

The most current information on how financial professionals can increase cash flow & control costs.

April 11, 2022

KEY FINANCE FIGURES

	Curr*	Lst Mo	Lst Yr
■ Leading Rates %			
Prime Rate	3.50	3.25	3.25
Fed Funds Rate	0.50	0.25	0.25
■ Money Market Rates %			
<i>London Interbank (LIBOR)</i>			
1 month	0.46	0.32	0.12
3 months	1.01	0.70	0.20
6 months	1.50	1.02	0.21
■ Stock & Bond Indexes			
DJIA	34,703	33,295	33,153
S&P 500	4,536	4,306	4,020
NASDAQ	14,242	13,532	13,480
5-Yr T-Bill	2.42	1.56	0.90
10-Yr T-Bill	2.32	1.72	1.69
■ Employment Stats			
Unemployment rate (%)	3.6	3.8	6.0
Payroll employment (thousands)	431	750	704
Average hourly earnings (\$)	0.13	0.04	0.02

*As of 04/01/22

The Cumulative Effect of CFO & Controller Alert

With the pace of change accelerating and the competition tougher, what's the best chance to keep up performance and get two steps ahead of the competition? A reliable source of continuous information.

It's the **cumulative effect** that helps, not any one reading. Our unique function is to deliver solid, focused information in your area of responsibility in a fast-read format twice a month to help performance.

Recruiting top talent: Keys to smart budget investment

■ Boost your branding without wasting money

With the Great Resignation impacting hiring and retention across the board, your company may be investing more money in talent acquisition right now.

And you definitely don't want any of those dollars wasted.

Top pain points

Right now, the field is more competitive than ever, and many of your peers are spending more money on talent acquisition, according to a survey by Gem, a company focused on recruiting solutions.

And the top area that they're

investing in is employer branding, as highlighted by 69% of participants.

Although employers are also investing in other elements of the hiring process, including sourcing tools/tech (60%), expanding the hiring team (53%), email tools (21%) and remote hiring tech (12%), branding is the No. 1 expense.

It's also one of the biggest pain points in the hiring process.

Here's why: Without strong branding, it's tough to stand out in the crowd and attract the candidates you need to fill important roles. And

(Please see Recruiting ... on Page 2)

Cryptocurrency: Reports coming from feds

■ Treasury & others tasked with researching impact on economy

Cryptocurrency is the latest trend in payment, and your employees, customers and vendors might have expressed interest in it.

The feds are looking at how the currency impacts the economy. So you'll want to hear what they say before making any decisions.

Present, future outlook

Because cryptocurrency is so volatile and unpredictable, President Biden recently issued an executive order asking various agencies to do some more research into Bitcoin and

other forms of cryptocurrency.

The president specifically asked the Treasury Department to put together a report on cryptocurrency's impact on the country's financial security.

This research may be the first step into making digital currency safer with government oversight. It could even be accessible via banks one day.

In the meantime, be careful. The Dept. of Labor's already cautioned employers against cryptocurrency as a retirement investment. More federal guidance could come soon.

Info: bit.ly/crypto560

Recruiting ...

(continued from Page 1)

many companies are spending money on boosting their brand without having a strategy in place first.

In fact, per the Gem survey, just 25% of recruiting pros said their company has a consistent branding strategy that addresses the value the company offers candidates in return for their hard work.

Even worse: Another quarter of those surveyed said their company's just making it all up as it goes along.

That should concern you, since it's essentially throwing any investments made in company branding down the drain.

Making a good impression

You may be tempted to shelve any efforts toward branding given this info. However, that's not the best call.

Effective employer branding can make or break your recruiting efforts, said Gem. Often, a candidate's first

impression of your company is the deciding factor if they're torn between multiple competing offers.

You don't want to lose out on top talent in Finance or other departments

Effective branding can make or break recruiting efforts.

because your branding is lacking and job-seekers don't know what you have to offer.

Best branding strategy

So how can you make sure you have a branding strategy that's worth the investment you're making in recruiting new hires?

Talk to your current people and ask them directly: What made you decide to work for us? What's the most fulfilling part of your job?

Get them to talk about the benefits of working for you that may not be listed in the ads you've posted on online job boards.

This'll be a good start in developing a brand strategy designed to highlight the best parts of working for your company.

Along with using this info to develop your brand, you'll also want to huddle with HR and your hiring team to clearly define your recruitment goals.

To directly see whether the dollars you've put into recruiting are working to your advantage, create goals that are measurable and actionable with clear numbers behind them, such as:

- See 10% increase in career site visitors in six months
- Get 20% engagement on social media posts in three months, or
- Fill three open positions by the end of Q2

Info: bit.ly/branding624

Sharpen your JUDGMENT

This feature provides a framework for decision making that helps keep you and your company out of trouble. It describes a recent legal conflict and lets you judge the outcome.

■ Is former staffer entitled to out-of-policy back pay?

"Bill, I need your help," said Payroll Manager Kerry Peterson. "I have Shannon Feldman on hold. Do you remember her?"

"Sure do," said CFO Bill Keeper. "She's one of the ones we had to let go during our COVID layoffs."

"Well, she says we owe her bonus commission on some major deal she helped to land before her layoff," Kerry said. "I told her former employees aren't eligible for back commissions, but she wants to talk to you about it."

"OK, transfer her to me. I'll take care of it," said Bill.

Exception to policy?

Bill picked up the call. "What seems to be the problem, Shannon?" he asked.

"Bill, I put a lot of time and energy into getting the Melmek account before the pandemic hit. I deserve something for that," she said.

"I'm sorry, Shannon, I can't help you. Our written compensation policy, which you read and signed, says commission pay ends when your employment here ends."

Shannon sued the company for negligent misrepresentation because it wrongfully refused to pay her a sales commission she earned.

Bill's company asked the judge to dismiss the case. Did it succeed?

■ *Make your decision, then please turn to Page 4 for the court's ruling.*



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Save money on self-funded health plans with collaborative care model

■ *Why this approach is more economical, effective for employers*

Healthcare benefits are one of a company's biggest expenses, and a self-funded health plan can help save money in many cases.

But if it's not administered well, employees may not take full advantage of the benefits you're paying for, including primary and preventive care.

This could cause their health to worsen, which leads to even higher costs for you down the line.

Switching to a collaborative care model can help.

How it works

Collaborative care combines multiple types of healthcare benefits together. The model is typically

administered by one vendor so you aren't working with multiple vendors to provide your people with benefits.

A collaborative care model looks at the employee as a whole and considers all the health needs of the person. It's a team-based approach that promotes regular access to both primary care and mental health treatment.

To make sure your dollars are being used effectively, collaborative care models are driven by results, regularly measuring employees' health and suggesting treatments tailored to their progress.

That means less money is wasted on health interventions that aren't helpful or necessary.

Info: bit.ly/collaborative624

FOR MORE ...

For more info on the types of benefits your peers are currently offering their employees, visit www.resourcefulfinancepro.com/articles/employee-benefits-now

Manage your spending for employee devices

■ *How to cost-effectively upgrade smartphones & other necessary tech*

Tech upgrades are crucial for employees nowadays, especially if you're providing them with laptops, smartphones and other mobile devices.

Keeping up with the latest changes isn't just a luxury anymore, either.

Since communication tools, apps and software are constantly being upgraded, employees' devices also have to be upgraded just so they can perform their day-to-day tasks.

This obviously gets very expensive.

Replacement schedule

Instead of making all your tech purchases all in one go, the best way

to upgrade equipment and not break the bank is to work with IT to make a schedule for employee upgrades.

Example: Brittany Swiecicki, an office manager from St. Louis, helped Finance and IT create a budget schedule specifically for tech upgrades at her company. The schedule's broken down by employee for both the quarter and the year.

Not only does this keep tech spend consistent for employee devices, it ensures that people get the upgrades they need on a predictable basis.

It also means there's more cash on hand to handle any emergency purchases that may be necessary if, for example, a device malfunctions.

REAL PROBLEM/REAL SOLUTION

■ 3's the magic number when shopping for vendors

When I was hired for my current role, the board of directors appreciated that my background and management style was different from my predecessor.

When making a decision on a vendor, the company had a tendency to commit to the first prospect that had been in business for a while and had solid references.

That approach isn't universally wrong, but it wasn't the best approach for this organization because it was too easy to lose sight of company goals and miss out on lower-cost options for the same quality.

'3 check' system to assess value

In my experience, shopping around and researching online is usually the best strategy. More often than not, there's a better deal somewhere else.

To maintain efficiency, and avoid getting bogged down in that process, I stick to getting quotes from three different vendors and comparing them. I call it my "three check" system.

From that analysis, I get a good feel for what's the best investment for the company.

Why it works:

- The sample is typically sufficient to get an accurate idea of market value, leading to prudent spending.
- It encourages vendors to provide their best possible offer, so we can see who's going to give us the most bang for our buck.

The savings on what we spend to pay our suppliers has been noticeable.

(Doug Swigert, Controller, Great Lakes Heavy Haul, Wayland, MI)

Making business investments: Your peers weigh in on plans to purchase real estate & equipment this year

■ *Balancing expenses with inflation & signs of recession*

Even though inflation has caused prices of real estate and equipment to skyrocket, making those investments might be a necessary evil.

Of the CFOs surveyed who said they planned to invest in new structures, land or buildings in the next six months, the majority said the expenses were necessary to increase business capacity or to repair/replace existing structures. New equipment was also needed for the same two reasons.

Reasons not to spend

Among those who don't plan on spending money on structures or equipment, the top reasons why are no need to expand capacity and economic uncertainty.

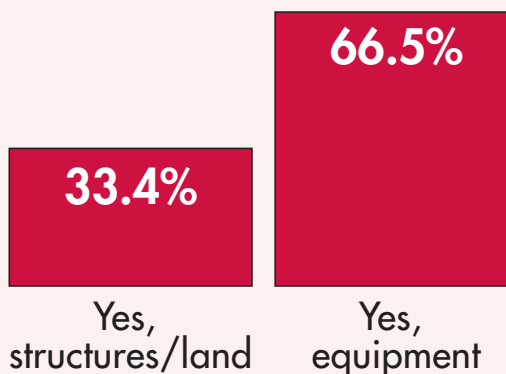
Now more than ever, it's key to balance the need for upgrades with current costs. If big purchases can be put off, it may be a wise move.

Info: bit.ly/survey624

SLOW & STEADY CHANGES

Planned investments for CFOs this year

Do you plan to purchase, construct or renovate any structures and/or purchase any land, or purchase any equipment in the next six months?



Source: Source: Duke University, FRB Richmond and FRB Atlanta, The CFO Survey

When compared with the same results from a survey in Q3 2021, nearly 4% more CFOs plan to make upgrades to equipment in the next six months than at the end of last year, while real estate investments remain essentially the same.

Sharpen your judgment... THE DECISION

(please see case on Page 2)

Yes. The lawsuit against Bill's company was dismissed.

Shannon argued that even though she was no longer employed by the company, she was entitled to a commission for her hard work on the lucrative sales deal she landed.

But the court disagreed.

Because she signed off on the company's sales compensation policy, she clearly understood that employment with the company was required for her to receive commission under the incentive plan.

The language of the policy stated that only active employees may receive incentive pay. So once she was

laid off, the company was no longer obligated to pay her commission, the court said.

Analysis: Importance of contract wording

Although it's unfortunate that a downsizing layoff prevented the ex-employee from reaping the fruits of her labor, she signed off on the compensation policy, so the company was in the right here.

This case shows how vital it is to ensure all the I's are dotted and T's are crossed in employment contracts, and during layoff proceedings, to prevent the risk of costly lawsuits. It's also smart to double-check with payroll, HR and your legal team to make sure all laws are being followed correctly in these situations.

Cite: *Morris v. Taylor Communications Secure & Customer Solutions Inc.*, No. 7:20-CV-00604 US D.C. W.D. Virginia, 3/14/22. Dramatized for effect.

Experts give their solutions to difficult workplace problems

Finance professionals like you face new questions every day on how to deal with everything from accounting and tax regulations to management and employment law issues. In this section, experts answer those real-life questions.

What employee training is legally required?

Q: The head of HR and I are having a disagreement about what's required by law when it comes to employee training. I want to stay compliant without going overboard on paying for training sessions. Can you help?

A: What's mandatory for training workers is complicated.

Becky Deans, employee training expert and owner of HR services provider The Office Alchemist, gave some examples of training that needs to happen in your workplace in a post on *EmploymentLawHandbook.com*:

All employers are required to have an emergency action plan, which means a sufficient number of employees must be trained to assist in a safe and orderly emergency evacuation. If a clinic or hospital isn't close to your workplace, you have to have someone certified to provide CPR and first aid.

Also, depending on your industry, there may be OSHA regs that require you to train employees in certain safety aspects of their jobs. Check *osha.gov* for specific training or certifications that apply to you.

Several states require employers to provide sexual harassment training. You'll need to check what your state laws say.

Because there are costly consequences for employers that don't abide by federal regs, such as the Fair Labor Standards

Act and equal employment opportunity laws, it's a good idea (but not required) for your supervisors to be trained on how these laws apply to their people and their jobs.

How can we spot, avoid exempt employee issues?

Q: If the Department of Labor (DOL) pays us a visit because of issues with exempt employees, what will they be looking for?

A: According to payroll expert Dayna Reum, CPP, what matters is if the employee performs exempt or nonexempt tasks, which isn't the same thing as salaried/hourly.

Only nonexempt employees are eligible for overtime, she said in the Premier Learning Solutions webinar "Top 10 Payroll Mistakes and How to Prevent Them."

When examining exempt/nonexempt status, the DOL will ask the employee to describe their typical workday.

The agency will also check if you're calculating overtime based on the regular rate of pay.

That must include base pay for all hours worked, production and non-discretionary bonuses, payments other than cash, shift premiums, cost of living adjustments, retroactive or on-call pay and supplemental disability payments.

If you have a question you'd like our experts to answer, email it to Jess White at jwhite@ResourcefulFinancePro.com

MANAGING FOR RESULTS

How the CFO role is evolving post-COVID

As the pandemic winds down, CFOs can begin to shift out of crisis management mode (e.g., clamping down on spending, pursuing new financing methods).

According to Pramod Iyengar, the CFO of Veem, a San Francisco-based global payments platform for small and mid-sized businesses, Finance leaders are going to have to get comfortable with expanded duties.

Wearing different hats

Iyengar said in a Zoom interview that CFOs can best add strategic and financial value to their firms and drive growth in the post-COVID landscape by:

- dealing with customers more and becoming more of an external "face of the organization"
- being more hands-on with managing investors and other interested company stakeholders
- investing in process improvements in areas such as IT and procurement, and
- prioritizing tech for managing cash and cash flow visibility, more accurate forecasting and moving away from traditional, manual processes.

Automation and cloud-based analytics will play a big part in driving those improvements, he said.

OneStream Software CFO Bill Koefoed agreed that having visibility into financial and operational data in near-real-time is top of mind.

In a report for *FinancialExecutives.org*, he wrote: "2022 is the year that many organizations will drop legacy, on-premise financial applications ... in favor of more modern solutions."

Recent developments that can help your business stay ahead

DOL: Attendance policies must comply with FMLA

Make sure your attendance policies aren't leaving you open to any costly legal action for Family and Medical Leave Act (FMLA) retaliation.

The Dept. of Labor (DOL) recently released a Field Assistance Bulletin with several scenarios where employers might want to reconsider their attendance policies.

Example: Many employers commonly use a point system where workers accumulate points based on their absences. After a certain number, they face discipline or termination.

The DOL specifically reminded employers that FMLA-eligible absences, such as those needed to take care of a sick child, can't be included in this type of attendance system. Otherwise, they may face hefty fines and other punishments if employees receive negative consequences for these absences.

Info: bit.ly/attendance624

Latest on fraud detection systems, digital payments

After you've made moves to increase digital payments, don't forget to look at another element that nearly 60% of your peers are using, according to data from PYMNTS and Corcentric: automatic fraud detection.

When transitioning to digital payments, most companies are also implementing fraud detection systems to spot issues in A/P and A/R so they won't fall through the cracks.

The top systems right now are:

- Data mining (68%)
- Deep learning and neural networks (59%), and
- Rules-based algorithms (38%).

Talk with IT about how well

these systems would work with your current payment processes.

Info: bit.ly/fraudsystem560

Surveys: Finding balance key with remote work

You'll have to maintain a delicate balancing act in Finance when it comes to returning to the office.

Although 66% of managers want their employees back in the office full-time, half of workers said they'd quit if they were forced to do so. That's according to the latest data from Robert Half.

However, there's a silver lining: Most employees are just looking for stability, not necessarily a full-time remote work environment.

Whether an employee currently has a hybrid, fully-remote, or on-site office schedule, the majority of those surveyed by Yoh, a talent company, want to keep it that way.

So, while you might not have to offer every Finance employee the option to work remotely, it's smart to see what you can do to maintain telework for those who are happy doing so.

Info: bit.ly/financeremote1, bit.ly/financeremote2

IRS announces virtual tax forum for Finance pros

IRS has opened registration for the 2022 Nationwide Tax Forum where you and your team can get the latest info straight from the source about cybersecurity, ethics and tax law.

This year, the forum will again be virtual due to COVID-19 concerns.

It'll consist of five weeks' worth of live webinars every Tuesday through Thursday starting July 19, 2022, along with a virtual expo. Early

MEASURE UP

Under pressure

What are the top 'pressure points' where your organization has experienced extensive changes over the past three years?



Source: Willis Towers Watson Reimagining Work and Rewards Survey

Adaptability is still the name of the game for CFOs. From managing remote workers long-term to investing in tech to boost efficiency, making decisions based on flexibility and agility is key to improving your bottom line.

bird registration rates apply until June 15, 2022.

Info: irstaxforum.com

Lighter side: Call a child for the sagest life advice

Life can be stressful for CFOs – and for adults in general. Luckily, there are some kids out there with some smart advice to make you smile.

A California kindergarten class has created a new hotline, Peptoc. Grownups can call 707-998-8410 to get life advice, encouragement or actual pep talks from children.

And, inspired by this effort, a fifth-grade class in Indiana has created an uplifting hotline of its own: When Life Gives You Lemons, Call a 5th Grader. By calling 574-832-4965, you can hear jokes, inspirational quotes and even brush up on random facts to see if you're smarter than a fifth grader.

Info: n.pr/3DvQEuu, bit.ly/kidhotline2