

@ your Service

From Interlogic Outsourcing, Inc.

A timely digest of information relevant to executives and consultants involved in financial operations and human resources.

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Building a growth company from the ground up.

Customer profile: Patrick Industries, Inc.

Elkhart, Indiana – Elkhart County, which sits on the extreme north central border of Indiana, arguably has more “started in the garage” success stories than anywhere in the United States. While the origin of long-time *IOI* customer, Patrick Industries, didn’t necessarily involve a garage, it is a classic entrepreneurial success story in the Elkhart tradition.

Mervin Lung, the hard-working son of an Elkhart farming family, labored as a home remodeler after his graduation from high school. But according to a story in *Manufactured Housing Today* magazine, “It wasn’t until his exposure to several businesses, including the purchase of a bowling alley, that he started Mervin Lung Building Company in 1959, with the intent of selling material wholesale that he didn’t use for remodeling.” Nine years later, Lung incorporated the business under the name Patrick Industries, reflecting his admiration for the nearby University of Notre Dame and its “Fighting Irish” football team.



Diane Schroder, seated and Lyle Goward, standing.

employees, Lung was once quoted as saying “We’re an honorable, aggressive company. It’s like a racehorse — after you get them in the race, you’ve got to give them the opportunity to perform.” True to its beliefs, most promotions at Patrick Industries are from within.

Of course, managing the payroll and benefits for such a large workforce is no small task. It falls on the shoulders of Diane Schroder, human resources manager, and her boss, Lyle Goward, human resources director. They, in turn, depend on *IOI* for assistance in payroll processing, tax filing and other HR services.

“Our relationship with *IOI* goes back a long way,” says Schroder. “They hear from me a lot because we not only process paychecks for over 1,100 employees throughout the country, but we do it weekly. *IOI* has been a great company to work with and a huge help.”

Strong customer base, loyal workforce

Early on, Lung recognized the potential of the manufactured housing and recreational vehicle industries. Although Patrick Industries has, in recent years, expanded its capabilities to serve other industries including cabinet and furniture manufacturers, the manufactured housing and RV markets remain the company’s core business.

Today, Patrick Industries is a \$300 million company with locations in 13 states and over 31 manufacturing and distribution centers. At its 15 manufacturing divisions, it produces custom laminates, cabinetry and drawers, aluminum extrusions and fabricated metals, and a full line of adhesive products. Patrick industries also can supply customers with glues, paints, sealers, doors, decorative wood veneers and wood products, drywall, mirrors, glass, ceramic tiles, siding and many other products.

Lung is now chairman emeritus. He believes much of the company’s success is attributable to the loyalty and initiative of its workforce of over 1,100 employees. Regarding Patrick’s

Services save time, unnecessary paperwork

Schroder finds *IOI*’s tax filing services to be particularly helpful and an invaluable time-saver for her company. “I also really like getting all our data online,” she continues. “It saves us time and it eliminates unnecessary paper.”

What sets *IOI* apart from other payroll and HR service providers? Schroder has a quick answer. “Customer service. Their customer service people are wonderful. And it doesn’t matter who you call or what you ask of them, they have an answer. If they don’t know the answer, they’ll quickly find out for you.”

The corporate symbol of Patrick Industries is the shamrock. While any successful business surely must have a bit of good fortune along the way, the growth of Patrick Industries isn’t a matter of luck. It takes good management, smart planning, attention to details and appreciation of the critical importance of a loyal and committed workforce. It’s a great formula for success. *IOI* is pleased to share that philosophy and be of service as a partner to this valued customer. www.patrickind.com @

IOI

INTERLOGIC OUTSOURCING, INC.
AN EMPLOYER SERVICES COMPANY



Notes from the President

The Company We Keep

By Najeeb A. Khan, President

Dear Client:

There's an old expression to the effect, "You can tell a lot about someone by the company he keeps."

I think the same is true in business. That's why, in this issue of *@ Your Service*, we're delighted to feature a highly valued partner of IOI. Our lead story is about a customer whom I'm proud to have known for many years – Patrick Industries. It is a classic success story that I'm confident you will enjoy reading.

Business has always been about relationships. Customer loyalty and longevity are critical ingredients in achieving success. That's why all of us at IOI work hard to make our customer relationships more than just a business transaction. We value our relationships greatly and we hope you feel the same.

This issue of our newsletter is also special because of some of its other content. One of the most important features is our regular tax tips feature. It's getting close to tax time again and you'll want to pay special attention to these suggestions. We're sure you'll find them very beneficial.

There's one other thing I would like to call to your attention. IOI was delighted to be the lead sponsor for the McDonald's® All American High School Basketball Games™ that came to South Bend at the end of March. In the spirit of relationship building, we believe in supporting worthwhile community events.

The McDonald's All American Games are more than a high profile sporting event that brings prestige to our area. They generate much-needed funds for the Ronald McDonald Family Rooms of South Bend and Fort Wayne. If you are familiar with Ronald McDonald Houses and Family Rooms, you know that they provide a great service to the parents of critically ill or injured children at a time when the last thing these parents need is to worry about finding a place to sleep or grabbing a quick bite to eat while still being near their ailing child. I invite you to read more about this exciting event below.

Sincerely,
Najeeb A. Khan
President

IOI Sponsors McDonald's® All American High School Basketball Games™

When the next generation of America's basketball superstars descended on South Bend, Ind., IOI was there! We were a proud sponsor of the McDonald's All American High School Basketball Games, March 28-30, at the University of Notre Dame Joyce Center.



IOI News

Expansion continues at IOI, as we branch into familiar territory, by opening our Phoenix, Ariz., and Tampa, Fla., offices. These two great cities and their surrounding areas are not new to the IOI team, since IOI has already had a presence and great client relationships in each of these locations for the last few years. Through the opening of these key offices, we are now able to serve clients at those local levels even more quickly and efficiently.

At the Tampa office, **Mike Valenti** serves as IOI's new regional sales manager for the southeast area. Valenti has an extensive background in business development management. IOI's new Tampa office is located at 3111 W. Dr. M.L. King Jr. Blvd., Suite 100 in Tampa, Fla. **Bob Smith** has been named sales manager for the new IOI Phoenix office. Having 25 years of experience in Employer Services, Smith is an excellent addition to the office. Prior to joining IOI, Smith was employed by Robert F. White & W where he was the Division Sales Manager. Previously, Smith was employed by Interlogic Systems Inc. as the Branch Manager and Sales Manager and he served as the National Sales Manager for CNA UniSource-Payroll. The Phoenix office is located at One East Camelback Road, Office Number 38, Suite 550 in Phoenix, Ariz.

The IOI team would also like to welcome our new CFO, **Jon Gochenaur**. With over 28 years of experience in finance and accounting, Gochenaur has held management positions with major companies such as DigiTerra, Inc., and CIBER Enterprise Application Solutions Group. In 1995 he was appointed chief financial officer of The Summit Group, Inc., a software systems integrator with headquarters in Mishawaka, Ind. Prior to his appointment at IOI, Gochenaur was president and chief operating officer for Saver North America in South Bend, Ind. A graduate of Manchester College, Gochenaur is a member of the American Institute of Certified Public Accountants, the Indiana CPA Society and the Financial Executives Institute. @

TAX TIPS

Some helpful reminders for 2005:

1. Make sure all state unemployment rate changes are sent to *IOI* as soon as you receive them. Even if you are a non-tax filing client, new rates should be entered into the system so that your tax liability is calculated correctly.

2. If you are not a tax-filing client, you may want to consider using our services. We deposit all payroll tax payments on a timely basis, prepare and file all required payroll tax reports on a quarterly and annual basis and provide you with a copy of what has been filed on your behalf. The charge for

this service is nominal, especially compared to potential penalties and interest assessed by governmental agencies if you are late on any of your tax payments. In addition, we now offer you access to your quarterly and annual payroll tax returns online at no additional cost.

3. If you are a new tax filing client and did not process all payrolls as such for the entire year, we will need copies of all payroll tax reports filed on your behalf as well as a listing of all payments made for the period of time before you started your

tax filing service with *IOI*. Also, make sure to provide *IOI* with the legal name of your organization as recognized by the IRS. We must use this name to enroll your organization in the Electronic Federal Tax Payment System (EFTPS) program so we can deposit your Federal tax payments electronically. @



Tips

1. Have you checked out our Preview options lately? *IOIPay* gives you the ability to preview an employee check or your entire payroll. To preview a single check, go to that employee's Detailed Check or Paycheck Options screen and click the Preview button. To preview your entire payroll, go to Hours and Dollars, then Preview Payroll. From there just click on the Preview button.

2. Did you know you can view your quarterly tax forms online? Just let *IOI* know who you want authorized to view these forms and we will set it up. The forms can then be

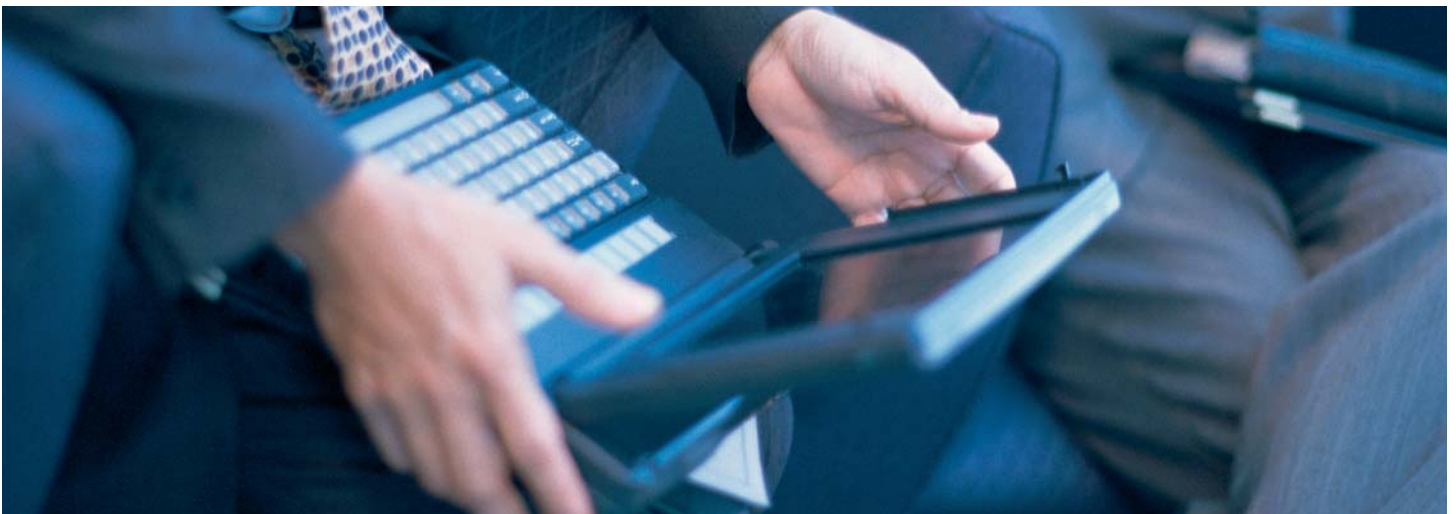
*IOI Pay*TM

viewed by going to the Browse/Prints Reports section for viewing, downloading or printing.

3. Do you have earnings that you key in on a regular basis? Why not let the Recurring Earnings utility do that for you? This feature allows you to set up recurring pays based on hours or dollars. You can also tie these earnings to a default rate and default labor or GL code. Recurring earnings have an array of options for frequency as well. Contact our Customer Support staff for more information or help on setting these up.

Tips

4. If you have a need for additional authorized users, just contact your *IOI* customer service representative. *IOIPay*'s User Security allows you to set up multiple users, even if they have different levels of access. For example, you may have an individual who often needs access to payroll reports and another who only enters employee maintenance. Just tell us whom you'd like to be authorized to log in and which screens they should be allowed to access, and we will coordinate those security settings for you. @



Tax Report Update...

You probably noticed that the Federal form 941 that you received with your Q105 quarterly reports looked considerably different. The IRS has totally revamped their form for this year. According to the IRS, the 941 form is now easier for you to read and fill out. They have added an additional page to the form plus an additional schedule. The new Schedule D will affect you only if your organization took part in a "predecessor/successor acquisition" transaction within the current year. This will alleviate balancing problems at Year End when wages have been reported via a 941 under the FEIN of the acquired organization and W2's are reported under the acquiring organization's FEIN.

If you are an *IOI* client who prepares your own tax reports, you will notice that we have provided you with a signature-ready 941 in the new format. Page 2 requires your signature in part 5. Pages

1 and 2, plus Schedule B (if you are a semi-weekly depositor), must be sent to the IRS. If you are a monthly depositor, fill in Part 2 of Page 2 of the 941 and throw away the Schedule B that we provided to you. The due date for filing the Q105 941 is May 2, 2005.

If you are a tax-filing client of *IOI*, we prepare and file all quarterly payroll reports on your behalf, and provide you with a copy of all reports for your records. If you participated in the aforementioned "predecessor/successor acquisition" wherein only one W2 is to be issued for employees of both the acquired and the acquiring companies, you will need to prepare the Schedule D and send it to the Tax Services Department so that they can attach it to the 941 filed on your behalf. If you have any questions, please contact the Tax Services Department at (888) 697-0021. @

4 @ your Service

New Features in **IOI Pay™**

This quarter we are adding new functionality to *IOIPay's* Self Service Station! Employees will be able to not only review and print their pay stubs, but they can also submit address and phone number changes, update personal information and view their current vacation and sick accrual balances. If you aren't currently utilizing the convenience of the employee self-service station, contact your *IOI* representative today to learn more!

Coming soon: Our fully integrated report writer for IOIPay. Our Internet driven report writer will deliver customized, accurate reports to your desktop or you can have them scheduled for delivery by via e-mail. @



(888) 697-0021 • www.ioipay.com • Branches: Fort Wayne, IN • Grand Rapids, MI • Oak Brook, IL • Phoenix, AZ • Tampa, FL

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