**Finance Forum Notes 2017**

**INDOT and Record Retention**
Audit backlog: According to a 2015 ACEC INDOT Audit Meeting, Mark Ratliff reported that INDOT was only looking as far back as projects that finished construction in 2011, and new tracking system improved the backlog.

**Salary Survey**
ACEC Indiana’s 2017 Survey Results are available for purchase at: [https://aceindiana.site-ym.com/store/ViewProduct.aspx?id=9167559](https://aceindiana.site-ym.com/store/ViewProduct.aspx?id=9167559) Please be sure to see if your firm is listed on that webpage for participating. If your firm participated, you receive the survey results free of charge.

The Owens Group, ACEC Indiana’s consultant for the survey, does produce other ACEC association surveys for the following states. Anyone interested in purchasing them should contact the individual state association directly. Arizona does not offer the survey report for purchase, only to participating members. Colorado and Utah’s surveys are conducted in the Fall. The Owens Group is just about ready to release their reports.

ACEC Arizona
ACEC California
ACEC Colorado
ACEC Nebraska
ACEC Utah

**Incentive Compensation Plans**
Somerset suggests utilizing “spot bonuses” rather than an annual/holiday bonus that becomes assumed by employees. Owners should tailor messages for different management/employee levels and address their employees on the firm’s success/financial status. Use of surveys, KPIs were discussed as metrics for assigning bonuses.

Regarding the “War on Talent,” Somerset suggests considering a “Deferred Compensation Plan.” This allows for firms to keep talent around and grooms employees to invest in the company for potential future ownership opportunities. Companies can identify which employees they want to select for deferred compensation and act upon it to their own schedule (outside of an annual review/bonus structure.)

**179D Deduction**
Somerset has a quick video about 179D online at: [http://somersetcpas.com/industry-expertise/architecture-engineering/](http://somersetcpas.com/industry-expertise/architecture-engineering/) as well as some other informational videos.

**National and State Forums**
ACEC National does have a forum network that we recommend checking out, visit: [https://www.acec.org/councils/finance/](https://www.acec.org/councils/finance/)

*We hope you continue the conversation year-round in to the online forum, you must first have an ACEC Indiana website login. If you do not yet have a login, reply to this e-mail. If you do have a login, follow the steps below. Hope this provides a meaningful community for you to engage with. Please reply back if you have any questions.*
Step 1: Go to [http://www.acecindiana.org/forums](http://www.acecindiana.org/forums) and sign in using your ACEC Indiana login.

Step 2: Click on the “Finance” Forum.

Step 3: Click “Forum Actions” and then from the dropdown, select “Subscribe to Important Updates.”
Step 4: View posts from members, including links to documents/ attached files and reply to posts yourself!

Step 5: Pose your own question or information by selecting “New Topic.”
### Topics

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From inception, one of alliantgroup’s core goals has been to ensure that American engineering companies are able to remain competitive in the face of growing global competition. It’s the reason why alliantgroup has been a longtime partner with the American Council of Engineering Companies (ACEC). Over the years, we have worked hand in hand with this topflight organization, helping engineering firms across the country take advantage of every opportunity to grow and strengthen their businesses.

As any executive within the industry will tell you, American engineering firms today face tremendous challenges and are, in many ways, at a major disadvantage to their foreign counterparts. As of 2015, the United States corporate income tax rate was among the highest in the world at 35 percent, and with individual tax rates as high as 39.6 percent (an important figure as many businesses are “flow-through” entities and taxed at the owner’s individual rate), it’s safe to say that American engineering companies deal with specific tax challenges that their overseas counterparts simply do not. Higher tax rates unfortunately lead to less on-hand capital, meaning U.S. engineering executives are at a disadvantage in their ability to attract the best employees or in making competitive bids.

Section 179D: A Life Saver for American Engineers

Recognizing both the importance of the engineering sector to the economy and the need to keep critical engineering jobs on U.S. soil, Congress has provided engineering companies an avenue to remain competitive—both internationally and domestically—with the Energy-Efficient Commercial Building Deduction (better known as section 179D of the tax code).

Originally passed by Congress as part of the Energy Policy Act of 2005, section 179D allows engineering firms to qualify for what can add up to $1.80 per square foot tax deduction for the energy-efficient designs or enhancements made to government-owned buildings at the federal, state or local levels. As government entities do not traditionally pay tax, the owners of these buildings can allocate the accrued tax savings to the business responsible for the energy-saving enhancements. For a building to qualify for the deduction, the energy-based improvements must be made to the HVAC, hot water, interior lighting systems or the building’s envelope. The modifications must also surpass 2001 ASHRAE standards (standards that most state codes already surpass) or 2007 ASHRAE standards in the case of buildings placed into service in 2016.

At alliantgroup, we have invested heavily in the success of the engineering sector. Our passion is making sure that engineers are aware of the federal and state incentives available for their benefit and we encourage all ACEC members to explore this specific opportunity that can greatly increase your company’s cash flow. 179D is a first-come, first-serve proposition, so companies must act quickly if they wish to claim the deduction on their outstanding building projects.
alliantgroup’s mission is one of education and awareness—we exist to help industry organizations, U.S. businesses and the CPA firms that advise them, take full advantage of all federal and state tax credits, incentives and deductions available to them. Our government has legislated these powerful incentive programs to help businesses grow and successfully compete both in the U.S. and abroad. We are proud to have helped over 18,000 businesses claim more than $4 billion in tax incentives. alliantgroup’s headquarters is in Houston, Texas, with offices across the country including New York, Boston, Chicago, Orange County, Sacramento, Orlando, Indianapolis and Washington, D.C.

Please contact us today to assess your firm’s eligibility for this valuable deduction—it could be the key to opening up new doors for your business.

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