

the TUGpulse

Project Management Reports Do the Hard Work for You

by: Lynn Bitar • Thomas & Egenhoefer, Inc.

We've all been in this position: Someone walks into the office and says, "I need a report that shows me..." Thankfully, we don't need to spend hours configuring data; Timberline has done the hard work for us. But the amount of reports available in Project Management can actually be overwhelming. Here are some of the reports which may prove beneficial for the everyday user.

Transmittal Reports

- Transmittal Log: lists all transmittals by job and transmittal number.
- Transmittal Log with Detail: has the same information as the transmittal log, but also includes more detailed information.
- Transmittal Log by Company: lists all the transmittals by job and by "To" company contact person.

Submittal Reports

- Submittal Log: lists all submittals by job and includes description, received date, sent date, returned date, forwarded date, and status for the most current revision.
- Submittal Log with Detail: includes the information from the submittal log, but also includes the received due date, received from, and remarks. You are also able to choose which submittals will appear on the report. You can also run

submittal logs based on the status of the submittals.

RFI Reports

- RFI Log: lists all RFIs by project.
- RFI Log with Detail: has the same information as the RFI log, but also contains additional information and allows for filtering. As with the submittal reports, you can run RFI logs based on the status of the RFIs (unanswered, overdue, impact).

Drawing Reports

- Drawing Log: useful to ensure that individuals on the job are using the most current drawings or for viewing a project's drawing revision history. This report can include all drawings or just the current drawings with all of their revisions and sketches.
- Drawing Distribution: lists drawings sent to recipients, sorted by job and then by recipient. Information includes

drawing comments, transmittal number, date sent, and number of copies sent.

- Drawing History: details the history of drawings for a specific job. This includes revisions and sketches, drawing comments, transmittal number, recipient information, how many copies were sent, and the date sent.
- Drawing Detail: supplies the details for each drawing, including drawing status, source, designer, cost impact, schedule impact, and distribution history.

NOTE: In most cases custom log reports will need to be developed in house or by a Consultant. Since these are customized records, they will require customized reports.

The next time someone walks in asking for that report, start with your Timberline reports. That's likely to be as far as you need to go.



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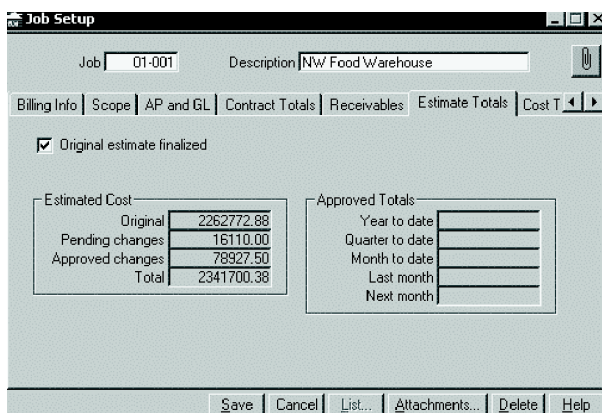
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Do Learn This Undo Trick

by: Deb Fritch • Harvard Investments

Have you ever been in that position of hitting a button just a little too quickly and then realizing that you goofed up and there is no “undo” button? Well, if that’s ever been the case with finalizing your estimates, here is a quick tip to undo the error.

1. In the Job Cost module, select Tools, Options. In the **Audit** box, check Audit Set-up Activity, then [OK].
 2. Next, go to Job Setup. A print selection window will pop up and require you to enter where you want the report to print to. This is to record the changes that are being made while the audit activity is activated. Click [Start].
- Select the Job that you want to undo the finalized estimate.
3. On the Estimate Total Tab, unclick Original estimate finalized.
- A word of caution here:* While the “Audit Set-Up Activity” is activated, it not only allows you to un-finalize your estimate, it also allows anyone else on the system to change things that are not usually accessible, such as the total buckets. It is best to do this task when no one else is on the system. Then, when you have finished un-finalizing the estimate, REMEMBER TO TURN OFF AUDIT SET-UP ACTIVITY. 



Estimated Cost		Approved Totals	
Original	2262772.88	Year to date	
Pending changes	16110.00	Quarter to date	
Approved changes	78927.50	Month to date	
Total	2341700.38	Last month	
		Next month	

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Published by the
Timberline Users Group, Inc.
and sent to all members.



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Using ODBC and MS Access To Close JC Commitments

by: Denise Paulus • Timberline Software

Here's a great question from a user:

Is there an option that would allow closing of all open commitments against a specific job at the same time?

Timberline Job Cost does not currently offer this feature, but it is an enhancement being reviewed by Job Cost developers for future releases of the software. In the meantime, there is a way to accomplish this using Microsoft® Access and ODBC. Follow the steps below to close multiple commitments at the same time using MS Access. You must have the Timberline ODBC driver installed in order to open the Timberline records using Access.

Set up an Access database and query to close Job Cost commitments.

The following steps work for Microsoft Access 2002. If you use a different version of Microsoft® Office, the steps may vary.

You can apply these instructions to other tasks, too, such as changing job status, cost code status, category status, etc. You can look in the data dictionary for each record to determine which fields you can change through ODBC.

Set up the DSN (Data Source Name)

1. To start the ODBC Administrator, click [Start], and then select Programs, ODBC, 32bit ODBC Administrator.
2. Click the User DSN tab, and then click [Add].
3. In the Create New Data Source window, select Timberline Data from the list, and then click [Finish].
4. In the Data source box, type a name, and then click [Select Directory].
5. Select the folder that contains the data you want to use, and click [OK].
6. Click [Options].
7. For the Table and field, select Standard descriptions from the drop-down list.
8. Check the Use maximum table segment size box.
9. Do not select Shorten field and table names if that is an option.
10. To save the DSN, click [OK].
11. Click [OK] to close the ODBC Data Source Administrator window.

Create the Access Database and the Link Table

1. Start Microsoft® Access.
2. Create the database as follows:
 - a. From the File menu, select New.
 - b. On the right, in the New area, select Blank Database.
 - c. In the **File name** box, type a name.
 - d. In the **Look in** box, browse to a folder in which you want to save the file, and then click [Create].
3. From the File menu, select Get External Data, Link Tables.
4. In the Link window, in the Files of Type list, select ODBC Databases.
5. In the Select Data Source window, select the DSN that you created in section A, and click [OK].
6. If prompted, type your operator ID and password.
7. In the Link Table window, in the Tables list, select MASTER_JCM_COMMITMENT and click [OK]. If you renamed the commitment field in custom descriptions, look for that name instead. For example, if the field was renamed to purchase orders, look for MASTER_JCM_PURCHASE_ORDERS.
8. In the Database window, double-click MASTER_JCM_COMMITMENT.
9. After you view the table, close the MASTER_JCM_COMMITMENT Table window.

Create the Access Query

NOTE: A query creates a live link to your data files. The changes that you make in Step 7 immediately affect your data, and you can see the changes in Job Cost.

1. In the Database window, in the Object area, select Queries.
2. Double click Create query in Design view.
3. In the Show Table window, select MASTER_JCM_COMMITMENT, and click [Add]. This adds the table to the Select Query window.
4. Click [Close].
5. In the Select Query window, double click each field that you want to see in the query. For example, double click Commitment, Vendor, Date, Job, and Closed.
6. From the Query menu, select Run.
7. In the Select Query window, in the Closed column, type -1 to close a commitment.
8. From the File menu, select Close.
9. Click [Yes] when you receive the message: "Do you want to save changes to the design of query [Query1]?"
10. In the Save As window, type a query name, and click [OK].
11. To use the query again, do one of the following:
 - a. In Access, open the database that you created for this query.
 - b. In Windows Explorer, double click the Access database file (.mdb) for this query. 

Boost Your Cash Flow Cost Segregation Studies

By: Eric A. Gidlow, CPA & David A. Seligman, CPA

Whether you are a buyer, owner, developer, or contractor of real estate, now is the time to take advantage of a fast growing tax planning opportunity known as a Cost Segregation Study (CSS). A CSS can accelerate into earlier years depreciation expense for commercial and residential properties, resulting in substantial tax savings and increased cash flow for business investment or distribution to owners.

The courts have clarified the types of assets qualifying for enhanced depreciation and the IRS, albeit reluctantly, has generally followed along.

Commercial real property and residential rental property are depreciated over 39 and 27⁺ years. In contrast, tangible personal property is depreciated over five, seven, or ten years, and certain land improvements over fifteen years. Therefore, it is better to allocate more of the purchase or construction costs to tangible personal property and as little as possible to building and land. A CSS can pinpoint assets qualifying for the shorter depreciable lives, resulting in faster depreciation deductions, lower current income tax and, therefore, more current cash flow.

A CSS can be performed on either a constructed or purchased property. The process, while similar, is typically different.

For a **constructed** property, a CSS can be done prior to construction, such as during the bidding process, or at completion of construction, and involves analysis and identification of the property being constructed, including the following procedures:

- Analysis of the project blueprints or drawings
- Discussions regarding the intended use of the project
- Site tour of the project
- Discussions with the general contractor and/or specific

subcontractors to obtain actual cost data

For a **purchased** property, a CSS involves the same procedures, however, actual cost data is often not available. In this case, the analysis typically involves using qualified architects, appraisers or engineers.

Whether the analysis of costs is done using detailed construction documents or by using qualified architects, appraisers or engineers, a tax expert is needed to identify the specific types of property that will qualify for shorter depreciable lives. The tax expert will rely on historical legal precedent in the identification process.

The objective of the CSS is to determine what can be designated as tangible personal property or land improvements, and therefore segregated from the building and its structural components. Whatever is left is considered to be either the building, depreciated over 39 or 27⁺ years, or land, which is not depreciated. However, further segregation of the building should be performed for items such as roofs, which, even though they must be depreciated over 39 or 27⁺ years, usually are replaced sooner and can be written off (when replaced) if originally segregated.

In segregating tangible personal property, you must not only understand the purpose of the building, but also the purpose of every area within the building. The building's shell, as well as its "structural components," are not tangible property. In analyzing what is a structural component, two questions should be asked:

- How permanent is the item, and
- Does the item relate to the operation and/or maintenance of the building?

Examples of items that are normally considered structural components are walls, floors, ceilings, central air and heating including all pipes, motors, and ducts, plumbing and related fixtures such as sinks and tubs, electrical wiring and light fixtures, stairs, escalators, elevators, sprinkler systems, and fire escapes.

However, the courts have sometimes concluded that certain structural components can be tangible property due to their predominant overall use.

A cost/benefit analysis should be performed up front to compare the potential tax savings and cash flow benefit to the cost of the study. Each purchase or construction project must be looked at individually. You must be able to support the allocation of costs to tangible personal property as opposed to the building. A cost segregation study cannot be based on non-contemporaneous records, reconstructed data, or estimates and assumptions.

Common Questions about Cost Segregation Studies

What properties qualify for a CSS?

A CSS may be performed on purchased facilities, newly constructed facilities, or even major renovations or leasehold improvements. A CSS may be performed on any real property placed in service as far back as 1987. This is true even if the year placed in service is a "closed" year for tax purposes.

What properties most benefit from CSS?

Although a CSS provides benefits to all properties, the properties that benefit most are special-use facilities such as medical clinics, manufacturing plants, retail food establishments, and other high-

end office buildings. Warehouse and general industrial properties tend to yield lower results while mid-level office buildings and residential buildings fall somewhere in between.

Studies have shown that costs segregated from 39 or 27-year lives to shorter lives range from 10-20% for office-type and industrial buildings, 20-40% for light manufacturing, 30-50% for heavy manufacturing, and 15-25% for fast-food buildings.

Can retroactive adjustments be deducted currently?

Revenue Procedure 2002-9 allows taxpayers to retroactively change their method of accounting for depreciation without having to amend prior returns. It also allows taxpayers to retroactively calculate the depreciation, using the shorter depreciable lives, from the initial date the facility was placed in service through the year of the change in accounting method. This under-depreciated amount is then allowed as a deduction in the year of change. The change in method does not require prior consent from the IRS. A copy of Form 3115 (the application form for the change in accounting method) is attached to the tax return for the year of change and is sent to the IRS.

What is the legal precedence for performing a CSS?

Most of the legal precedent dates back twenty to thirty years when similar studies were performed to classify assets qualifying for Investment Tax Credits (ITC). There are numerous cases and rulings defining those assets that qualify for treatment as tangible personal property, thus qualifying for the ITC.

In *Hospital Corporation of America and Subsidiaries (HCA) vs. Commissioner*, the taxpayers won a major victory. The court held that property that qualified as tangible personal property under prior ITC rules would also qualify in the same manner for purposes of depreciation for tax purposes.

The court also held that numerous types of assets were

tangible personal property rather than structural components due to their relationship to medical services rather than building services. Similar logic is applied to other industries and activities. This is most evident where the assets are part of a specific use for the taxpayer's line of business rather than part of a building's structural components.

What are the benefits and pay-back?

The primary economic benefit is from the increased cash flow in the early years from accelerated depreciation deductions. Our experience estimates that 10-20% of the costs of office or commercial real estate and 30-50% of the costs of manufacturers facilities are misclassified.

Using a 7% discount rate and a 40% tax rate, this chart shows the net present value of re-classifying

	5-year property	7-year property	15-year property
Estimated present value of the tax savings by re-classifying costs (per \$100,000)	\$17,600	\$16,200	\$10,000

costs from a 39-year depreciation life.

Here is a simple example:

A company constructs a building for \$8,000,000 and allocates 75%, or \$6,000,000, to the building and 25%, or \$2,000,000, to the land.

Depreciation in the first full year of operations would be \$154,000 (\$6,000,000 / 39 years).

As a result of a Cost Segregation Study, costs are reallocated as follows:

50% to the building's structural components	\$4,000,000
25% to 5-year tangible personal property	2,000,000
15% to land	1,200,000
10% to land improvements	<u>800,000</u>
Total cost	<u>\$8,000,000</u>

Revised depreciation in the first full year of operations would be as follows:

Buildings structural components (\$4,000,000 / 39 yrs)	\$ 103,000
5-year tangible personal property (\$2,000,000 * 32%)	640,000
Land improvements (\$800,000 * 9.5%)	76,000
Land	<u>N/A</u>
	\$ <u>819,000</u>
Additional depreciation deduction in Year 0	\$ <u>665,000</u>
Tax reduction and increased cash flow @ 40%	<u>\$266,000!!!!</u>

And that is just in Year One! Future years will generate savings as well.

Are there any other benefits of CSS?

A CSS may reduce real estate taxes by separating tangible personal property from the nonresidential real property being constructed. Virtually every jurisdiction imposes an ad valorem tax on real property, whether the real property consists of land or a structure. However, not all jurisdictions impose a personal property tax on business assets classified as tangible property. Even if a jurisdiction does impose a personal property tax on business assets, tax savings can be realized due to substantially shorter personal property lives, and faster devaluation of worth.

A CSS may also achieve substantial sales tax savings by reclassifying tangible personal property as industrial machinery and equipment. Many states provide sales tax exemptions to companies purchasing qualifying industrial machinery and equipment. Sales or use tax exemptions represent immediate cash savings.

What recent developments have occurred?

In September 2004, the IRS released an audit guide for its agents on how to audit cost segregation studies. So, it looks like cost segregation studies are here to stay.

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A Place to Store Your Stuff

by: Mike Suhovecky • Whittington, Inc.

Last month we discussed using spare Timberline budgets to store historical monthly GL amounts. This month, we'll examine how you can integrate this data into your financials, reports and inquiries. Keep in mind that all of the following examples share a common structure: amounts for the current and prior year are retrieved from the GL-Account record, and older amounts are retrieved from the GL-Budget record. To the end user, it all appears seamless.

Our first example is a financial statement design showing YTD activity for the current year and three prior years.

Note that you normally could not write this design since YTD data for two and three years ago doesn't exist in the GL-Account record. In this case, the amounts are coming from the GL-Budget record. Example 2 shows what the column definition for YTD 2 Years Ago looks like.

As you can see, the column returns the YTD Budget amount from our historical activity budget, backdated two years. Timberline allows you to retrieve 99 years of prior budget data so the number of years you can archive really has no practical limit.

Adding historical information to financials should be fairly easy for most users. The key is having history stored as both balances (needed for balance sheet and cashflow designs) and activity (needed for most income statement designs).

Example 3 is a monthly trial balance report. The prompt box looks like this.

If the user selects "Current YTD" or "Prior Year" from Prompt Box 1, a formula fills in the monthly balances using information from the GL-Account record as shown in Example 4.

In the event the user enters a year in Prompt Box 2, the formula fills in the monthly balances using information from the GL-Budget record. (Example 5)

Example 1

Field	YTD This Year	YTD Last Year	YTD 2 Years Ago	YTD 3 Years Ago
Rental Income				
Base Rental Income	\$ 190,471.93	\$ 66,660.51	\$ 170,444.09	\$ 190,814.10
CAM and Other Income				
CAM Current Year	(6,719.41)	32,388.24	100,750.55	117,587.28
CAM Prior and Related	(911.63)		5,482.94	(2,211.64)
Other Income				1,000.00
Subtotal	\$ (7,601.09)	\$ 32,388.24	\$ 106,162.49	\$ 116,075.64
Gross Rental Income	\$ 182,869.79	\$ 99,050.75	\$ 284,967.50	\$ 310,900.74

Example 2

Example 3

Example 4

Account	Title	January	February	March
Timberline Test Company				
70-000-10010 Cash & Equivalents		\$6,831.09	\$6,588.54	\$9,225.16
70-000-11050 Tenant Receivables		\$6,990.25	\$13,980.48	\$13,980.48
70-000-11110 Deferred CAM Billings		\$15,900.48	\$4,548.29	\$4,548.29
70-000-12195 Intercompany Receivables		\$4,548.29	\$4,548.29	\$4,548.29
70-000-12199 Trade & Payables		\$910,430.17	\$910,430.17	\$910,430.17

Example 5

Account	Title	January	February	March
Timberline Test Company				
70-000-10010 Cash & Equivalents		\$1,098.56	\$941.65	\$884.86
70-000-11029 Cash & Equivalents		\$12,392.89	\$10,228.26	\$10,708.21
70-000-11029 Cash & Equivalents		\$29,072.83	\$29,208.91	\$29,488.94
70-000-11050 Tenant Receivables		\$3,288.96	\$4,548.29	\$4,548.29
70-000-12199 Trade & Payables		\$4,548.29	\$4,548.29	\$4,548.29

This is a much more complex report to write. Retrieving historical data from GL-Budget is easy—if a value is entered in Prompt Box 2, the report uses a LOOKUP function to retrieve the balance for each month based on the account number and budget year entered in the prompt box.

Retrieving Current YTD or Prior Year amounts is where things get complicated. Recall from last month's article that balances in the GL-Account record are stored in a relative manner. In order to locate and calculate the balance for a given month, we first have to figure out what the current period is. For example, our company uses Prefix A (Company) and Prefix B (Division) in front of our base account. Some accounts have their fiscal controls defined at Prefix A, others at Prefix B. There's a field on the record for the first prefix level called Fiscal Entity Level that indicates at what prefix level the fiscal information for an account is maintained. Based on the value in this field, an IF statement retrieves the current period (1-12) from the Period Code field of the appropriate prefix. This code is then used with the TABLE function to figure out what fields are needed to calculate the value for a particular month.

While using Financial Statement Designer would simplify creating a report like the one above, spending a little time and working out the various formulas has other benefits. For example, we've copied formulas from the above report design to our public formula library and now use them in inquiries, as in our final example.

A Final Note: We've been using this technique for quite a while now and have found it reliable and easy to use. Just add the archiving procedure as a step in your year-end close. Be aware, however, that budget changes in Timberline do not produce any sort of transaction file. For internal

Continued on page 12

Estimating Tip

TO: The Guru:

O Great and Wise Guru. Plagues, pestilence and privations are nothing compared to people screwing up my estimating database by editing things they know nothing about. Broken assemblies, missing items and phases, incorrect formulas—what is a humble database developer to do? Is there, O Wise One, any way to protect my database from these purveyors of chaos?

FROM: Humbled by the Mess

TO: Humbled:

"O Wise One"—I could get used to that!

Once again, you have come to the right place to have your problem solved.

There are two types of security in the Estimating product:

- Read-only: You can use the software and takeoff items, but you can't modify a secured database file. Read-only security works only on the database. Your concern can be addressed by applying read-only security.
- File access: Without the password, you can't open the file. File access security works on both database and estimating files. We'll cover the benefits of file access security another time.

In addition to security types, there are two levels of passwords for securing edit (read-only) access to the database:

- Read-only: Use this option if you want to require a password to edit a database. Anyone can use the database to do takeoff, but only users who know the password can modify the database. This setting also allows you to protect a read-only password by assigning a supervisor password.
- Supervisor: This setting is optional, but recommended. The supervisor password

prevents unauthorized users from changing or removing the read-only or full-access password on a database file. This lets a supervisor give someone the editing password, allowing that person to edit the database. Then, the supervisor can change the editing password to protect against further editing.

Set up the supervisor password (optional):

1. Open Estimating Tools. (In Windows XP, click Start, All Programs, Timberline Office, Estimating, Estimating Tools.)
2. Click File, Edit Passwords.
3. In the Open window, select the database you want to protect with a password, then select all the .dat files, and click [Open].
4. If you marked Read Only, click [Set Supervisor Password].
5. In the Supervisor Password window, complete the appropriate password fields.
6. Click [OK] to accept the supervisor password.

Set up read-only security:

1. Open Estimating Tools. (In Windows XP, click Start, All Programs, Timberline Office, Estimating, Estimating Tools.)
2. Click File, Edit Passwords.
3. In the Open window, select the database you want to protect with a password, then select all the .dat files and click [Open].
4. In the Change passwords window, select Read Only.
5. Complete the appropriate password fields.
6. Click [OK] to accept the password.
7. Enter the supervisor password when prompted (if you set up a supervisor password). Click [OK].
8. Repeat for each .dat file.

After you have added the passwords, test the effect by going to the database and editing each of the record types. When you try to make a change to the record, you'll



receive a message asking you for the edit password. Note that it only asks you once for each session. So, if you're going to edit 20 items, you aren't asked for the edit password 20 times—just the first time.

They don't call me "The Guru" for nothing.

FROM: The Guru

Tip of the Month Oops! My Custom Fields Aren't Available.

If your custom fields are unavailable, you may have had a recent upgrade to Timberline Office and neglected to "re-set" (for lack of a better description on my part) the data dictionaries. Here's what to do:

1. Start TS Main.
2. From the File menu, select Data Folder Settings, Custom Fields.
3. When the Custom Fields window opens, a message will appear asking if you want to make custom fields available for use. Click [Yes].
4. Click [Cancel] to close the Custom Fields window.

Your custom fields are now available again.

This is something to remember when upgrading in the future. All custom fields, inquiries, and reports may be affected by an upgrade to Timberline Office. It's a good idea to check all custom fields, inquiries, and reports to see if they are functioning correctly.

Submitted by Becky Pagenkopp, Peterson Brothers Construction.

Mark Your Calendar



February 9, 2005
ODBC Webex Training
TUGadm@aol.com

February 16, 2005
Tampa/St. Pete Local Meeting
ann4hdc@tampabay.rr.com

February 25, 2005
Crystal Reports Webex Training
TUGadm@aol.com

February 27, 2005
Document Management Preview
Webex Training
TUGadm@aol.com

March 9, 2005
Project Management Webex Training
TUGadm@aol.com

March 10, 2005
Kansas City Local Meeting
shanon.white@markone.com

March 11, 2005
Wisconsin Local Meeting
scook@phenco.com

March 17, 2005
Iowa Local Chapter Meeting
ppoppe@venterspooner.com

March 18, 2005
Use of Locations/Accounting Breakdown
Webex Training
TUGadm@aol.com

March 24, 2005
San Antonio Local Meeting
Toni: tjohnson@koontzmccombs.com

April 13, 2005
Tampa/St. Pete Local Meeting
ann4hdc@tampabay.rr.com

May 11, 2005
TUG Workshops
Greensboro, North Carolina

May 12-13, 2005
TUG National Conference
Greensboro, North
800/884-4630

Online Training Opportunities from TUG

February 9	ODBC
February 25	Crystal Reports
February 27	Document Management Preview
March 9	Project Management
March 18	Estimating: Use of Locations/ Accounting Breakdown
April 13	Payroll
April 15	Estimating: Assemblies
April 22	Straight Line Rents
May 27	Online Sharing of Estimating
June 8	Service Management
June 24	Information Technology

There is no charge for online training. This is one of the many benefits of membership in the Timberline Users Group. Webinars are held at 12:00 noon Eastern time at www.TUG.webex.com. To participate, email the TUG office at tugadm@aol.com. You will receive an email directly from Webex confirming your participation and with instructions for logging on. Keep watching the Pulse for an updated calendar.



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Employee Policies: E-mail, Internet and Instant Messaging

E-mail, Internet and Instant Messaging – no one ever warned us about the dangers of this powerful trifecta in Management 101! Suddenly employers are faced with controlling productivity resources to prevent creating new liabilities. The casual style in which most e-mail is written is proof that most of us don't show proper regard for the impact that this format can have when used as legal evidence. The number of wrongful termination suits won by employees over Internet misuse shows that companies have not been effective in either documenting Internet policies or effectively enforcing and communicating those policies.

Policy Must-Haves:

Below are some suggestions of what effective and enforceable policy should include:

- ☑ Define, in detail, exactly what is covered to avoid broad descriptions that could be misinterpreted as vague. Instead delineate all the possible forms of communication services and equipment that could be used. As example would be "Communication services and equipment include mail, electronic mail ("e-mail"), instant messaging, courier services, facsimiles, telephone systems, personal computers, computer networks, on-line services, Internet connections, Intranets, computer files, video equipment and tapes, tape recorders and tapes, dictation equipment and tapes, pagers, cell phones, personal data assistants ("PDA"), voice mail and bulletin boards.
- ☑ Clearly state that all Company communication services and equipment, and the messages transmitted, received or stored by them are the sole property of the Company. As such, the Company has the right to access and monitor all employee communications and files as it deems necessary or appropriate and can disclose their content to third parties, including Law Enforcement. The employee should have no expectation of

privacy and employees should be discouraged from storing personal information on Company systems. Employees must sign a statement acknowledging that they have been informed of the Companies right to monitor and access for this to be enforceable in federal courts.

- ☑ Employee use of on-line services and the Internet is at the sole discretion of the Company and may be accessed only when and how the Company authorizes. Employees should be expressly forbidden (and appropriate firewalls put in place) from downloading programs and files from Internet sources without the express consent of a Supervisor.
- ☑ Employees are prohibited from using Company communication services and equipment to transmit confidential, proprietary or trade secret information.
- ☑ Define "Improper" use to include any communication or access to any Internet site that would violate any other Company policies, as well as anything that could be construed as demeaning, harassing, offensive, racially deprecating, insulting, defaming, intimidating, sexually suggestive, expressing political or religious views, participating or promoting illegal activity, containing a solicitation for commercial ventures outside of Company's business, pertaining to an employee's employment outside the Company or otherwise inappropriate written, recorded communication, including images, whether transmitted or received electronically or by any other media.
- ☑ Acknowledge that incidental personal use by employees will occur. Otherwise your policy will be unenforceable and therefore ineffective. It should clearly state that personal use is only allowed before or after business hours, during lunch-time or breaks, does not interfere with employee's work or Company's operations and does

not violate any Company policies. It should also state that the Company has no obligation to provide Internet access to any employee and that use can be revoked at any time, whether or not the employee has violated policy.

- ☑ Clearly state disciplinary process if the Policy is violated.

Policy Might-Haves:

There are other considerations in designing your Company communications policy. Here are a couple of things you may want to include:

- ☑ Employee e-mail addresses should be used for business purposes only. Employees should be encouraged to have personal e-mail addresses in another location.
- ☑ Deleting e-mail that has been received and may be construed as inappropriate is the responsibility of the employee and should be performed immediately.
- ☑ Instant Messaging is a great productivity drainer. It should be restricted to inner-office use only, or limited to immediate family/significant other.
- ☑ Limit the amount of time that e-mails are retained to 30 days. Most systems, including Outlook, allow individual e-mails to be saved as files. Establish a protocol for saving business related e-mails that need to be retained, as well as any attachments.
- ☑ Inform employees that most systems inherently track certain information, including digital finger prints that will enable reverse tracking of e-mails, internet activity and transmitted or downloaded files. Instant Messaging systems usually store conversations as text. In other words, just because it is not apparent, most everything you do on a computer is stored.

These lists are suggestions only and are not meant to be all-encom-

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Shopping for a Retail Contractor? Look to R&O for That and More

Welcome to R&O Construction. Who better than TUG's own Past President, Dawn Naisbitt, to take us on a personal tour of the company she calls home.

Where are you? What cities, regions, state, countries do you operate in?

The main office is in Ogden, UT. We have branch offices in Las Vegas and Denver. We work in all of the Western United States.

What do you do?

We are a general contractor.

Is there a specialty that you focus on?

We have a large commercial division specializing in apartment complexes, stadiums, warehouses, etc.; a retail commercial division that does retail chain stores; a specialty division that does small retail, restaurants and fast food chains; and a homebuilder division that does high-end specialty homes.

Name a client, project or notable achievement that we might be familiar with.

R&O Construction has been recently ranked the 17th "Top Retail Contractor" in the nation by *Engineering News-Record*. The ratings were published in the September 2003 supplement *The Top 400 Contractors Sourcebook 2003* published by McGraw Hill Construction. R&O Construction's retail niche has been steady since we entered the commercial construction field in 1980. Some clients include Home Depot, Wal-Mart, Safeway, Macy's, Sam's Club, Harmon's, Albertsons, and Smiths.

What Timberline modules do you use?

General Ledger
Accounts Payable
Job Cost
Cash Management
Accounts Receivable
Estimating
Payroll

Do you have Information Assistant?
Yes.

How do you use it?

Our project managers, PM assistants, estimators, supers, and management use it to view inquiries and print reports to monitor their jobs.

Do you use Issue Manager?
No.

Give us an idea of your size/volume.

Annual Revenue: \$175 million.
Number of Jobs: Today's snapshot: 57 job sites in 8 states.

What other software products do you use in conjunction with Timberline to operate your business?

Expedition, ACT, Word/Excel, Toolwatch, Outlook® and Construction Imaging Systems.

Do you use ODBC drivers to import and export information? If so, with which products?

Excel
Access
Word

Do you provide Palms or PDAs to your employees?
Yes.

How are they used?

Supers, project managers, estimators, marketing and management use them for scheduling and Address Book mostly.

Do you import information from Timberline onto them?

We used to, but found it a little cumbersome, and the employees weren't using the info.

What is your company's biggest challenge?

Internal communication. We have grown so much over the years and have become so departmentalized that it has been difficult to

communicate effectively between departments.

Questions About You: Dawn Naisbitt

What is your title?

What is today??? Just call me "Jill," jill of all trades.

What are your basic duties?

I recently spent a year and a half back in the accounting department redesigning procedures to help minimize our overall risk. I am currently the Project Accountant and Options Manager for a \$35+ million condominium project in California. Basic duties: code invoices, create pay applications, track lien waivers, monitor all \$\$ on the project, and oversee option purchases for the individual units.

How long have you been employed there?

Nine years.

What do you like best about your company?

The atmosphere. It is laid back and the employees get along so well. It is a fun place to work. (Don't tell my boss!)

What Timberline modules do you specifically use/spend the most time in?

Mostly IA doing research for PMs.

What's your favorite custom Inquiry?

Project Management Open Job Inquiry. It has all of the information the project managers need all in one inquiry.

Favorite report design?

Probably a report we created to show the second-tier suppliers on



the open invoice list to assist with tracking of second-tier lien waivers before we pay open subcontractor invoices. Nothing too elaborate, but it sure has made our lives easier.

Coolest formula?

A table/match formula for job cost inquiries that allows different types of information to show up in one column based on the application of origin.

Best workaround?

We were using Enter Worksheets for project managers' monthly job forecasting but found it very cumbersome and too difficult for the PMs to enter themselves. I made a call to Event 1, explained my problem, discussed some options, then voilà!! They created a program called Forecast that works with both Timberline and Excel easily and efficiently for our job forecasting and projections.

What single Timberline feature do you like best?

Inquiries. I think they are underutilized in most companies. They are easy to teach, use and create, and give instant access to live information, without printing a report. Using inquiries with Information Assistant is the only way to go.

What is your biggest challenge?

I think my biggest challenge would have to be selling "change." Change in the construction industry seems to be a life-altering experience. Keeping R&O on the leading edge of technology means constant change for employees, so getting "buy in" from all involved is a big challenge. 

Now You Can Retire Your Questions On Setup of YTD 401K Deductions

by: Denise Paulus • Timberline Software

Here's a situation one user wrote about that you may also face:

How can I set up the 401K deduction so that it will recognize the YTD limit within the formula? Right now I have to set up the limit on every employee deduction.

The following information assumes that:

- The 401K deduction id is 401K.
- The default calculation method of the 401K deduction is Gross Pay.
- Employees can only deduct a flat amount or a percentage of gross pay to contribute to the 401K plan.
- The YTD limits are 14000.00 for employees under the age of 50 and 18000.00 for employees over the age of 50.
- All prior period payroll has been posted.

Here are the steps to take:

- Create a formula to calculate each employee's age, called **Employee Age this PE:**
DAYS(Period End Date (PR Check), Birth Date (PR Employee)) / 365
- Create a formula to store the YTD 401K limit, called **401K Deduction Limit:**
IF(Employee Age this PE (Design Formula) >= 50, 18000.00, 14000.00)

- Create a formula to look up the YTD 401K deduction, called **Employee YTD 401K Ded:**
LOOKUP(YTD Deduction (PR Employee Deduct), Employee (PR Check), "401K")
- Create a formula that calculates the 401K deduction amount before considering the YTD total and limit, called **401K Ded Each Period:**
IF(LOOKUP(Calc Method (PR Employee Deduct), Employee (PR Check), "401K") = "Default" OR LOOKUP(Calc Method (PR Employee Deduct), Employee (PR Check), "401K") = "Gross Pay", (Gross Pay (PR Check) * LOOKUP(Amount (PR Employee Deduct), Employee (PR Check), "401K") / 100), IF(LOOKUP(Calc Method (PR Employee Deduct), Employee (PR Check), "401K") = "Flat amt", LOOKUP(Amount (PR Employee Deduct), Employee (PR Check), "401K")))
- Create a formula to calculate the deduction so that it won't exceed the limit, called **401K Deduction Formula:**
MIN(401K Deduction Limit (Design Formula) - Employee YTD 401K Ded (Design Formula), 401K Ded Each Period (Design Formula))

This should retire your woes about handling this situation. 

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Conclusion

A well documented, thorough cost segregation study can lead to faster depreciation writeoffs, easier disposal of certain assets that become worthless, and potentially lower transfer and/or property taxes. Disadvantages do exist and must be considered, such as depreciation recapture upon disposal of the property and the potential for the IRS to assess penalties for incorrect usage of the studies. Remember, it is imperative that adequate documentation be maintained to support the CSS and that qualified service providers are used in order to capture the maximum benefit that exists in your property.

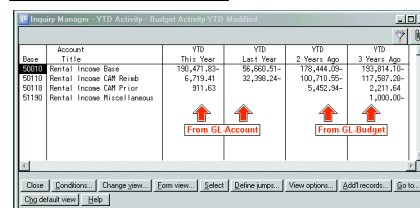
Bios

Eric A. Gidlow is a managing director in the Minneapolis office of RSM McGladrey. Eric provides tax and financial planning advice for corporate, partnership and individual clients in a variety of fields, including service organizations, manufacturing, wholesale/retail, real estate development and real estate

property management. Eric has administrative experience before the Internal Revenue Service and the Minnesota Department of Revenue.

Eric is also the Upper Midwest's cost segregation practice leader. In this capacity, he oversees a 15-member cost segregation team. He has performed in excess of 200 cost segregation studies for clients in various industries, with an emphasis in the manufacturing/wholesale/retail sector. Eric has also worked with numerous McGladrey Network firms in expanding cost segregation services to their client base.

David A. Seligman is a tax manager with Perisho Tombor Loomis & Ramirez in Campbell, California. David provides tax and consulting services for corporate, partnership and individual clients in a variety of fields and industries. David is also the firm's director of cost segregation studies. 



Date	Account	Title	YTD This Year	YTD Last Year	YTD 2 Years Ago	YTD 3 Years Ago
5/20/00	Rental Income Base		180,471.83	95,269.51	178,444.25	193,814.10
5/21/00	Rental Income CAP Retab		6,719.41	32,288.24	100,710.55	117,587.28
5/21/00	Rental Income CAP Prior		911.83			2,271.64
5/19/00	Rental Income Miscellaneous				5,482.94	1,000.00

control purposes, you may want to maintain some sort of historical control totals and keep a copy of the original import files in the event that a history budget is inadvertently changed or deleted. 

passing. Certain laws, such as rights to privacy, vary by State. Here are a couple of resources on the Internet that may help you in developing an appropriate communications Services policy:

[Personnel Policy Service Publishers](http://ppspublishers.com)
<http://ppspublishers.com>

[Info World](http://cgi.infoworld.com/cgi-bin/displayArchive.pl?/96/34/e01-34.55.htm)

<http://cgi.infoworld.com/cgi-bin/displayArchive.pl?/96/34/e01-34.55.htm>

[Human Resources Business & Law Report](http://hr.blr.com/Article.cfm/Nav/1.46.137.0.6001.6001)

<http://hr.blr.com/Article.cfm/Nav/1.46.137.0.6001.6001> 