President’s Letter

I must start out by stating how excited and honored I am to be able to represent you all as your Chapter President for this year. It doesn’t seem possible that this is my 10th year of being a member of CFMA of Western Michigan.

As I sit back and reflect on what CFMA has meant to me and my personal and professional growth, I can pinpoint as to when I really began to understand what a powerful tool CFMA membership was for me. My first few years of membership, I attended general membership meetings when I could and that was what I thought being a member meant. Then I stepped out of my comfort zone about 6 years ago and joined my first Roundtable group. It all changed from that point on and I really began to understand what membership in CFMA could mean to me and my company. Since then I have spent numerous years on the Board of Directors and sat on different committees, attended National and Regional Conferences, volunteered at Habitat for Humanity with other members, attended social hours and built many friendships/relationships that have become invaluable to me.

The focus this year of my Presidency is going to be “engagement.” I want to raise the level of engagement from our members so that those who don’t already know can begin to see the value your membership brings to you and your company from being engaged in the Chapter.

Statistics show that engaged employees are more motivated, committed and demonstrate a higher level of energy, drive and enthusiasm in their jobs. Companies with engaged employees outperform others by 50-200%. Engaged employees are 87% less likely to leave the company. Think about the benefits each of us can bring back to our companies and to the Western Michigan Chapter of CFMA by being engaged.

So what does being engaged mean? Engagement is building relationships and putting those relationships to work to accomplish shared goals. Engagement isn’t just about clicking links or liking something on Facebook. It’s a deepening of relationships that builds partnerships and collaboration as a means of creating economic and societal value.
Relationships that are disconnected from tasks are not engagement, but they’re still important. Tasks that are disconnected from relationships are not engagement; they’re transactions—and they’re important too. The art of engagement centers on knowing when to invest in relationship building and when to tap relationships to get work done. Engagement is about bringing task and relationship together to create something bigger and more powerful.

Building and engaging relationships is like charging and discharging a battery. Building relationships takes time and energy. When we invest organizational energy into building relationships, it’s like converting kinetic energy into potential energy—just like we do when we charge a battery. Relationships hold the potential energy of an organization, and like a battery, they enable us to store that potential energy for use at a later date. We then discharge that energy, converting the potential energy of those relationships back into kinetic energy—the kind that helps us move things in the world.

People and organizations that excel at engagement are capable of moving really big things. They move mountains—and do so with relatively few resources. They’re able to do this because they understand the amazing leverage that comes from engaging people outside the organization in doing the work of the organization. And they’re able to do that because they’ve mastered the art of balancing task and relationship.

I ask each of you this year to “engage” in one thing within the Chapter you haven’t tried before. Join a Roundtable group, volunteer for a committee, come to a social hour, play in the golf outing, sit with someone you don’t know at a general membership meeting, attend a National or Regional CFMA conference or consider becoming a Board member. There are so many different opportunities within our Chapter to get engaged. With it comes friendships, learning from others, networking, and in many cases resources and tools you can bring back to your companies to help them become even more successful.

CFMA Western Michigan Chapter is proud to announce the following 2016-2017 Board of Directors. Special thanks to Tom VandenBosch for serving on the Board over the past 5 years as Director, Secretary, Vice President, President, and Past President. Your leadership and commitment has been a great contribution to our Chapter!

**2016-2017 Board of Directors**

**PAST PRESIDENT**  
Jeff Koster  
Wolverine Building Group

**PRESIDENT**  
Jennifer Murphy  
Pleune Service Company

**VICE PRESIDENT**  
Grace Silva  
Elzinga Volkers

**TREASURER**  
Victor Sturgis  
Crowe Horwath LLP

**SECRETARY**  
Theresa Sickles  
Plummer’s Environmental Services, Inc.

**DIRECTOR**  
David Coates  
Grand River Construction

**DIRECTOR**  
Aileen Leipprandt  
Hilger Hammond, PC

**DIRECTOR**  
John Naylor  
Feyen Zylstra LLC

**DIRECTOR**  
Ken Bos  
Hylant Group

**MEMBERSHIP COMMITTEE CHAIR**  
Ann Plummer  
Beene Garter LLP  
aplummer@beenegarter.com

**PROMOTION COMMITTEE CHAIR**  
Mike Waalkes  
Lighthouse Insurance Group  
mwaalkes@lighthousegroup.net

**PROGRAM COMMITTEE CHAIR**  
Grace Silva  
Elzinga Volkers
The 1st Annual CFMA West Michigan Jon Penning Memorial Golf Scramble was held Wednesday, June 15, 2016 at Railside Golf Club in Byron Center. The weather ended up being perfect for the golfers who participated in a fun day of golfing, networking, great food, and door prizes.

The first place team ended with a score of 45 and was made up of Matt Zimmerman, Matt Holt, Jack Schrock, and Drew Neitzel, from Mercantile Bank of Michigan.

Second place with a score of 45 was the team of Scott Carlton (Hylant), Dan Coffman (Miller Davis), Randy DeVries (Allied Electric), and Brian Dickey (New Horizons).

The Longest Drive Competition was won by Bruce Bretzke and Jennifer Murphy (Pleune Service Company). The Straightest Drive Competition was won by Jeff Koster (Wolverine Building Group) and Danielle Pennings (Beene Garter LLP).

The Closest to the Hole Competition was won by Matt Grassenbacher (B&L Bolt) and Ann Plummer (Beene Garter LLP).

We'd like to extend special thanks to all of our sponsors:
- **Tee Sponsors:** Elzinga Volkers Construction Professionals, B&V Mechanical, Inc., Hylant, Beene Garter LLP, River City Mechanical, Lighthouse Insurance, Electronic Funds Sources, MacAllister Rentals, Mercantile Bank of Michigan, S & B Systems, Pleune Service Company, Gelock Heavy Movers
- **Range Sponsor:** Allied Electric
- **Lunch Sponsor:** Dan Vos Construction Company and Travelers Insurance
- **Registration Sponsor:** Crowe Horwath
- **Prize Donors:** Pleune Service Company, River City Mechanical, Beene Garter LLP, Crowe Horwath LLP

In addition, the Promotions Committee organized a food drive to the local food pantry, which provides a pantry of food and other personal products to those in need. They were very grateful for our donation!

Thanks to everyone who organized, participated, and volunteered at this year’s outing, and we look forward to the 2nd Annual CFMA West Michigan Jon Penning Memorial Golf Outing next year!
Chapter News (Past Events)

Western Michigan Chapter Announces 2016 Scholarship Winners
Congratulations to our Scholarship recipients who were announced at the General Membership Meeting.

John Koscielniak from Walburg & Associates, Kim Zawacki of Omega Construction Co., Inc., and Ben Herrema of Kent Companies, Inc. were each awarded a scholarship towards attending the 2016 CFMA Annual Conference & Exhibition in San Antonio, Texas in June 2016, or towards the CCIFP exam. CFMA’s Annual Conference & Exhibition provides focused learning sessions, thought-provoking speakers, a solution-filled Exhibit Hall, and plenty of networking opportunities. For more information visit http://www.cfma.org/annual_conference

March, April, and May General Membership Meeting Recaps
March's meeting featured the second part of the Lessons from Lamar series, with a presentation on “Protecting You & Your Organization.” This discussion was presented by Mark Rysberg from Hilger Hammond and Tracy Jurusik from Willis Insurance.

April’s meeting finished the third and final part of the Lessons from Lamar series, with a presentation and panel on best practices by members. Ben Hammond from Hilger Hammond served as the moderator for the panel of general contractors and subcontractors.

May’s meeting featured a discussion on the Switch Company’s acquisition of the old Steelcase Pyramid building presented by Brad Comment from the Right Place. Topics covered included the economic impact from the acquisition and insight on other opportunities going on in the West Michigan area with the Right Place.

Thanks to all who attended and special thanks to our speakers!

CFMA Western Michigan Chapter received the Founder’s Recognition award in 2016. This is recognition of our chapter award points earned from April 1, 2015 – March 31, 2016.

Other
We were saddened to hear of the passing of Western Michigan Chapter Member Jon Penning this past April. Jon Penning worked at B&V Mechanical, Inc. for over 25 years. Our deepest condolences to Jon’s family and friends.

Reminders
Anyone interested in joining one of our committees? We’d love to have you join! See page 2 for a listing of all of the Western Michigan Chapter committees and committee chairpersons.

CFMA Western Michigan Chapter Mission Statement
As the source and resource of construction financial management in West Michigan, our Association unites individuals having financial responsibilities in the construction industry. We provide a forum through which the Association’s members can meet to network and exchange ideas. We promote and encourage leadership within the construction industry, as well as our Association. We develop and coordinate educational programs dedicated to the purpose of improving the professional standards of the industry and enhancing the value of construction financial managers to their respective companies.

Student Members
We currently do not have any student members and are hoping to increase student involvement by offering an initial free lunch at our General Membership meetings. If you know any students or student groups that may be interested, please email Tom Vandenbosch at tvandenbosch@alliedelectricinc.com.
Chapter Calendar

September 29, 2016 - General Membership lunch
October 20, 2016 - Joint meeting with ABC and ASA
November 17, 2016 - General Membership lunch
December 2016 - No Meeting

Membership Update

New General Members:
Kelly Zylstra / Swanson Electrical Services, Inc.

New Associate Members:
Sandrah Vittands / S&B Systems, LLC

Welcome to all of our new members. Thanks to those who participated in our member profiles section. We look forward to seeing more profiles in next quarter’s newsletter!

Know anyone who may like to join the CFMA Western Michigan Chapter? Click here for a membership application. Please invite a guest to an upcoming lunch—their lunch will be free! Contact Ann Plummer (aplummer@beenegarter.com) for details.
CFMA Member Spotlight

Kelly Zylstra  SWANSON ELECTRICAL SERVICES INC

1) How long have you been with your company and what areas of the business do you work in?
I have been with Swanson Electrical Services Inc. since December 2013. I oversee all areas of HR and Accounting, along with general office management and assisting with special projects as needed.

2) What do you enjoy most about working at your company?
I enjoy the small-company culture here at SESI and the variety of my work. Every day presents a new opportunity for learning.

3) What interested you in joining the CFMA West Michigan Chapter and what membership benefits do you hope to attain?
I became interested in CFMA after being invited by Ann Plummer to a few chapter meetings as a guest. Each time I’ve attended a meeting, the topic has been very relevant and timely. I am relatively new to construction, so I’m just hoping to expand my skills and gain a better understanding of what’s going on in our industry from a financial/accounting standpoint. I’m also interested in many of the educational webinars that are available through CFMA.

4) What is your favorite hobby or activity to do when you’re not working?
In the winter I try to get to the UP as often as I can to snowmobile the beautiful trails there, and I also enjoy yoga and horseback riding.

Sandrah Vittands-Farwell  S&B SYSTEMS LLC

1) How long have you been with your company and what areas of the business do you work in?
My company specializes in construction accounting, project management and estimating system development. We are experts in helping companies take their business model and translate it through technology and process analysis. On a more personal note, I have been using Viewpoint software since the year 1996 when it used to be called “Bidtek”. My experience as a certified PMP and working in the construction industry and in accounting for several years gives me a unique perspective that our clients find valuable. I am the lead consultant and CEO of S & B Systems.

2) What do you enjoy most about working at your company?
The best part of working at S & B Systems is being able to provide value to our clients. We enjoy making a difference with how our clients use specialized ERP software systems and helping them integrate products, while training and mentoring my customer’s team members.

3) What interested you in joining the CFMA West Michigan Chapter and what membership benefits do you hope to attain?
CFMA was already familiar to me since I was a member previously when I worked at Viewpoint as a customer engagement manager. One of my primary interests is to network with other members of this prestigious organization.

4) What is your favorite hobby or activity to do when you’re not working?
I enjoy playing on a USTA tennis team, coed softball, golf and travel.

ARTICLE SUBMISSIONS

We are currently seeking volunteers from our membership to contribute articles for future editions. If you would like to contribute an article, please contact Editor Danielle Pennings at dpennings@beenegarter.com. Contributions are greatly appreciated!
May 18th was an exciting day for the HR geeks. You may have heard—the Department of Labor released the final regulations on the changes in exempt and non-exempt status.

**BETH KELLY, FOUNDER AND MANAGING PARTNER OF HR COLLABORATIVE**

We (the HR geeks) were looking forward to this like it was the season finale of our favorite TV show. There were rumors (We’ll only have 60 days to implement the changes!) and speculation (will the regs release before the elections?) and drama (how will we ever be able to afford this!).

Yes, we got excited. And we wanted you to get excited too. Yesterday I received no less than 12 announcements in my inbox of this change. From attorneys, accountants, benefit providers, professional associations, LinkedIn members, and even my landlord! The regs are out! Pay attention! Hurry, you don’t have much time! Be afraid.

Well, I have good news for you. This isn’t the end of the world as you know it. Here’s what’s happening.

In plain English, the DOL decided if an employee doesn’t make at least $47,476 a year, your company has to pay 1-1/2 times the employee’s hourly rate if she works more than 40 hours in a week. The DOL decided some other things also, but they weren’t nearly as exciting as this news.

Making this change doesn’t need to rock your world. Think of it as four easy steps:

**Do the Math.** If you’ve got someone on your payroll who is currently exempt from overtime, but makes less than $47,476 you have four options:

1. Keep her as an exempt employee and increase her pay to $47,476.
2. Change her classification to hourly and pay overtime when she works more than 40 hours in a week.
3. Keep her on salary, but still pay her overtime when she works more than 40 hours in a week.
4. Change her classification to hourly, and reduce her pay so that any overtime she works doesn’t mean more payroll cost for you. (This is our least popular option. Bet it will be your employee’s least favorite also!).

The difference between any one of these options to another could be several thousand dollars. You’ll want to see the numbers before you make a decision.

**Share the News.** You’ll have some explaining to do to employees who are moving from exempt to non-exempt status. But it’s not all bad news, especially if you package the message in a positive way. Reinforce your employee’s status as an MVP, blame it on the government, and then show her how her pay will change. Chances are good that in the end she’s going to make more money. That should be a plus.

**School your Supervisors.** Have they ever tracked hours for employees before? Been responsible for signing a timecard? This may be a new experience for your managers and leaders. Give them the tools they need to do their job well…and keep your company out of trouble!

**Check your Handbook.** Have any benefits that only apply to exempt employees? Is your attendance policy different for exempt and non-exempt employees? And what’s your policy for being on company email after 5? Give that handbook one last look to make sure you’ve considered all the loose ends. If you need to rewrite policies be kind. Your employees have been through enough change lately.

**Math. Share. School. Handbook.** Easy enough, right? No need to worry. You can do this. And if you can’t, there’re plenty of very excited HR Geeks like us that can help you figure it out.

For FLSA assistance contact us at: flsa@hrcollaborative.net

Beth Kelly (beth.kelly@hrcollaborative.net) is the Founder and Managing Partner of HR Collaborative, a human resource management company bringing people and performance solutions to growing businesses. Beth is also the author of *The EE Gap: Human Resources for Small Business Success*. 
Four types of fraud that can shake your organization to its core.

The impact fraud can have on an organization can be monumental. Not only can it have a significant financial impact, but, depending on the type and severity, it can also destroy an organization. While there are many types of fraud, there are a select few that can cause the most damage.

ERIC LARSON, PARTNER AT BEENE GARTER LLP

Financial statement fraud.
Although it’s less common, financial statement fraud can be the most damaging to a company. Overstating revenue, earnings and assets—along with understating liabilities (or just plain concealing them) are the most common activities found with this type of fraud. Enron and WorldComm are two semi-recent, high-profile cases involving financial statement fraud.

Asset misappropriation.
Some of the more common types of fraud fall into the category of asset misappropriation, which closely-held businesses are most susceptible to.

Skimming of cash and cash larceny.
This type of asset misappropriation consists of taking cash before it even enters the company’s accounting system. It’s very hard to uncover (since it requires finding evidence of something that hasn’t been recorded yet) and it doesn’t require a lot of sophistication to execute, making it a popular choice among those that commit fraud. Check tampering, accounts receivable skimming, fake billing schemes, payroll schemes, fake or duplicate expense reimbursement schemes and inventory schemes are also other common examples of asset misappropriation.

Misuse of company assets.
Another common type of asset misappropriation is the misuse of company assets. Not only is it problematic since it’s the unauthorized use of company assets, but it can also open up the company to significant liability.

Theft of intellectual property and trade secrets.
As our world becomes increasingly driven by information and technology, an increase in the theft of intellectual property and trade secrets is on the rise.

Healthcare, insurance and banking.
Healthcare, insurance and banking are all industries that have billions of dollars flowing through their systems, making them prime targets for this type of fraudulent activity. Bogus health insurance claims, business insurance claims, and fraudulent bankruptcies are all ways individuals commit this type of fraud.

Consumer fraud.
Individuals targeted through cons, bogus telemarketing, email, Ponzi schemes, phishing, ID theft and other schemes, are all victims of consumer fraud. Whether it’s an organization system breach or bogus tax returns filed for large refunds, consumer fraud is on the rise. Companies can also be victims of email phishing scams—especially spear phishing, which involves sending targeted, disguised emails that contain malicious links.

Fraud can take many shapes and can impact an organization in many ways—not just financially. Understanding how and where your company may be vulnerable, as well as taking the proper steps to protect against vulnerabilities is a must.