



**CONSTRUCTION
FINANCIAL
MANAGEMENT
ASSOCIATION**



SOUTH JERSEY

Message from the President

2015 has been a year of new experiences and change for me; a year of growth, both personal and professional. CFMA is a large part of that growth. Therefore, since November is the month to give thanks I am going to reprint a shortened version of a previous President's Message:

Ten Things I am Thankful for at CFMA.



1. **The Associate Members.** They teach me not only to do well, but to do good,.
2. **The General Members.** They help to educate me.
3. **The Employees at National.**
4. **Spring Creek.**
5. **The CCIFP Certification.** If you are thinking of taking it, do not put it off. It is a great achievement. Contact me if I can be of help or if you have any questions,.
6. **The Networking.** There is no pressure at our meetings. Nobody is hard selling. Nobody is "one upping" anyone.
7. **The Education.:** People put their heart and soul into everything!
8. **The Passion.** CFMA members are passionate people. They

love what they do and it shows.

9. **The Friendships.** You get to know everyone on so many different levels. CFMA is real.

10. **The Challenges.** CFMA allows me to pursue activities that are not part of my everyday job. CFMA forces me to go outside my comfort zone. And that enables me to grow.

If you are a member, what are you thankful for? If you are not a member, what is holding you back? To both members and non-members: get involved and take advantage of all CFMA has to offer. Happy Thanksgiving!

Kimberly A. Hullfish, CCIFP



Corporate Planning: Building a Foundation. Part II

By Kimberly A. Hullfish

In Part I of the Series, we discussed the WIP being the center piece of corporate planning in construction companies. In Part II, we will discuss analyzing the Costs in Excess of Billings (Under Billings) column of the WIP.

When a project is Under Billed, it can signal a few issues: Items not invoiced to the Owner; Unapproved Change Orders; Inventory Issues; Profit Fade. Do you evaluate the compo-

nents of your Under Billings? Do you talk to your Project Team about what the causes are? Can they quantify into dollars that make sense when compared to the figures on the WIP?

For Example, the WIP is indicating that Project 2015.1A has Costs in Excess of \$700,000.00. After discussing this with your Team, you discover the following: Material costing \$200,000.00 was delivered to the site towards

Corporate Planning: Building a Foundation Part II*(Continued from Page 1)*

the end of the month and this material has yet to be installed and has not been invoiced to the Owner. In addition, T&M was performed but has not been billed. The cost of this T&M is \$250,000.00. There is also a line item in the bid which cannot be billed past 80% until substantial completion. All the costs have been recognized and booked and the remaining amount on the line item is \$200,000.00. The remaining \$50,000 could be a profit fade, but a more thorough cost to complete is necessary prior to realizing this fade.

This summary provides a good analysis in addition to the Cost to Complete. However, as a project nears completion and you continue to have significant Costs in Excess of Billings, it can signal a prob-

lem with the project. You need to answer questions such as:

Project Managers: Are they on top of their billings? Are the Schedule of Values reflective of the percent complete? Have the PM's performed a thorough cost to complete with accuracy? Have they submitted all change orders on the project, and are they pursuing approval and addressing issues?

Accounting Staff: Are accounting controls being properly followed? Have they audited the costs to ensure costs are not misallocated? Have Indirect Costs been allocated properly and according to policy?

If the answers to the above questions are all YES, you have to go to another level: The Project Owners. Are they pro-

cessing payment applications and change orders timely and accurately? Are they holding line item approvals back due to scope / work issues? Is the financing still secure and is the project over budget where you may have to worry about collectability of funds?

As time continues and the Costs in Excess continue to be high, you have to be prepared to answer questions from your business partners: Accountants / Auditors; Banks; Bonding Companies. Be ready to provide the proper backup supporting your position.

And the number one rule which will be discussed in March at the CFO Round Table:

No Surprises! Address the issues head on and do not be afraid to ask for help from your CPA Firm.

Membership Corner

Did you know?

Sharing the knowledge and networking CFMA brings to you is a great reward in itself!

*****Members can bring
A Contractor new to CFMA for free! *****

Contact membership and help spread the knowledge that is South Jersey CFMA!

***** Contact Mark Purfield, Chair of Membership @
mark_purfield@ajg.com Or
Joe Artale, Co-Chair @ jartale@cabbonizio.com *****

2015
SOUTH JERSEY FALL PROGRAMS

Our Programming Committee, chaired by Lee Boss and Nia Coombs, has put together an exciting fall agenda!

On **November 4th** we will talk about What You Should Know About & Expect from Your Surety Bond Partners. Rosenberg & Parker presents Surety Construction Forum – this is interactive so bring your questions!

The fall closes on **December 9th** with Tony Stagliano, CBIZ-MHM and Timothy Chitester, Hill International: Identifying The Early Symptoms of a Project in Distress. This seminar will help you identify early problematic symptoms, Identify how the impacts, if not mitigated effect the project

and financials, Review Risk Management Techniques to address the symptoms, and Identify actions to take if there is a disagreement with the Owner. Tell your project managers to reserve this date now!

All of the above meetings will take place at Adelphia's in Deptford. Registration is at 3:30; Seminar begins at 4:00 followed by dinner and drinks.

We are also looking forward to spring. January will bring a Deep Dive into the WIP; February—Risk Management; March—Round Table on Communications with Business Partners, and much more!. We cannot wait to see you there!



Please contact Lee Boss (lboss@Mercadien.com), Nia Coombs (ncoombs@capitalbanknj.com) or Kimberly Hullfish (Khullfish@cabbonizio.com) if you wish to provide a topic idea or participate as a speaker!

Book Club Corner

Kimberly A. Hullfish

My reading list is growing and my time to read is lessening! I just received a book, "Women of Steel and Stone; 22 Inspirational Architects, Engineers, and Landscape Designers" by Anna M. Lewis. Marion Mahony Griffin worked with Frank Lloyd Wright; Emily Warren Roebling took over the duties of chief engineer of the Brooklyn Bridge Project.

This begs the question: Since South Jersey is host to the 2016 Mid Atlantic Conference, do you

want to see a Women's Forum sometime on Sunday? What are your thoughts as to format, time, etc.? Or if you plan on going Saturday, would this make a great Saturday night informal event? Contact me and let me know your thoughts.

Didn't see our list of books? Visit our [News Letter Page](#) <http://southjersey.cfma.org/newsletters> for our archive.

"You must have the courage to act on your ideas. Hurry Up and Fail: it brings you one step closer to Success!"

— Becky Auer, CEO; from the book "The Confidence Factor for Women in Business" by Carol Sankar

Save the Dates:

National Conference: San Antonio, TX, June 25—29, 2016

2016 Mid Atlantic Conference, Atlantic City, NJ, September 2016

CONSTRUCTION FINANCIAL MANAGEMENT ASSOCIATION OF SOUTH JERSEY



The South Jersey Chapter of CFMA is proud to announce its participation in Toys for Tots for this holiday season!

There is still time to contribute! We are collecting until December 9th, 2015.

At our October Meeting, I brought my little gray kitten that I have had since I was around two years old.

This kitten is my first memory that is all my own, not a story someone told me. I have other stories: marathon sessions of Monopoly; learning 500 Rummy at 3 years old from my babysitter Ann Ross (needless to say my mom was none too pleased



with that one!). What memories do you have? What is that special toy that brings a memory to life, complete with the smell of popcorn and hot chocolate on a snowy night? Give a child a memory this Holiday Season.



Bring a new, unwrapped toy to our meetings between now and December 9th; have a website deliver a toy to one of the board members' offices; drop off at C. Abbonizio Contractors Inc. in Deptford, NJ. There are many ways to participate in this toy drive.

Make a Donation

[click here >](#)

