

## Fuel Calculator Supporting Document

### Fuel Calculator Research Methodology

Fuel data for the Calculator was collected by *Automotive Fleet Magazine*, and processed and analyzed by Portland Research Group. Respondents were told that their responses were strictly confidential.

### Accounting Administrative Time

Accounting administrative time includes the time drivers typically spend per week obtaining, managing and submitting receipts to the company. It also includes the time the accounting or accounts payable person or team typically spends per week following up on receipts or receipt information and entering the submitted receipts and fuel and service costs into the accounting software and, when applicable, reimbursing drivers for fuel purchases.

Findings for each component of this category include:

- Drivers can spend an average of 10 to 14 minutes each week handling receipts. The mean is 14.2 minutes (or .24 of hourly rate). The time spent per driver per week tends to increase as the size of the fleet decreases.
- Typically, a person in accounting or accounts payable can take an average of 10 to 35 minutes per week to enter fuel receipts and mileage costs into the accounting software. The mean time is 35 minutes (assuming processing 30 receipts per week).
- On average, 5 to 18 minutes of an accounting employee's time is spent in a typical week tracking down missing and duplicate fuel receipts. The mean time is 18 minutes
- Two-fifths (41%) of organizations reimburse drivers for fuel purchases. Among these organizations, an employee typically spends an additional 10 to 23 minutes per week reimbursing drivers for fuel purchases. The mean time is 22 minutes.
- Total costs for accounting receipt capture and tracking is a mean of 75 minutes per week (1.25 of hourly wage) or an average 2.5 minutes labor time per receipt.

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**Slippage**

Slippage consists of unauthorized fuel or non-fuel purchases.

Findings for each component of this category include:

- Just over one-quarter (28%) of companies represented are aware of unauthorized purchases on cards used for fuel and service purchases. (Other participants may have unauthorized purchases but are not aware of them).
- On average, businesses that see unauthorized purchases experience about 52 per year, with an average unauthorized per purchase amount of \$40.45.
- The average annual cost of slippage is \$1,578.30. The average annual cost of slippage is highest among companies with large (250+ vehicles) fleets (\$2,507.03). The mean average percent of slippage/fraud relative to fuel spend is 0.09.

One Union Wharf  
Portland, ME 04101-4777  
phone 207.874.2077  
Fax 207.874.2076  
Portlandresearch.com

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### **Cost of Driver Diversion**

One in six companies employs drivers who sometimes need to divert from their typical travel route to find fuel. Over three-fifths (63%) of those companies experience diversions one time per week or less.

The mean diversion time is 8 minutes per week per driver or .13 in labor wages and fuel costs.

### **Fuel Cost Savings – Accepting Network**

The WEX Acceptance Network processes fueling transactions from across the nation and from all 50 states. Research performed from this database showed that there is an average of 13¢ difference in fuel costs by zip code. When drivers have the flexibility to fuel up at the closest and lowest price station in their working area, a 13¢ savings can potentially occur on each gallon of fuel purchased.

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