



CFMA NEWSLETTER SEPTEMBER 2014



PRESIDENT'S MESSAGE



Dear CFMA members,

The last few months have been extremely hectic, but very encouraging based on all of the CONSTRUCTION activity both starting and about to be completed. Being in the banking business, right now there is a mad rush to expedite residential loan approvals for all of the condos topping off or just about to top off and turn over. Can you imagine all of the new tax revenue that the City and State are about to receive? This is fantastic!

Perusing through the September issue of Hawaii Business Magazine which focuses on construction, I noticed a catchy slogan from HPM Building Supply which simply read, "Build Better." This is not intended to be a plug for them, but I really like the deeper meaning and its sheer simplicity. The main article in discussion was called, "Translating Development into Hawaiian." I was very surprised but more impressed by the overall consideration put into the design of new buildings and developments; there were so many stakeholders participating in a collaborative process that included cultural, community, governmental, developer and the future owners of the actual work product with the goal of having everyone happy with the outcome. To me this process seems evolved from developments of the past. And hence, the term "build better" really encapsulated the motif.

This was further validated by a prominent local developer who told me that as a member of our Hawaii community, they take their projects very seriously and that it was much more important to build something that they (and our community) would be proud of rather than just to make money. He further stated that Hawaii is where he lives and that he felt connected to our community. Not to mention, his development would long live past his lifetime and would be a symbol of his legacy so he had to build it right and better, and that meant listening and collaborating with everyone. This was so profound!

This higher level of conscientiousness is ultimately good for the State of Hawaii and all of us who call Hawaii our home. Mahalo nui loa to all of you in our construction industry for building better!

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UPCOMING EVENTS

TREASURY MANAGEMENT WORKSHOP

NOVEMBER 21, 2014

GENERAL CONTRACTING ASSOCIATION OF HAWAII

1065 AHUA STREET

Upon completing this one-day workshop you will be able to:

- Understand the conceptual, operational and strategic objectives that drive what we do in Treasury Management
- Understand the activity cycles, the financial concepts, rules and regulations, and the tools available to Treasury Managers for managing the accounting processes, as well as short and long-term credit
- Manage and mitigate business risk factors through the use of both insurance programs and internal policies and practices
- Develop an enterprise annual operating budget, and understand how to use a budget in conjunction with the Back log and Burn-off schedule to drive improved profitability

To see more information and fill out a registration form, please see the flyer at the end of the newsletter.



CFMA GOLF TOURNAMENT

The Ewa Beach Golf Club once again provided a great venue to host our 2014 CFMA Honolulu golf tournament. Conditions were great on August 28 for a fun day away from the office, catching up with colleagues and friends. Based on some last minute feedback and an impromptu poll of the players, the format was changed from best ball to a scramble, which not only sped up the round, but made for a less stressful round of golf for us casual golfers. We apologize for the last minute change for those hoping to play out a full round. Golfers hit the course on a full stomach thanks to great folks at King & Neel who sponsored the yummy bentos. The 19th hole was filled with lots of food and drink and thanks to all the generous members who donated prizes along with sponsorships from Travelers and Zurich, everyone was able to walk away a winner! Thanks again to everyone who came out and hope to see you again next year!!



MADRE SOCIAL

On Friday, September 12th, CFMA teamed up with Madre Chocolate in Chinatown. The event was well attended, with about 30 members present at this fun event. Members attended at a Chocolate Bar Workshop, where members had the opportunity to learn about the World of Chocolate, straight from the origins and make their very own chocolate bar, thin foil and all! We also grilled some delicious goodies in the fabulous urban backyard of Madre Chocolate while sipping wine and enjoying fantastic chocolate where all ingredients come exclusively from Hawaii, starting from Big Island cacao beans!





CFMA NATIONAL OFFICE UPDATE

LISA VANDERGRIFF

Greetings fellow CFMA Honolulu Chapter members. It is a real pleasure to update you on the past few months of happenings at Headquarters. First and foremost I am very proud and happy to tell you that the renewal rate for our chapter was 96.4%, which was the 14th highest of the 88 CFMA chapters. WOW!!! What a great statement about this fine, inspired and involved group of people. Really, this is a great accomplishment, but what is even more impressive to me is that for the past 4 years that I have been the Honolulu Chapter's National Connection Program Representative we have renewed consistently higher than 85%. So congratulations to our chapter and its members.

Big news for this next year's renewal: we are going Green! So that means no paper invoices will be sent out. Members will receive an email renewal notice and they can go online to print out a hard copy to turn into their company. So, be watching for those email notices starting in December.

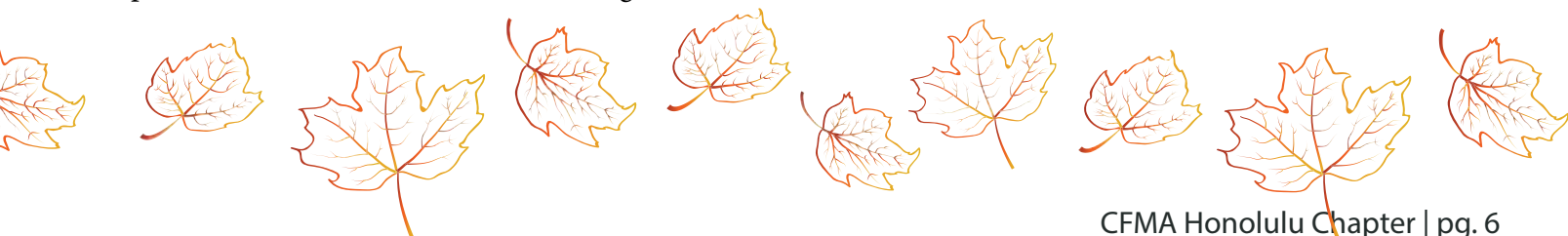
This year for the first time, Headquarters proposed that we take earnings from the investment funds and use them to help the chapters. The leadership group proposed a \$3000 subsidy for every chapter to be used for 5 specific chapter enhancements, which the Executive Committee accepted. Our chapter has used part of its \$3000 to fund Raymond's leadership training that CFMA puts on each year for incoming Presidents called Spring Creek. It is a 3-day leadership program in Phoenix that prepares the incoming presidents with knowledge on running a chapter and gives them a network of about 20 other incoming chapter presidents to lean on. Also the incoming National

Chairman, in this case Brad Robinson, attends so the chapter presidents get to know their current national leader. We still have about \$2000 of these funds to use. We could use them for Raymond's travel expenses, bring in a national speaker, or for books for an upcoming class such as the cash/treasury management class that Steve Lords will be presenting in November. So what I am saying is don't let that money go unused!

One last thing I would really like to be sure all members know about is that the 18 months for 12 that just began. If you know anyone interested in joining CFMA, this is a great time since anyone who signs up between now and March 31, 2015 gets the balance of this year and all of next dues paid as if it were just one year. That is a great incentive to prospective members and we should all be aware in sharing the news.

So that is some of the big news out of Headquarters. Also don't forget that the web site is significantly remodeled and easy to use. The Webinars and On Line classes are available even if you missed them. As a member you can log on and retake them whenever you like, that includes any sessions at a conference you have attended. I invite you to contact me anytime I can be of service to our members. My email address is scubagall1@me.com and my phone number is 907-223-5363. I am here for you anytime.

My best to you all - Lisa Vandergriff



MAHALO TO OUR SPONSORS



Gaslow Petroleum

THE CONSTRUCTION FINANCIAL MANAGEMENT ASSOCIATION, HONOLULU CHAPTER

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Yamasaki, PKF Pacific Hawaii LLP; Newsletter Editor: Brad Char, RedHammer LLC
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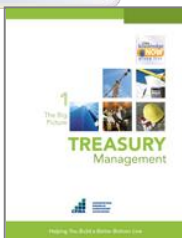
ON THE WEB AT: <http://honolulu.cfma.org/HonoluluHI/Home/>
FOR MEMBERSHIP INFORMATION CONTACT NICK TAN AT: (808) 343-6886



CFMA's HONOLULU, HAWAII CHAPTER

Treasury Management Series

This series was designed for Controllers and CFOs of construction companies who desire to learn the fundamental skills of Treasury Management and who have a working knowledge of construction accounting and cash management.



HERE'S WHAT'S COVERED:

The scope of treasury management goes well beyond traditional cash management – it covers all aspects of working capital management. Here are some of the things you'll be able to do after completing this session presented in four parts:

Part I – The Big Picture

- Identify the conceptual, operational, and strategic objectives of treasury management, as well as the governing concepts and standards
- Discuss effective working capital management, as well as fraud detection and prevention

Part II – Processes & Tools

- Discuss the processes and systems that are an integral part of the cash flow life cycle
- Describe the banking tools and services, the investment of cash resources, and the basics of cash forecasting

Part III – Insurance Programs & Employee Benefits

- Discuss enterprise risk management and the types of business insurance and their delivery methods (including OCIP/CCIPs and the management of self-insured risk programs)
- Discuss group insurance programs and the basics of pension plans, and describe the management of self-insured programs

Part IV – Budgeting & Reporting

- Describe the process, tools, and strategies used in developing enterprise budgets, as well as backlog and burn-off schedules
- Discuss the types of information that management needs to see and the financial reporting systems typically used

This is a GROUP-LIVE presentation at the INTERMEDIATE level. A working knowledge of construction accounting is recommended.

The tuition for this session is **\$200** for CFMA members and **\$275** for non-members. Please return your registration form and check by **November 17, 2014** to:

**CFMA, Attention: Craig Yamasaki
c/o Coastal Construction Co., Inc.,
1900 Hau Street
Honolulu, HI 96819**

Make checks payable to: CFMA – Honolulu Chapter

**FRIDAY
November 21, 2014**

**Presented by
Course Author:
STEVEN D. LORDS,
CPA, CCIFP
Arizona Pipeline Company**

**Registration:
7:30 am – 8:00 am**

**Workshop Program:
8:00 am – 4:30 pm**

**Workshop Location:
General Contractors
Association of Hawaii
1065 Ahua Street
Honolulu, Hawaii**

**Questions: Please contact:
James Wong at
jwong@deltacostcorp.com**

***Deadline for cancellation with
Full Refund – November 17, 2014***

REGISTRATION FORM

Please Complete & Return. One Form Per Registrant.

First/Last Name: _____

Title: _____ Company Name: _____

Street Address: _____

City, State, Zip: _____

Phone: _____ E-mail: _____



The Construction Financial Management Association (CFMA) is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: www.learningmarket.org.

For more information regarding refund, complaint and program cancellation policies, contact Brian Summers, VP of Content Management and Education at CFMA Princeton Forrestal Village, 100 Village Blvd., Suite 200, Princeton, NJ 08540, Phone: 609-452-8000, or e-mail bsummers@cfma.org

Steven D. Lords, CPA, CCIFP
BIO

Steve has been actively involved in the construction industry for over twenty-five years, and has worked for both general contractors and subcontractors. This experience includes all kinds of commercial construction, residential multi-family, condominiums, infrastructure and several subcontractor trades. Steve has worked for the following companies:

- CFO for Arizona Pipeline Company, an underground utility contractor, Hesperia, CA (Current)
- CFO for CF Jordan Construction, a commercial general contractor, El Paso, TX
- CFO for Martin Harris Construction, a commercial general contractor. Las Vegas, NV
- U.S. Controller and Operations Controller for SimplexGrinnell LP, a subcontractor in the fire protection industry. Houston, TX
- CFO for Roy Anderson Corporation, a commercial general contractor. Gulfport, MS
- CFO for Bradbury & Stamm Construction, a commercial general contractor. Albuquerque, NM

Before entering the construction industry Steve spent over eight years in public accounting.

Steve graduated from Brigham Young University with a BS in Accounting. A member of CFMA since 1988, he has held a variety of leadership positions, including national President, President-Elect, Secretary and Treasurer. Steve has also served as president of the Albuquerque, South Mississippi, and Las Vegas chapters.

A member of CFMA's Education Committee for the past twenty years, Steve is a national instructor for the Basics of Construction Accounting, as well as for Cash Management, Risk Management, Accounting and Reporting and Treasury Management. He also developed the Advanced Cash Forecasting program, and the new Treasury Management four-part series. He has written several articles for CFMA's *Building Profits*, including the recent four-part series on Treasury Management.

Steve was the 2002 recipient of CFMA's Danny B. Parrish Outstanding Leadership Award. In 2011 he was also awarded CFMA's Debra Hahn Memorial Award.

Steve is CFMA's trustee delegate to the American Council for Construction Education (ACCE), the body which accredits university and college programs in construction management.

From 2010 to 2012 Steve was a member of the FASB's Private Company Financial Reporting Committee, which was a twelve member committee given the task of providing non-public entity feedback on proposed FASB exposure drafts and SOPs. This committee was sunsetted in 2012 and replaced by the new Private Company Committee.