VyRal

A LeakReceipts Field Guide

LeakReceipts for Auto Repair Shops

The Field Guide: where the money leaks, how to prove it, and how to close it

For: Mechanic — Retail Repair Shop

by VyRal Dynasty

LeakReceipts for Auto Repair Shops The Field Guide: where the money leaks, how to prove it, and how to close it

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How every number in this book is labeled.

- **VERIFIED** means the figure comes from a named, dated source, and the source is printed next to it.
- **CALCULATED** means it is arithmetic on verified numbers or on your own numbers, and the math is shown.
- **ESTIMATE** means a reasoned range, and it is always called one.
- **STRUCTURAL** marks a standing rule of the trade (a law, a contract term, how the paperwork works), not a market figure.
- **STILL BEING MEASURED** means VyRal has not verified a figure yet, so no number is printed.

If a number is not labeled, it is a blank for you to fill from your own paper.

What this book is not. This is education, not legal, tax, accounting or financial advice. Where a fix says a professional decides, a professional decides. Nothing here says that any company, customer or person did anything wrong. The fixes show you how to check your own paper and ask in writing.

About how this book was made. This book was assembled with AI from VyRal's sourced research on this trade and checked against those sources. AI can make mistakes. Before you act on a figure, check it against the source printed beside it. Rules and rates change, and every figure carries its date for that reason.

Before you share any document with anyone, Vera included, black out account numbers, Social Security numbers and anything else you would not hand a stranger.

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The short answer for your trade

The number is your bay-hours sold against your bay-hours available — not your invoice total. Shop management software hands you a revenue line every month, but nothing in it tells you how many hours you had to sell, how many you actually billed, or how many disappeared into a comeback that occupied a bay and consumed a tech's time for a $0 invoice. Your rate can be fair and your lot can be full, and you can still be losing money on the gap nobody's counting.

Your leak map

Every leak this book covers, biggest first. The size grade is VyRal's research grade for how much money a leak tends to move in this trade. It is a grade, not a dollar figure. Your own paper sets the dollars.

#	Leak	Size grade	Evidence	Fixes
1	FLSA Dealer Exemption Does Not Cover a Repair-Only Shop	Major	VERIFIED	1
2	State Repair-Authorization / Overage-Consent Threshold (5-State Matrix)	Major	VERIFIED	1
3	National Workforce & Wage Benchmark	Moderate	VERIFIED	1
4	1099-NEC Contractor-Payment Threshold Raised to $2,000	Small but common	VERIFIED	1
5	EPA Section 609 A/C Refrigerant Technician Certification	Significant	STRUCTURAL	1
6	Used Oil & Hazardous Waste Handling Duty	Moderate	STRUCTURAL	1
7	Pride Economy — Lift, Diagnostic Tools & Bay Equipment	Not graded	STRUCTURAL	1
8	Self-Employment Tax Boundary (SECA)	Not graded	STRUCTURAL	1

Then there are 2 more leaks to check, each with its own fixes, in the chapter called More leaks to check.

What people in your trade say hurts

Before we built a single fix, we went and read what people in this trade say out loud: forums, trade press, regulators' complaint files and court records. These are the pains that kept coming up, the ones with the most sources first. If one of them is yours, you're not imagining it.

Going over the estimate without a recorded OK can cost me the bill and bring a fine

I call the customer, they say yes, and I fix it. If I can't prove that yes, I may not be able to hold the car or collect the difference, and a complaint can turn into a state case.

Found in 4 public sources; newest dated 2026-05-19. VERIFIED count from VyRal's public research log; the sources are listed at the back.

Core deposits and part returns I paid for and never got credited

The old part sits on a shelf past the return window, or the supplier says it never got it, and nobody checks the statement for the credit.

Found in 3 public sources; newest dated 2026-04-28. VERIFIED count from VyRal's public research log; the sources are listed at the back.

Customers say no to the repair, or put it off until it's a tow

I find what the car needs, write the estimate, and the customer can't afford it, so the bay sits and I've spent the diagnostic time for nothing.

Found in 3 public sources; newest dated 2026-03-03. VERIFIED count from VyRal's public research log; the sources are listed at the back.

Parts keep costing more and I have to choose between my margin and my customer

Tariffs and freight push parts up, the price I quoted last month is already wrong, and every increase I pass on makes the customer think twice.

Found in 3 public sources; newest dated 2026-03-03. VERIFIED count from VyRal's public research log; the sources are listed at the back.

The part fails, the car comes back, and I do the labor twice for free

The supplier replaces the part but not my labor, the lift is tied up, and I never add up what comebacks cost me.

Found in 3 public sources; newest dated 2026-08-10. VERIFIED count from VyRal's public research log; the sources are listed at the back.

Good techs are hard to find and harder to keep

Every time a tech leaves I lose the bay's income while I hunt for another, and diesel and HVAC pay more for the same hands.

Found in 2 public sources; newest dated 2026-06-05. VERIFIED count from VyRal's public research log; the sources are listed at the back.

My sign says one labor rate, but what I actually collect per hour is a lot less

Discounts, free diagnostics and warranty work eat the rate. I raise the posted price and never look at what I really got per billed hour.

Found in 2 public sources; newest dated 2026-08-10. VERIFIED count from VyRal's public research log; the sources are listed at the back.

Get your paper together

Every fix in this book starts with paper, not memory. Memory rounds in the other side's favor. Paper doesn't.

Pull the last 90 days. Put it all in one folder, paper or phone, and label each piece with its date. Black out account numbers and Social Security numbers before you share anything with anyone.

The paper that proves each leak:

- Your contracts, invoices, statements, pay records and the messages around them.

My folder checklist

Last 90 days of statements or pay records _____

Every contract or agreement I work under _____

Every invoice, ticket or settlement for the same 90 days _____

The messages that changed a price, a scope or a date _____

Leak 1: FLSA Dealer Exemption Does Not Cover a Repair-Only Shop

Size grade: Major · Evidence: VERIFIED

What it is. The FLSA overtime exemption commonly associated with 'mechanics' (§13(b)(10)(A)) applies only to a nonmanufacturing establishment primarily engaged in selling vehicles to the ultimate purchaser — over half of annual dollar volume (29 CFR 779.372). A shop that only repairs is not covered, and flat-rate/book-time pay does not change that.

Why it leaks. Owners who assume 'mechanics are exempt from overtime' and pay flat-rate techs straight book-time pay with no overtime premium are exposed to back-overtime liability the moment a tech works over 40 hours — overtime runs on hours worked, while the shop bills book hours.

The number to hold it against. A repair-only shop that sells no vehicles does not qualify for the FLSA dealer exemption. Source: 29 CFR 779.372; FLSA §13(b)(10)(A).

VERIFIED · Primary — government or regulator

> **Ask yourself:** Do any of your techs work more than 40 hours in a week, and are you paying overtime on hours actually worked — not book hours billed?

1. Flat-rate techs paid on book hours with no overtime on hours actually worked

Fix approved · leak evidence: Verified

Fix 1 — Do it yourself (free).

1. For every tech, pull the last 8 weeks of clock-in and clock-out times (not book hours). If you do not have clock times, start recording them this week.
2. Mark every week where a tech was on the clock more than 40 hours.
3. Check how each of those weeks was paid: was there any overtime premium for the hours over 40?
4. The federal overtime exemption for mechanics only applies at a business that is mainly in the business of selling vehicles to the people who buy them (29 CFR 779.372). If your shop only repairs and does not sell vehicles, the 'mechanics are exempt' rule may not apply to you.
5. Take the 8 weeks to your payroll provider or an employment attorney, or call the U.S. Department of Labor's Wage and Hour Division with questions.

Whether you owe back pay is their call, not ours.

Fix 2 — The words to send, under your own name. Fill in the brackets, keep a copy, and send it from your own email or by mail. Nobody sends it for you.

> Email to my payroll provider:
> Subject: Overtime on flat-rate techs — setup check
>
> Hi [PAYROLL CONTACT],
>
> I run [SHOP NAME], a repair-only shop — we do not sell vehicles. My techs are paid [FLAT-RATE / BOOK HOURS]. I want to make sure overtime is figured on hours actually worked over 40 in a week. Can you:
> 1. Confirm how your system figures overtime for flat-rate pay.
> 2. Set up clock-in/clock-out tracking for each tech if it is not on now.
> 3. Send me a report of weeks over 40 hours on the clock for [DATE RANGE].
>
> Thanks,
> [YOUR NAME]
> [PHONE]

Fix 3 — Done for you. LeakReceipts · Pay Check

WE DO: read your time records next to your payroll records each week and flag every week a tech was on the clock over 40 hours with no overtime line. YOU DO: decide pay with your payroll provider or attorney, and run payroll yourself.

Keep it closed. Clock every tech in and out every day. Check for weeks over 40 before each payroll is approved.

What this fix can't decide for you. Whether any tech is owed back overtime, and how to fix past payroll, is a decision for an employment attorney, payroll professional or DOL — not us. State overtime rules may add to federal ones; not covered here.

My receipt for this leak			
Owed by my paper	Paid or billed	Gap (CALCULATED: owed − paid)	Fix 2 sent · answer

FREE FIRST CHAPTER

That's Leak 1 of 8.

The full Field Guide for Auto Repair Shops walks through every leak on the map you just read: why it happens, the paper that proves it, and three fixes for each one — one you do yourself for free, the words to send under your own name, and what LeakReceipts can do for you while the decision stays yours.

Get the full guide:
leakreceipts.com/ebooks/auto-repair-shops

Run it on your own numbers:
leakreceipts.com

WE WALK BY FAITH NOT BY SIGHT — 2 Corinthians 5:7