**CFO Forum Lehigh Valley June 2022 Minutes**

**Today’s session was a powerful session with a previous speaker (Ken Fry of MKI Safety) educating us on the reasons and value to create a Safety Culture. Ken is an expert and knows a lot more than all of us combined however he brought in his go to expert on Return to Work Best Practices-Matthew Ries of Novacare. Their slides and the zoom recording are available and I really encourage you to take the time to view the zoom recording.**

**As background, I met Ken about 15 years ago when Kevin McPoyle,our business risk advisor (KMRD) brought Ken in to create a Safety Culture and essentially run our Safety Committee. Without him we would have struggled to identify risks, prevent them, dramatically reduce the frequency and severity of injuries and as a result dramatically improved in all areas-including the overall cost of safety. Ken and I developed a Cost of Safety metric and ultimately moved from last to best quartile and built a sustainable model. Ken’s slides walk you through the facts and actions to create a safety culture at your business.**

**I inserted some thoughts-some CFOs challenge because they have to be involved in Safety-they either expect Operations or an EHS Manager to “run” safety. I think it’s obvious that the combination of risk, resources and cost/ benefit require that the CFO be very involved-not necessarily in charge but in some companies the CFO will become the key leader. They can run the meetings, analyses and tactics but the CFO is needed to assess risks, report to leadership and provide the oversight and inputs. We also discussed the differentiation aspect of safety-your EMR vs prior years, your EMR vs competitors-especially if qualifications and proposals for new business require a Safety summary. Understand your performance, review the OSHA 300 and 301 reports as well as the EMR calculations (and obviously the claim costs and the associated reserves). Again, Operations and EHS won’t ask those questions and won’t think to inform you about costs or reserves.**

**Matt educated us on getting injured employees back to work. For example, few of us know that the Panel of Occupational Health specialists is approved by the client-not by the carrier or broker. WE choose it but few of us do any research. For example, the panelist can will expedite appointments, therapies, communicate to employee AND to the employer, monitor claims and do everything they can to get the employee back to restricted duty work asap. Matt explained their network, their best practices and provided examples of their success. Most of us are too small to have in house medical staff so we have to rely on a partner-instead of assuming our insurance broker will work on our behalf! They have no incentive to and few brokers will do that. A partner, such as KMRD, will work as a partner and the use of MKI and Novacare is a good example why we have KMRD as a partner.**

**Review these topics with your HR, Operations and Safety team. If they are going through the motions, having a safety meeting with no passion or action items/ improvements and not even tracking back to work efforts, then you need to take a hard look at a major change. Obviously, if that is your Safety program, you should be disappointed AND not surprised by lower quartile performance, higher premiums, employees who are not engaged and higher costs! It is that widespread AND it is that simple. Hopefully your CEO and Board are asking these questions but most are not!**

**Many thanks to Ken (reach him at 610 223 2223) and to Matt (215 913 7149). Both cover the country and can handle your remote locations. Novacare does business under a variety of names around the country-not panic, just deal with Matt.**

**If you want an objective review of your risk management program, insurance coverage (and gaps), reach out to Kevin McPoyle (215 802 0595). They are on copy of the email so their email addresses are there. Contact info is also on their slides.**

**Next sessions: WednesdaySeptember 21 8 30 to 10 30 Our annual healthcare update. Bringing in two experts so mark your calendar now! Invitation will be sent! Meanwhile enjoy the summer! Don’t hesitate to contact me if you have a best practice question!**

**Housekeeping:** Minutes, slides, the recording and CPE letters are available at [www.thecfosolution.org](http://www.thecfosolution.org) under the events tab but only for participants. IF you were a guest, contact me if you want a link to the recording. Website has added a Table of Contents to find your way around the 75 topics in the website.

CPE letters take about a week or two to get posted. If you are missing one from last year, let me know and I will provide it. IF you need CPE credit and don’t know how to get the letter for a specific session, contact me.

**Othe**r:

We have added some SME partners who can help you including:

The website has a prescription drug best practices summary. Up to 75% reductions are very possible. It’s your fiduciary responsibility to understand this stuff and seriously consider it. DON’T expect your broker to tell you to reduce your costs and reduce his compensation!

Energy use reduction and impact / evaluation of solar was a hot topic in March. We have added a commercial scale partner-frankly Suntuity’s scale is residential and we wanted to be able to bring you partners for the appropriate scale. Our roof inspector has done a great job on several assessments for us so far. And, we have two financing partners including the really unique CPACE program (which allows the principal payments to be made with before tax payments (that are deductible) with reasonable loan terms.

Looking for people, connect with LVProfessionals. If you need an introduction, contact me. They have over 150 experienced, degreed people looking for a position. I sent the list out separately-if you missed it, contact me and I will send you a copy.

Warning-we all get calls from R&D tax credit, ERC credit, savings promoters working for a % of your credit or savings so they are incented to maximize their commission and may put you in jeopardy. Especially true on the R&D credit since AICPA just issued a warning regarding conflicts of interest and warning CFOs to be careful to use a quality advisor (Circular 230 if you need to find it).

Key update: one of the largest tax credit “advisors”, Alliant, got raided by the IRS to address the 25 to 35% of the identified credit business model. CFOs complained about fee structure and IRS determined that many qualified expenses were dubious or just false. Obviously, their model rewarded aggressive credit determination. The IRS is reviewing credits prepared by this firm and CFOs/ companies are subject to immediate return of the credit, interest and penalties. Some CFOs got very surprised already! To learn more search Alliant on LinkedIn. Hopefully you did not have Alliant help you in the last ten years. PS NO statute of limitations when fraud is suspected and the client is required to prove that the IRS is wrong!

Employee Retention Tax Credit-if you have not filed, why not? If you need help, give me a call.

Before you engage a third-party lender, advisor, vendor-please contact me. We have great partners AND we have pretty good ideas on who you should stay aware from.

Also, why not consider doing business with one of our participating CFO’s firms!

**Request:** Red Robin restaurant group is looking for an accountant so if you know anyone in search, contact them. Job description and info is attached.