



BUSINESS MANAGEMENT

AMERICAN SOD PRODUCERS ASSOCIATION

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OCTOBER / NOVEMBER 1987

AUTOMATED PAYROLL SERVICE BY ADP, LATEST ASPA BENEFIT FOR MEMBER FIRMS

ADP, (Automatic Data Processing), the U.S.'s largest provider of payroll and related services has reached an agreement with ASPA that will provide members a 15% discount on ADP services.

Available across the U.S. and Canada on a non-contractual "handshake" basis, regardless of the number or type of employees or geographic distribution, ASPA members who sign-up for the service will be contacted by an ADP representative who will provide complete details regarding service and costs.

Speed, accuracy, savings and flexibility are four advantages to the service most often cited by ADP users. Gross payroll figures are transmitted to ADP by telephone or computer at established intervals. ADP personnel then make all necessary computations, based on information provided by the firm and tax requirements. Pay checks are delivered on a fixed schedule either by messenger or courier services. Payroll taxes, including unemployment compensation, are computed and filed by ADP. They assume total responsibility and liability for their work.

The 15% savings will be available only to ASPA Members who are new sign-ups to the ADP program. To obtain additional information on this program, please complete the form on the next page and return it to ASPA.

ADP/ASPA AUTOMATED PAYROLL SERVICE...

an exclusive benefit of ASPA Membership

To obtain additional and specific information on how the ADP/ASPA Automated Payroll Service can save you time and money, please complete this form and return it to ASPA.

Firm _____
 Contact _____ Phone (____) _____
 Address _____
 City _____ State/Prov _____ Zip _____
 Number of Employees: High Season ____; Low Season ____
 Payroll Frequency (check one) Weekly ____; Biweekly ____;
 Monthly ____; Semi-monthly ____; Other (specify) _____

Return to: ASPA, 1855-A Hicks Road
 Rolling Meadows, IL 60008

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NONSALARY COSTS ADD 47%
TO FULL-TIME WORKER EXPENSES

Nearly half-again the cost of salary...47%... is expended on direct and in-direct employee benefit costs, according to a recent study released by the U.S. Chamber of Commerce.

Here's how it breaks-out:

- 15%---Company-paid benefits for items such as health and life insurance, pension or profit-sharing plans, bonuses, incentives, etc.
- 12%---Legally required benefit payroll taxes such as Social Security, unemployment and workers' comp.
- 9%---Vacations, holidays and sick leave
- 7%---Administrative costs for such items as recruitment, training, record maintenance and severance pay
- 4%---Paid rest periods and lunchtime

DOES ASPA HAVE YOUR CORRECT ADDRESS???
DO YOU HAVE ASPA'S CORRECT ADDRESS???

The label attached to this issue of the newsletter is what we now have in the ASPA computer for your company representative, firm name and address. If anything needs correction, please advise ASPA immediately.

Effective January 1, 1987, ASPA moved its office, but we notice that many people who have computers have not changed the office address. For the record, all mail should be sent to :

American Sod Producers Association
 1855-A Hicks Road
 Rolling Meadows, IL 60008
 Phone: 312/705-9898

ETHICS...The Basis of A Solid Business

Prepared by Ronald Nixon, Chairman
ASPA Business Management Committee

ASPA has a Code of Ethics, and as ASPA members, we are expected to abide by it. But, does it make good business sense to operate your business in an ethical manner? From every indication, the answer is "Yes!" Ethical dealings will bring positive effects in several areas.

Just as a person has a reputation, so does your business and nothing builds a more solid reputation than someone telling of the high regard they have for a company because they were treated fairly. Ethical dealings build loyal customers and a reputation that brings even more new customers.

Practicing good ethics and having a solid reputation also brings benefits in building a permanent work force. Quality employees look for a company they can trust to treat them fairly and to manage their paid benefit programs. Without this basic trust, little can be accomplished that will last for very long.

It may not be fair, but people may forget the good, but they will never forget being wronged. In the turfgrass sod business, there is only a limited number of customers, so if any significant number stop doing business with you because they feel cheated, it will not be long before there is no one to sell to.

As competition increases and your customers have more of a choice of who to buy their turfgrass sod from, your ethics may be the deciding factor. If the quality of turf, amount of service and cost of product are equal, the customer is going to buy from the firm he knows he can count on for fair and ethical dealings.

Make sure that firm is yours.

OFF-SET HIGH-COST BENEFITS PACKAGE
BY USE OF EMPLOYEE DESIRED PERKS

As seen on Page 2, employment costs continually rise, with a considerable amount of the cost being somewhat hidden. At the same time, some employees are being lured to other companies because of very generous and comprehensive benefits packages. Small employers, particularly farming operations, cannot afford to compete head-to-head with large firms. A number of specialized benefits, chosen with care, have proven helpful in retaining valuable employees.

Included in the list of possibilities are:

Flexible Work Hours. Grant permission to start early or stay late, thus having flexibility to avoid traffic, arrange for child-care, etc...often a key value to employees.

Salary Substitutes. Additional vacation time, or a company vehicle for personal use, in lieu of some salary may be very attractive to some individuals.

Use of Company Equipment. Allowing employees to use company equipment, at designated times such as making personal calls or using a computer on weekends; or using tools, lifts, etc. to work on personal autos or trucks.

Spontaneous Salary Increase or Bonus. An element of surprise and motivation is offered when employees are given an immediate/spontaneous increase or bonus at the completion of a particularly difficult or trying job.

Special Recognition. Ask a trusted employee to represent the company at an official function such as an industry meeting or with the media. Give internal company recognition at a picnic or party where peers can offer congratulations and establish new goals for themselves.

IRS LETTER SAYS SPOUSE'S IRA NOT DEDUCTIBLE
WHEN SALARY IS DEPOSITED INTO JOINT ACCOUNT

According to "Client's Monthly Alert," a specialized newsletter used by many accountancy firms, the IRS has issued a private letter ruling that denies deductibility of a spouse's IRA contributions because the husband simply deposited her salary into their joint account.

The IRS said it didn't matter that the spouse received a W-2 and could control the funds. Thus, the advantage of placing a spouse on a company payroll and having the availability of a deduction to the spouse for the contribution to an IRA was eliminated in this one case.

Similar situations should be carefully reviewed by competent tax attorneys and accountants.