

8 FAQs about fuel rebates



Fuel rebates can be just the answer for a healthier bottom line

All questions about controlling fuel costs circle back to how well you know your cost-per-mile and how you manage your fuel consumption. Fuel consumption is the number one expense of any trucking operation, reaching its peak price in June of 2022.¹ That's why savvy business owners crunch every penny in the quest to increase profits.

While fuel prices fluctuate with some regularity, recent economic indicators show a slight decrease in the cost of diesel. This encouraging news combined with potential savings from fuel rebate programs means a healthier bottom line. Remember: When cutting costs, every dollar saved in fuel consumption goes directly into your pocket.

There are many advantages to having a fuel card program, and the opportunity to earn fuel rebates is a huge consideration. No matter how much you expect to get back with a rebate program, don't underestimate the value of your return on investment.

Mike Hosted, a business consultant with Colorado-based American Truck Business Services (ATBS) says all sizes of fleets can benefit from shopping around for the best fuel card program offering fuel rebates.

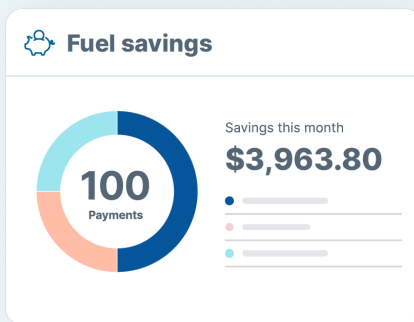
"It all comes down to managing your operating ratio, and every penny counts with fuel since this is your largest cost. I've seen small fleets increase their bottom-line profit by implementing a fuel rebate program. Even if the rebates are small, they can help lower a carrier's operation ratio across the fleet," Hosted says.

So, how can you choose from all the various rebate programs offered by fuel card companies? The following are eight of the most frequently asked questions fleet owners consider about fuel rebates when choosing a fuel card program.



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-Mike Hosted, ATBS



1 What kind of transaction reports should I look for?

One of the main reasons you use a fuel card program is to manage your fuel costs based on instant data. Look for clear, accurate transaction reports with line-item details that help you see and control your fleet expenses. Make sure the fuel card program you select has the capability for real-time reporting that monitors your drivers' fueling activity and vehicle data from multiple locations.

Your fleet manager should be able to view reports online or access custom reports from the collected data. With easily understandable transaction reports, you can track your costs and generate a clear picture of where you can manage based on what you can control.

Monthly U.S. On-Highway Diesel Prices, 2019-2023



Source: American Transportation Research Institute

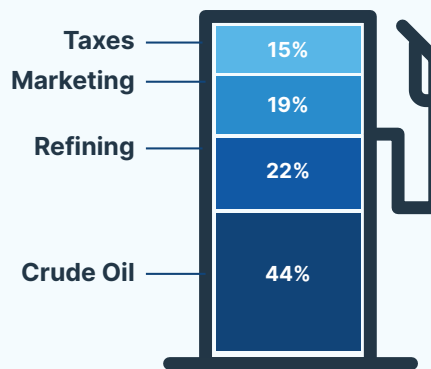
2 Is there a minimum price-per-gallon threshold that must be met to earn rebates?

For giant fleets, a minimum price-per-gallon threshold may not be an issue. But for small- to mid-size fleets, it's better to choose a program that offers rebates on a per-transaction basis.

3 What kind of fuel am I eligible to receive rebates on?

As a general rule, don't assume your chosen program covers every type of fuel or fueling location. Some only cover regular diesel and not bio-diesel, or only purchases at approved locations. It's important to know your program's requirements so you can choose the one that most suits your fleet's needs.

All the costs that go into a gallon of diesel
December 2023
Retail price: \$3.97/gallon

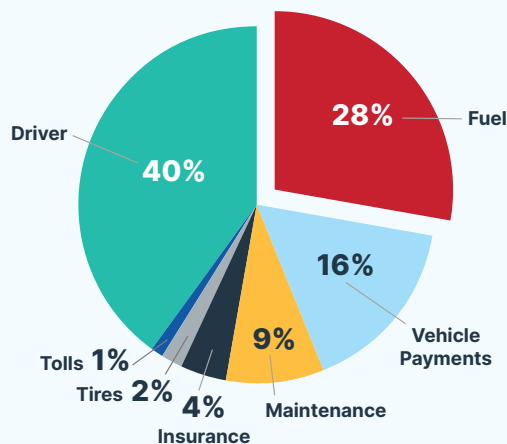


Source: U.S. Energy Information Administration, Gasoline and Diesel Fuel Update

4 Should my fuel card program pay for the transaction fee, or is that my responsibility?

When you choose a fuel card program that offers no transaction fee, that typically means you get the added benefit of paying the cash price at the pump.

Operational Costs of Trucking



Source: American Transportation Research Institute (ATRI), 2022

5 What is the best way to receive fuel rebates, and what if I don't meet my minimum?

According to Kevin Rutherford, host of the radio show and podcast titled "Trucking Business & Beyond," even a few hundred or thousand dollars a year makes a difference to an operation's bottom line. With that in mind, make sure to look for any rebates even if you don't meet your minimum number of miles driven. Sometimes the rebates are not tied to miles driven.

6 When a fuel card program offers rebates on top of no transaction fees, how much can I realistically expect to receive?

With the cash discount and a special rebate offer from your fuel card, you can expect to see significant savings per gallon at eligible locations.

7 What kind of fuel am I eligible to receive rebates on?

What do fuel card programs typically do if there is a mistake with the receipt of an owed rebate?

Mistakes can happen and it's a good idea to periodically audit your rebates. One factor to look for in choosing a fuel card program is to make sure that reports clearly denote rebates. Your fuel card program provider should be your fuel management partner, working directly with you to resolve any disputes.

8 If I am not a huge customer, should I bother with rebates at all?

Jay Tabor, VP/ops for GJ&D Trucking, says their fuel card program credits rebates back into their account.

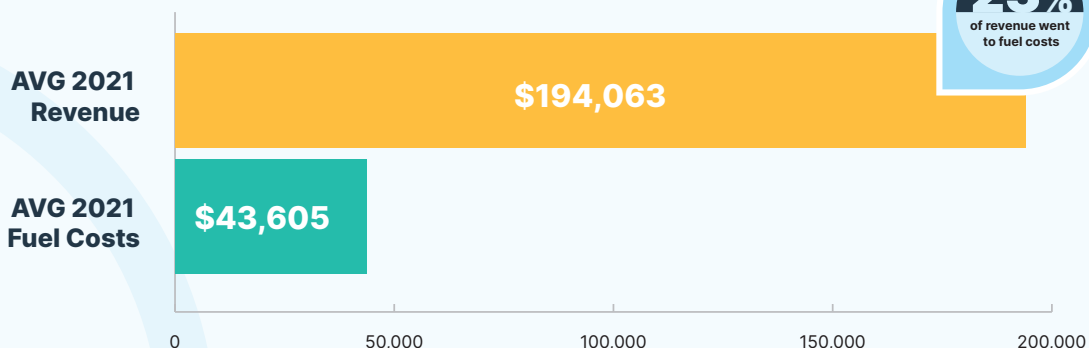
"Every penny counts when you are managing a fleet. My job is to squeeze every ounce of profit from the operation. Last year we earned \$250 in fuel rebate credits. That may not sound like a lot in revenue but for us, that means two trucks can travel an extra 20 miles free of fuel expenses," Tabor says.

His six-truck fleet located in Mount Vernon, IL, hauls lumber, steel, and landscape materials. Tabor, a former trucker now in management for the family-owned business, says he appreciates the reporting available from the fuel card program as much as the rebates. In fact, he says they go hand in hand.



"Every day I look at the invoices from the prior day. I can quickly catch fuel stops and see who is too much out of the route. Besides the fuel rebates, it gives me information about the drivers' location and pump prices. That way I can manage their behavior as well as monitor costs. Between rebate specials and not having to pay transaction costs, I'm easily saving 6-7 percent on fuel," he says.

Average Revenue and Fuel Costs





Conclusion

Fleet success is attributed to many factors, including managing fuel costs and meticulously accounting for every detail throughout the operation. When there's an opportunity to collect a fuel rebate as part of a fuel card program, you should take it — even if you're a small business owner.

“Fuel rebates can be crucial to the bottom line and success of a small fleet, even small rebates can add up to thousands of dollars per truck to the bottom line. I always encourage owner-operators and fleets to seek out the best fuel purchase deals and then use the savings to invest in other fuel-saving strategies, i.e., equipment modifications, driver training, and fuel bonus programs. A fuel rebate can be the stepping-stone to a good fuel cost management strategy,” said Kevin Rutherford.

Curious about what fuel card options are available to you? Get started today to discover the benefits of fleet cards and how they can help you save money on fuel.

1. https://www.ams.usda.gov/sites/default/files/media/FMMO_NMPF_53A.pdf

2. 2023 numbers for revenue and fuel spend can be found here: <https://www.atbs.com/post/how-have-owner-operators-performed-so-far#viewer-517a2>