
205-510-2902

## **Parrish Tire**

Gary Waters  
800-877-2431

## **Perfect Equipment**

Gregory Parker  
615-916-3791

## **Robison Tire**

Clay Robison  
Mike Windham  
800-824-3225  
Richard Henderson  
Chris Johnston  
334-834-6138

## **S & S Tire**

Jeff Hodgens  
Mark Barrett  
877-777-7411  
Gary Cantrell  
800-777-6794  
Doug Burns  
251-433-7100

## **SLK Tire Designs**

Sabrina Lentz Knop  
Cheryl Lentz  
256-566-5481

## **TCI Tire Centers, LLC – Distribution Center**

Mike Brown  
866-907-9463  
Tony Miller  
800-475-1876

## **Tech International**

Leon Hataway  
828-320-3021

## **Tenneco Automotive**

Ed McArthur  
205-589-2781

## **Tire Industry Association (TIA)**

Wilson Beach  
800-876-8372

## **Wheel & Rim, Inc.**

David Strickland  
205-324-4404

## **Yokohama Tire Consumer**

Jim Vickers  
404-401-8606

## **Zurich American Insurance**

Boone Scroggins  
800-553-3055



*The Spare Tire is a publication of Alabama Tire Dealers Association. The Spare Tire is published 6 times a year as a source of information for ATDA members and supporters. ATDA directors, staff and members do not necessarily agree with all the contents or opinions appearing in this publication nor should its readers rely on any of the Spare Tire content for support of any legal position. On matters involving legal interpretation, the reader is advised and encouraged to rely solely upon the advice of his or her own hired legal counsel. The Spare Tire invites and encourages comments from its readers.*