Acumen Fiscal Agent

Understanding Account Statements & Employer Taxes

Training for Employers working with
OK In-Home Supports Waiver and **Acumen Fiscal Agent**

Acumen Fiscal Agent

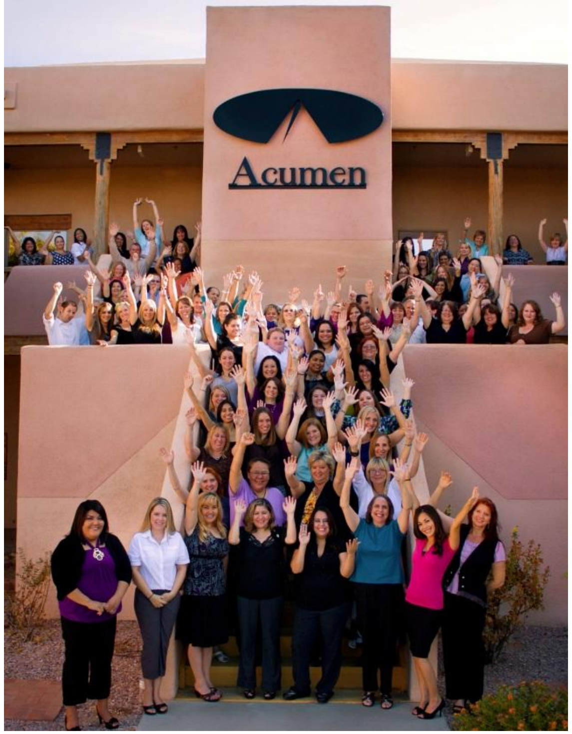
Welcome to Acumen!

Dear Employer,

Welcome to Acumen Fiscal Agent, and congratulations on enrolling as an employer of record! We are excited to be your fiscal agent, and look forward to working with you and your employees.

Being an employer of record may be a new concept, so we have developed training tools to help you navigate through some of the processes. This information is provided for informational purposes only. Any recommendations are provided as a courtesy by Acumen.

If you have any questions please call us.
We look forward to getting to know you!



Course Objectives

This **"Understanding Account Statements and Employer Taxes"** training provides a line-by-line guide to reading account statements. By the end of the training you will be able to:

- ✓ Read and understand your Account Statement
- ✓ Locate your account balance after the most recent payroll
- ✓ Track your spending each pay period
- ✓ Know the difference between employer and employee tax calculations and deductions, such as:
  - FUTA / SUTA
  - Worker's Compensation
  - FICA
    - Social Security
    - Medicare
  - Federal / State Income Tax Withholding

Acumen Responsibilities

As your fiscal Agent, Acumen will:

- ✓ Comply with all employer and employee tax withholding and reporting requirements on your behalf
- ✓ Track your employee CPR and First Aid certifications
- ✓ Process and track employee payments correctly, according to the program rules and services approved in the Service Authorization
- ✓ Process payments for the employer and employee taxes to state and federal taxing authorities on your behalf
- ✓ Process and send W-2s to employees at the end of the year and 1099s to your vendors
- ✓ Provide reports to you and the program regarding your spending

Acumen provides a summary of the tracking and reporting we do for you in an **Account Statement** we send you, the employer, monthly.

Employer Taxes/Burdens

All employers in the U.S. are required to pay certain taxes (or burdens), no matter if they are a large business like McDonald's, or a self-directed employer like yourself. These employer taxes include:

- ✓ Federal Unemployment (FUTA)
- ✓ State Unemployment (SUTA)
- ✓ Federal Insurance Contributions (FICA)
  - Social Security
  - Medicare
- ✓ The IHSW also requires that you have a Workers' Compensation policy. The cost of this policy is also included in your total employer burden.

Acumen collects these funds as we process your employee's payroll, and then sends payment to the appropriate tax authorities and Workers' Compensation insurance company as required.

Federal and State Unemployment (FUTA and SUTA taxes), as well as Workers' Compensation, are paid from your Service Authorization. They are calculated as a percentage of the wages paid.

Unemployment Tax

FUTA = Federal Unemployment Tax Act

FUTA is a tax paid by you as the employer. It covers the cost of Unemployment Insurance and Job Service programs in all states. FUTA also funds half the cost of extended unemployment benefits when necessary and provides for a fund states may borrow from, if necessary, to pay benefits.

SUTA = State Unemployment Tax Authority

SUTA is also a tax paid by you as the employer. This tax is added funds available to a qualifying employee in the event he or she is unemployed. The tax is determined by taking a percentage of a worker's salary up to a certain annual pay level.

Workers’ Compensation

Workers’ Compensation

Workers’ Compensation is a form of insurance required from employers to provide money as compensation for workers who are injured on the job or who contract an occupational disease.

Your employee will have Workers’ Compensation coverage upon being issued a start date by Acumen. This coverage is mandatory and the cost is included in the total employer burden that is paid from your Service Authorization.

The cost of State Unemployment and Workers’ Compensation are not determined by Acumen or the program, and often change each year. If/when this happens, Acumen will notify you of the change and how it impacts your employee pay rates, as well as what action you must take, if any. This is reflected on what Acumen calls the “Show Me the Money” form.

Social Security & Medicare Tax

FICA = Federal Insurance Contributions Act

FICA is an employment tax paid by both an employee and employer. FICA funds federal programs that provide benefits for retirees, individuals with disabilities, and children of deceased workers.

- ✓ **Social Security** benefits provide resources for aging populations, surviving family members, and people with disabilities.
- ✓ **Medicare** provides hospital insurance benefits.

Social Security and Medicare are taxes paid in part by your employee and in part by you as the employer. This is also reflected on the "Show Me the Money" form as part of the total employer burden.

The remaining portion of the Social Security and Medicare contributions are taken out of your employee's paycheck based on a percentage of the gross wages paid.

Statement Sample Preview

The following slides show a sample account statement you can also find in Acumen's Employer Guide to Success. In this training, we will take a closer look at each section. Specific areas will be explained further. Look for the ★.

Note that you may need to increase the size of the remaining training pages for better viewing.

Account Statements

Acumen Fiscal Agent Account Statement

Activity Period: Reports activity of checks issued during date range. Does not represent dates employee worked

Employer: Person who manages employees and/or represents the client for this account in this program

SAMPLE EMPLOYER
1234 ANY STREET
YOUR TOWN, OK 70000

Activity Period:	6/15/2013 **to** 6/30/2013
Participant ID:	012345
Program:	IHSW-CSD

Participant ID: ID number used for participant on timesheets and Web Time Entry.
Participant: Service Recipient

Total Allotments: Units or dollars your state/program has authorized Acumen to pay on your behalf

Period Utilization: Units/dollars used during Activity Period

Total Utilization: Units/dollars used from start of your service plan through the Activity Period end date

Account Information

	Total Allotments		Period Utilization		Total Utilization		Balance	
	Units	Dollars	Units	Dollars	Units	Dollars	Units	Dollars
A9270 $70.00 07/01/13-06/30/14	0.00	$70.00	0.00	$0.00	0.00	$0.00	0.00	$70.00
HTS $10.14 07/01/13 - 06/30/13						$0.0		
HTS $12.50 07/01/13 - 06/30/13						$0.0		
VENDOR $120.00 07/01/13 – 06/30/13	0.00	$120.00	0.00	0.00	0.00	120.00	0.00	0.00
Totals	0.00	$70.00	0.00	$970.37	0.00	$1,927.80	0.00	$649.20

All **active** participant Service Authorizations; Service Authorizations not active are not displayed. Future periods show a zero balance until they become available for spending

Balance: Total units/ dollars remaining as of Activity Period end date

How to Read Your Statement

- The **Activity Period** shows the time period that the employee and vendor checks listed on the statement were issued.
- The **Account Information** section shows all of your active service authorizations. Note your employee(s) authorized rate(s) of pay are listed and are tracked in units. A unit is a 15 minute period of time.
- Your **balance**, shown under the Account Information section, shows your remaining funds as of the statement activity period end date. The statement will show a balance for each of the services you have been authorized.

Account Statements (continued)

Employee Information: Lists all employees, even those that did not work during Activity Period

Employee Information

Name	Pay Type	Status	EE Number	Good to Go Date
EMPLOYEE ONE	Direct Deposit	Active	1234	05/24/2012
EMPLOYEE TWO	Pay Card	Active	5678	11/29/2010
EMPLOYEE THREE	Direct Deposit	Inactive	9123	06/05/2013

Pay Type: Shows how your employees receive their pay

Code and Rate Information: Lists approved service codes and rates for each employee based on participant Service Authorization and rate sheets received by Acumen

Code and Rate Information

Name	Description	Start Date	End Date	Rate
EMPLOYEE ONE	HTS $10.14	07/01/2013	12/31/2020	$10.14
EMPLOYEE TWO	HTS $12.50	07/01/2012	12/31/2020	$12.50

How to Read Your Statement

- The **Pay Type** shows how your employees are receiving their pay. Please make sure your employees are receiving their pay by Direct Deposit or Pay Card to ensure worry-free receipt of their paycheck.

- Check out the **Code and Rate Information** section to see your approved service codes and employee(s) pay rates. You, as the employer, choose your employee(s) pay rate within an acceptable range of rates and this is approved by the program by way of the Service Authorization.

Note: All acceptable rates are found on the Acumen "Show Me the Money" form. Use an Acumen Rate Sheet to change your employee(s) pay rate. The rate you choose must also be conveyed to your Case Manager. Acumen forms can be found on our website: www.acumenfiscalagent.com. Go to Forms and then Oklahoma.

Account Statements
(continued)

This shows details of your employee pay checks issued during the Activity Period.

You can verify that your employee was paid correctly by reviewing the service dates/times shown here.

Payroll Check Information

Payroll Check Information: Details of each check issued for each employee based on timesheets submitted. Each employee payroll check issued in Activity Period is listed in a separate Payroll Check Information section

Check #: 12345678
Date: 6/28/2013
Payee: EMPLOYEE ONE
Net: $497.34
Gross: $568.75

Medicare: $8.25
FICA: $35.26
SUTA: $10.81
FUTA: $3.41
Work Comp: $23.15

Batch #: 1764
Billing:$649.63
Type: Direct Deposit

Net: Earnings after employee taxes deducted

Gross: Employee earnings before employee taxes deducted

Medicare: Tax to help cover cost of Medicare programs

Work Comp: Workers Compensation Insurance; provides benefits if employee is injured while working. Paid by employer through participant's Service Authorization

FICA: Federal Insurance Contributions Act; paid by employee & employer; includes Social Security taxes

FUTA: Federal Unemployment Tax Act; paid by employer

SUTA: State Unemployment Tax Authority; paid by employer

Code	Work Date	Time In	Time Out	Rate	Hours
HTS10.14	06/06/2013	7:00 AM	3:00 PM	$10.14	8.00
HTS10.14	06/11/2013	6:45 AM	6:15 PM	$10.14	11.50
HTS10.14	06/12/2013	6:45 AM	5:15 PM	$10.14	10.50
HTS10.14	06/13/2013	6:45 AM	6:45 PM	$10.14	12.00
HTS10.14	06/14/2013	7:00 AM	10:30 AM	$10.14	3.50
					45.50

Account Statements
(continued)

This shows details of the Vendor checks issued during the Activity Period.

Vendor Check Information: Details of checks issued for each vendor paid based on payment request submitted. Each vendor check issued in Activity Period is listed in a separate Vendor Check Information section.

Vendor Check Information

Check #: 12345678
Date: 6/28/2013
Payee: VENDOR NAME
Net: $120.00
Type: Check

Batch #: 1711
Billing:$120.00

Code	Date	Rate
T1999	06/10/2013	$120.00

Use this section to track when your employee(s) need to renew their First Aid and CPR certifications. Send a copy of the new certifications to Acumen timely!

Training and Certification

Employee Name	CPR Expire Date	First Aid Expire Date
EMPLOYEE ONE	04/26/2015	04/26/2015
EMPLOYEE TWO	12/08/2014	12/08/2014

Training and Certification: Shows important expiration/renewal dates. These **must** be current or employee will not be paid.

Acumen Fiscal Agent

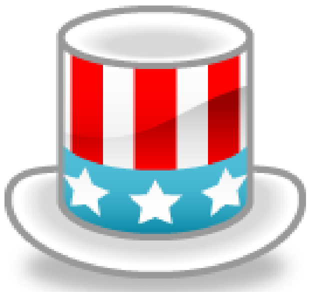
End of Year Tax Reports

Another employer responsibility that Acumen will handle on your behalf is preparing and sending out W-2s to your employees and 1099s to your vendors.

These tax documents are a record of the money that was paid to your employees and vendors through this program throughout the year, and are necessary for them to use when filing their income taxes.

These are usually sent out the last week in January each year, no later than January 31st.

Remember: You do not need to file a tax return for being an Employer – Acumen files your self-directed Employer taxes for you!



Wrap Up

- ✓ Acumen will send you an account statement monthly.
- ✓ Account Statements include both employee and participant/service recipient account information.
- ✓ Track your spending and current balance (as of last payroll) by viewing the "Account Information" section.
- ✓ Use your statement to help track employee First Aid and CPR expiration dates.
- ✓ Look-up each employee's pay rate for each service code in the "Code and Rate information" section.
- ✓ Employee W-2s will be sent directly to employees and 1099s will be sent directly to vendors you have paid throughout the previous year in the last week of January each year.

Contacting Acumen

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Congratulations!

You have completed Acumen's employer training on
"Understanding Account Statements and Employer Taxes."

We hope you have a better understanding
of all the information that is available to help track
participant and employee account information.

Welcome to self-direction.
Welcome to Acumen!

Acumen Fiscal Agent