

# @ 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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## A tale of two clients

### Client profiles: Lights & Signals, Inc./Trustcorp Mortgage

What do an electrical contracting company that specializes in transportation applications and a mortgage company have in common? Let's find out.

Lights & Signals, Inc. (LSI) of Fort Wayne, Indiana, is a multifaceted licensed electrical contractor with over 28 years of experience in roadway lighting, traffic signals and horizontal directional drilling. The company regularly performs work for a diversified group of municipalities and government agencies as well as private individuals and businesses — large and small. Dealing with such a diversified group of customers, the LSI accounting department is confronted with the challenge of calculating different wage rates and fringe benefits on virtually every project.



Katherine Powell, payroll administrator, and Christine Pittman, vice president of human resources, at Trustcorp Mortgage Company.

According to LSI director of accounting, Cindy Gevaart, this can be an imposing task. "Whether we are the prime contractor or a subcontractor," Gevaart says, "we are required to submit certified wage reports. We used to do these reports manually, transferring the information from payroll to the proper forms by hand. It was very tedious and took forever."

With 60 employees working on jobs all over Indiana and in parts of Ohio, LSI needs to keep track of wage scales and fringe rates wherever they are doing work. That job became much more manageable when LSI implemented IOI's Labor Distribution

Report. This optional payroll services module organizes detailed employee earnings information according to department or user-defined job costing for cost allocation or accounting purposes. The report is sorted by labor code and can contain up to five user-defined fields, each with its own subtotal. As such, IOI's Labor Distribution module is much different and adds far more value than the simple reports provided by many other outsourcing companies.

Sue Boes, LSI administrative assistant, handles the certified wage reports and believes the Labor Distribution Report is an invaluable tool. "It saves an incredible amount of time. I don't know how we would get by without it. It's so much more accurate than doing everything by hand. And I really like being able to work online. Once the data is entered, IOI takes care of everything and we're good to go."

Trustcorp Mortgage Company uses the Labor Distribution Report as well, but for Christine Pittman, vice president of human resources, the real stars of the lineup are the report functions



Sue Boes, administrative assistant, and Cindy Gevaart, director of accounting, at Lights & Signals, Inc.

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## A good time to reflect

Notes from the President

By Najeeb A. Khan, President

Dear Client:

For many of us, this time of year creates a delicate balance between the hustle and bustle of the holiday season and the desire to reflect on the past year and begin planning for the new one. When I have time for that kind of reflection, my first thoughts are, of course, about the blessings of family and friends. But I also think about the wonderful relationships we have been able to establish through the business. Without the loyalty and support of valued clients like you, plus colleagues and suppliers, being in business would not be nearly as pleasurable as it is. In that way, we consider ourselves doubly blessed.

In this spirit, I encourage you to think about how we can better serve your needs in the year ahead. Please share with us your own reflections about ways that our products and service can be improved to make your job easier. I also invite you to note some of the new product enhancements for **IOIPay** we have announced on page three of this newsletter.

Of course, the end of the year is likewise a good time to consider your tax strategies. As always, we have included some tax tips in this issue of our newsletter.

We hope you also enjoy our special double profile on Lights & Signals, Inc., and Trustcorp Mortgage, two long-time **IOI** clients. Their stories are quite different from one another, but equally interesting.

While you are engaged in your own reflection on the year, I hope you will join me in remembering all of our dear friends and neighbors in the hurricane-ravaged areas of the Gulf Coast. Their lives will be disrupted in ways we cannot imagine for many months to come. They certainly need our continued prayers and support.

From all of us at **IOI**, we wish you a happy holiday season!

Sincerely,

Najeeb A. Khan  
President

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## In the wake of Hurricane Wilma

The devastating hurricanes in recent months have affected millions of Americans — leaving them homeless, without power and struggling to recover. In the wake of these destructive hurricanes, Gulf Coast area businesses find themselves scrambling to ensure their employees have not only a job to return to, but access to their paychecks, as well.

One of **IOI's** customers, Gulf Stream Lumber, was one of the many businesses who was faced with the aftermath of Hurricane Wilma. Even though the company was without electricity, the human resource staff knew it was critical to process the payroll to ensure Gulf Stream Lumber's employees continued to receive their paychecks. The company, located in Riviera Beach, FL, is an **IOIPay™** client and was able to turn to **IOI** during this stressful time.

"I called in the payroll to **IOI** on a cell phone while I was standing in the dark," said MaryJo McVey, Gulf Stream Lumber's human resource coordinator. "**IOI's** staff checked on the deliveries and realized the normal delivery company couldn't reach us, so the payroll was special-delivered via FedEx."

McVey continued, "**IOI** was able to get the payroll to us when other businesses in this area were not. We are so appreciative **IOI's** customer service was responsive and proactive in making sure our employees were taken care of."

**IOI** appreciates MaryJo McVey's kind remarks. We are pleased our Florida customer service team was able to help Gulf Stream Lumber during this difficult time. @

## A tale of two clients

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built into **IOI's** standard payroll services. "I really love being able to preview online our payroll reports," says Pittman. "We didn't have this capability previously. Because we have to process a lot of varied or irregular deductions in certain employee classifications, the payroll preview function really helps accuracy, eliminates corrections, makes journal entries easier and, quite frankly, saves a lot of headaches!"

Based in South Bend, Indiana, Trustcorp is a recognized leader in mortgage banking. Trustcorp currently employs a staff of 150 people servicing more than 20,000 mortgages, totaling in excess of \$1.8 billion.

According to Pittman, Trustcorp prides itself on providing "above and beyond" customer service. So she is first to acknowledge those qualities in companies who support her company. "We hired **IOI** back in 1990 because they were a local company that demonstrated they could deliver personal attention to our needs," Pittman says. "They still do. If we have a question, they either know the answer or know where to find it and they get back to us promptly."

LSI's Gevaart echoes these sentiments. "**IOI** is extremely responsive. If something unexpected arises, they are right on top of it — coming up with a solution."

As just two of **IOI's** many clients, LSI and Trustcorp reflect the diversity of the payroll firm's customer base. Every client comes with a different set of needs, challenges and opportunities. To address these requirements, **IOI** provides a broad spectrum of technology-based products and services and endeavors to complement them with a "can-do" attitude imbedded deeply in the company culture.

So what do a mortgage company and an electrical contractor have in common? Actually, very little. And that's the point. No matter what kind of business a company is in, **IOI** can design solutions to address their specific needs. @

## Tips and reminders for all *IOI* clients

### Getting ready for year end

It's not too early to start the verification process to validate employee names, addresses and social security numbers. Making sure your data is accurate will save you time and money.

### Unemployment Rate Changes

You will begin receiving 2006 state unemployment compensation rate changes starting in November. Please forward them to *IOI* as soon as you receive them. And make a note to check your Payroll Reconciliation Summaries after you start processing 2006 payrolls. If the new rates are not reflected in that report, contact us so that we can make sure the system is updated. They can be faxed or mailed to your branch office or the Tax Department whose fax number is 574-206-2369.

### Federal Advanced Earned Income Credit



Before you can distribute this credit to qualifying employees via payroll processing in 2006, you must have a new W-5 filled out and on file. In addition, a new WH-5 will be required if your employee is also receiving an advance on his/her Indiana earned income credit. These forms do not need to be filed with the IRS or Indiana Department of Revenue. You just need to keep them on file for three years after the year in which the credit was claimed by the employee. In the second newsletter of 2004, Vol. 2, No. 2, *IOI* stated that the Indiana Advanced EIC was due to expire at the end of 2005. The Indiana legislature has extended that program until the end of 2011.

### *IOI Pay*<sup>™</sup> continues to grow.

*IOI*'s 2005 expansion has been focused on building a stronger integrated Human

Resource product. In November, we will be introducing an OSHA incident tracking and reporting module. This will enable you to prepare OSHA 300 and 301 reports directly from *IOIPay* using our easy entry web portal. All OSHA data will be stored and can be accessed either directly in *IOIPay* or via the *IOIPay* Intelligence Center.

### New product: Check on Demand



Need a check in a hurry? On January 1, *IOIPay* will begin offering Check on Demand! This very useful payroll tool allows you to enter, calculate and print an employee check on the spot. It is no longer necessary to calculate taxes and earnings and manually write a check. The versatility of *IOIPay* allows you to simply enter the amount to be paid, check if any deductions need to be included and click "Create Check". *IOIPay* will automatically create the year-to-date adjustment and print the check on site for you – regardless of whether payroll is open or closed. For more information about Check on Demand!, contact your customer service or sales representative.

### Time is on your side with *IOI Pay*<sup>™</sup>

Did you know that you have many choices when it comes to keying your payroll on *IOIPay*? *IOI* incorporates interfaces to all of the major Time and Attendance devices and can even give you the ability to upload your time through Microsoft Excel or interface with other file formats. Call us for more information about these timesaving choices. @

## *IOI* recognized as 2005 Payroll Service Bureau of Year

*IOI* was selected as the 2005 Service Bureau of the Year by the Independent Payroll Providers Association (IPPA). IPPA's Service Bureau of the Year award honors one national payroll service provider in the country. *IOI*'s customer retention rates, overall business growth and business success were among the criteria considered. The award was presented to Najeeb A. Khan, *IOI* president, on August 12, 2005, at IPPA's annual conference in Coeur d' Alene, Idaho.

"We are proud to be honored with this very prestigious award from the IPPA," said Najeeb A. Khan, *IOI* president. "At *IOI*, our goal is always to provide our customers with the best in payroll processing service and technology. We have a very special team of employees that is responsible for *IOI* being nationally recognized by its peers."

The IPPA is a national association of companies whose primary function is the preparation of payroll and payroll taxes for employers of all sizes. The mission of the Independent Payroll Providers Association is to provide forums and resources to assist members in advancing their respective organizations. @



# TAX TIPS

## Tips and reminders to tax-filing clients

Year-end is quickly approaching, and in addition to all your holiday activities, many of you will be calculating and distributing bonuses to employees – some of which may generate large tax liabilities. If you process your payroll with less than two banking days before the payroll check date and if this generates a federal tax liability in excess of \$100,000, you will most likely be required to wire the funds to **IOI**, rather than the normal process of having the funds transferred to us via an ACH transaction. If we do not have collected funds on hand, we may be unable to deposit your tax liabilities on a timely basis. This could result in the assessment of federal penalties that would be your responsibility. We encourage you to contact us in advance so that we can help you through the process and avoid unnecessary expenses.

### Quarter End Adjustments

Make sure you check the Reconciliation Recap that is included in your quarterly reports. It is the second page of the packet you receive from us and informs you if we will be generating an ACH transaction against your account to either collect additional funds from you or to return any amounts that were collected in excess of your liabilities. @



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