

» Orange County Chapter Newsletter

ORANGE COUNTY CHAPTER — SEPTEMBER 2019

MESSAGE FROM THE CHAPTER PRESIDENT

On behalf of our board of the Orange County Chapter of FEI, I want to welcome everyone to our first dinner meeting event of the program year, our annual Networking and Wine tasting event, on Wednesday, September 11 at the Pacific Club. We will be sampling wines from the “land down under” (Australia and New Zealand), enjoying great food, and networking with our members, sponsors and guests.

We will start the evening with an informative professional development session on #MeToo and Employment Practices Implications “after the dust has settled”. Please join us at 5pm for the professional development session and stay for networking and dinner at 6pm.



At our annual board planning meeting in August, I shared my objectives for this year:

- Have Fun
- Grow Membership
- Increase participation in Affinity groups
- Improve Diversity
- Strengthen and Define our Sponsor relationships
- Control expenses

Our board will be working as a team on various initiatives this year to achieve these objectives. All members can play a role by attending monthly dinner meetings and joining an Affinity Group and/or Committee. Like any volunteer organization, members “get out what they put in”.

Please check out our Affinity Groups that were listed in the email to members sent on August 27. These groups are a great way to meet other members who share similar interests in a smaller setting than our dinner meetings. Our current groups are: Golf, Hiking, Cigars and BS, Wine Tasting, Whiskey Club and Investment Club. Our retired members also meet on a regular basis to network and discuss investments.

Also, our committee chairpersons can always use more help. The programs we all enjoy take a lot of effort, and “many hands make lighter work.” The committees are: Programs, Membership, Professional Development, Sponsors, Academic Relations, Arrangements, Newsletter and Diversity. The chairpersons of the committees serve on our board.

Finally, all of the great activities we enjoy in our chapter would not be possible without our sponsors. Our sponsors will be hosting tables during our Networking and Wine tasting dinner, so please make an effort to get to know them. More importantly, when your company is looking for a service provider, make sure you give them a call.

I look forward to seeing you at our dinner meetings, our Affinity Groups or at a committee meeting.

Jim Klingler, President
 FEI Orange County Chapter

PRESIDENT

JIM KLINGLER

FIRST VICE PRESIDENT

MARK BELZOWSKI

TREASURER

CHRIS WELLER & STEVE WALENTA

SECRETARY

HEATHER BAUGH & WENDY DARMS

VP PROGRAMS

BOB BRUNING & DAVE QUIMBY

VP MEMBERSHIP

JANE ROTH & HEATHER BAUGH

VP STRATEGIC PARTNER RELATIONS

SUE REILLY & ERIC ROARK

ACADEMIC RELATIONS

MOHSEN SHARIFI

ARRANGEMENTS

FERNANDO SAUCEDA & ANDRE AFSHAR

CAREER MANAGEMENT SERVICES

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CHAPTER ADMINISTRATOR

KATE AUGUSTA

occhapterfei@gmail.com

2019/2020 *Save the Date*



Wednesday, September 11, 2019				
Event	Professional Development Session		Event	Dinner Meeting
Location	Pacific Club (Newport Room)		Location	Pacific Club (La Jolla Room)
Topic	#MeToo and Employment Practices Implications After the Dust has Settled		Topic	Networking and Wine Tasting —”Delicious and Approachable Wines From the Land Down Under”
Speaker	Marsh Risk and Insurance Services, Inc.		Speaker	Brian Ruttencutter
Wednesday, October 9, 2019				
Event	Professional Development Session		Event	Dinner Meeting
Location	Pacific Club (Newport Room)		Location	Pacific Club (La Jolla Room)
Topic	TBD		Topic	California Political Update
Speaker	TBD		Speaker	John Moorlach, State Senator
Wednesday, November 13, 2019				
Event	Professional Development Session		Event	Dinner Meeting
Location	Pacific Club (Newport Room)		Location	Pacific Club (La Jolla Room)
Topic	TBD		Topic	How to Get on Boards, Highlighting the Diversity You Bring
Speaker	TBD		Speaker	Christobel Selecky
Saturday December 7, 2019				
Event	FEI Orange County Holiday Party			
Location	Pacific Club			
Wednesday, January 8, 2020				
Event	Professional Development Session		Event	Dinner Meeting
Location	Pacific Club (Newport Room)		Location	Pacific Club (La Jolla Room)
Topic	TBD		Topic	Economic Forecast
Speaker	TBD		Speaker	Dr. James Doti, Economist, Chapman University
Wednesday, February 12, 2020				
Event	Professional Development Session		Event	Dinner Meeting
Location	Pacific Club (Newport Room)		Location	Pacific Club (La Jolla Room)
Topic	TBD		Topic	CryoPort Systems Inc. Turnaround
Speaker	TBD		Speaker	Robert Stefanovich, CFO CryoPort
Wednesday, March 11, 2020				
Event	Professional Development Session		Event	Dinner Meeting
Location	Pacific Club (Newport Room)		Location	Pacific Club (La Jolla Room)
Topic	TBD		Topic	Healthcare Industry Trends
Speaker	TBD		Speaker	Dr. Sachin Jain, CEO, Care More
Friday, April 17, 2020				
Event	Dinner and Theater Spouse Event- "Chicago"			
Location	Leatherby's/Segerstrom Hall			
Wednesday, May 13, 2020				
Event	Professional Development Session		Event	Dinner Meeting
Location	Pacific Club (Newport Room)		Location	Pacific Club (La Jolla Room)
Topic	TBD		Topic	Work Life Balance
Speaker	TBD		Speaker	Marc Koehler

2019 *Programs*



DINNER MEETING AT THE PACIFIC CLUB

SEPTEMBER 11, 2019

Annual Networking and Wine Tasting Event!

“Delicious and Approachable Wines From the Land Down Under”



Please join us for a wonderful evening of networking with other members and guests as well as enjoying great food and wine. We will be enjoying some excellent wines from both Australia and New Zealand.

Our annual kickoff meeting is formulated to allow time for members and guests to get to know each other, as well as participating Sponsors who will host each table. During the meal, you'll be asked to move to your next assigned table so you can meet another group of attendees. Each person at your table can give a brief introduction about themselves so everyone will know more than just each person's name and company.

Adding to the lively evening will be an introduction of the wine that has been selected to pair with the food in that course. Brian Ruttencutter will be presenting the wines and describing the food pairings. Brian has worked with The Pacific Club to help select the wines and food courses to highlight the best of both.

Master of Ceremonies: **Brian Ruttencutter** is a former National Chair of FEI and Past President of the Chapter. Brian has formally studied wine and achieved the Level II and Level III certifications as a wine specialist by the WSET, an international wine expert accreditation program.

[Register Here](#)

PD SESSION AT THE PACIFIC CLUB

SEPTEMBER 11, 2019

#MeToo and Employment Practices Implications After the Dust Has Settled

Presented By: Marsh Risk and Insurance Services, Inc.



Insights on Trending Topics for #MeToo:

- The #metoo movement has changed the way employees and employers approach harassment claims.
- The basic legal framework that provides protection from harassment in the workplace.
- The impact of #metoo on traditional methods of resolving employment claims - including arbitration agreements, monetary settlements and non-disclosure agreements.

[Register Here](#)

Students Night!

Gary Peacock Scholarship Recipients 2019



FEI-OC's scholarships were awarded during the Students' Night which coincides with the last Chapter's professional meeting of the program year on May 8, 2019. The event was another enjoyable night for our sponsors, members, students and their guests.

The first Chapter's scholarship was offered in 1984, named after **Verne West**, who was the Chapter's President in 1982. During the past 35 years the Chapter has granted over a quarter of a million dollars, not including the in-kind gifts provided by the FEI's Research Foundation.

The students were selected from the **California State University-Fullerton, Chapman University, Concordia University, Irvine Valley Community College** and the **University of California – Irvine**. The faculty/staff members of each school were also invited to celebrate their students' achievements.

In addition to the cash award ranging from \$500 to \$2,000, each student received a one-year electronic subscription to FERF publications, FEI Daily and a certificate of academic excellence from the President and CEO of Financial Executives International. The source funds is the Chapter's General Fund and the members' contributions through the auction conducted during the annual Christmas party.

Rebecca Covarrubias, then President of OC Chapter, **Chris Burns** and **Mo Sharifi** the Co-Chairs of Academic Relations Committee assisted **Nancy Peacock** (Gary Peacock's widow) in presenting the checks and certificates.

This year the Chapter added the **Concordia University** and **Irvine Valley College** to the list of other schools. These scholarships are extremely beneficial to the students who are pursuing their academic and professional goals with slightly less financial stress. The recipients of 2019 scholarships are: **Edward Niu, Ming-Heng Tsou, John McGregor**, California State University-Fullerton; **Molly Mackris, Molly Miller, Xi "Cecilia" Wang**, Chapman University; **Camden Leptich**, Concordia University; **Erica Chu** and **Sharon Wang**, Irvine Valley College; and **Scott Stadick, Miaoyan Zhou, William Miller**, the University of California -Irvine.

Students Night!



Gary Peacock Scholarship Recipients 2019

Below are the short bios submitted for by each candidate for their introduction at the Students Night:

Erica Chu



Erica is currently a freshman at Irvine Valley College. She is enrolled in the Guaranteed Accounting Program 4+1 (GAP4+1), which is an accelerated pathway program between Irvine Valley College and California State University, Fullerton where she will earn a bachelor's degree in four years and a master's degree in one additional year. She hopes to become an auditor. In her free time, Erica loves to spend time with her family, volunteering at a kindergarten class and teaching at her local church. She thanks FEI for the scholarship which has inspired her to work harder to achieve her professional goals.

Sharon Wang



Sharon is also a Freshman in the Guaranteed Accounting Program 4+1. In addition to her interest in accounting, Sharon wishes to pursue a career in computer science. Currently, she is a Budget and Finance Commissioner for the IVC Associated Student Government and an active member in the Accounting Society at both IVC and CSUF. Sharon states: "Receiving this scholarship is such an honor and is a great motivation for me to work even harder."

Camden Leptich



Camden is a sophomore at Concordia University of Irvine studying Business Administration with accounting and finance emphases. He is the recipient of the Presidential Honors Scholarship from Concordia, and recently became a member of the Sigma Beta Delta, a business honors society. He currently is the student director of Heritage Honey, a new business in development at Concordia by selling honey produced by bees from the Heritage Garden. Camden's goal is to become a CPA. In his spare time, he loves to read. The scholarship will help Camden in one of his goals, that is, graduating with as little debt as possible. He also hopes that this recognition, as well as the networking opportunities, will help open doors for him in the future.

Students Night!



Gary Peacock Scholarship Recipients 2019

Molly Mackris



Molly is a senior at Chapman University studying both Business Administration and Accounting. She has been involved with the University Ambassador Program, Accounting Society, Chapman Consulting Group, and Gamma Phi Beta Sorority. In her spare time, Molly serves as a tutor on campus, primarily for accounting and calculus classes. Her hobbies include photography, crafting, and puzzles. After her graduation, Molly will pursue her CPA license and will work for KPMG in Irvine, the firm that she interned with last summer. This scholarship will help Molly pay her CPA exam's fees.

Molly Miller



Molly is a senior at Chapman University, from Bellevue, Washington. She is double major in Accounting and Business Administration with an emphasis in Finance. She has been involved in the professional business fraternity Alpha Kappa Psi, and recently has competed in the CFA Institute Research Challenge in New York. She currently holds a Research Internship at Canterbury Consulting, and hopes to pursue a career in the investments. Molly is passionate about the outdoors and she thanks her parents for their support. She states: "Through the information I have learned about FEI, I have been able to understand how the values emphasized in this organization have been exemplified through my experience. I am very proud to be considered for this honor." Molly plans to use this scholarship for pursuing the CFA designation.

Edward Niu



Edward is a Business Honors student, double majoring in Finance and Mathematics and minoring in Computer Science at Cal State Fullerton. He has maintained an exceptional academic performance and has won the Business Honors Special Award for Academic Excellence. He is the Chair of the Tutoring Committee in Beta Alpha Psi and the Chair of the Investment Committee at the Finance Club. Edward has received multiple internship offers from the Big Four. He plans to take CFA level 1 exam. He must work two jobs in order to pay his educational expenses. The scholarship helps him with reducing his work burden thus concentrating more on his academics. Edward says: "Thank you very much to Financial Executive International to give me the opportunity to thrive!"

Students Night!



Gary Peacock Scholarship Recipients 2019

Scott Stadick



Scott is a junior in Accounting and Finance at UCI and has been on the Dean's List for all 8 academic quarters and the recipient of the Big West Conference Commissioner's Highest Honors.

He is the captain of both the UCI Men's Volleyball Team and Team USA Junior National Team. He is also a member of the Student Athlete Advisory.

Scott would love to work at a small non-profit or start-up organization. His hobbies are: sports, reading, chess, and trading penny stocks

Scott says "this scholarship is an amazing blessing for me. I am an out-of-state student who is pursuing both academic and athletic ambitions. This scholarship will help in a very real way to alleviate some of the financial burdens that accompany college and will allow me to continue to pursue my dreams."

Ming-Heng Tsou



Ming is working on his bachelor's degree in finance at CSUF with special interests in risk management. Prior to joining CSUF, he was with the US Navy for over 5 years as a Petty Officer Third Class and was the supervisor of aviation maintenance department on board of USS Abraham Lincoln. Ming has been on Dean's List at CSUF multiple times and the recipient of the US Navy Operation Enduring Freedom Commendation Award. He loves fitness and bodybuilding and taking care of pets.

The scholarship will help Ming to accomplish his academic and professional goals such as paying for his actuarial exam and taking an extra class.

Miaoyan (Zoey) Zhou



Zoey is a first-year Business Administration student at UCI with emphases in Finance and Management. she has interned at UCI Center of Investment and is the CashCourse Promotion Manager.

Zoey mentors and shares her college experience at UCI with three high school students in the LIFEvest Mentorship Program. In the future, Zoey would like to establish her own business.

Zoey is honored and thankful for the FEI-OC Chapter. This Scholarship inspires her to keep growing intellectually and professionally and getting involved with the UCI community in helping fellow students gain financial literacy skills.

Students Night!

Gary Peacock Scholarship Recipients 2019



John McGregor



John has graduated magna cum laude in accounting and finance and currently pursuing his MSA at Cal State Fullerton.

He tutors undergraduate students in cost accounting and is a member of the accounting society and finance association.

John plans on receiving his CPA license and hopes to work full-time at EY, where he will be interning this summer. His ultimate goal is to become a CFO after his tour of public accounting.

He enjoys playing basketball and golf, watching sport or cooking shows, going to the beach, and spending time with friends and family.

This scholarship will allow John to finish his degree one term sooner thus have more time to study for the CPA Exam prior to the start of his full-time work.

He looks forward to meeting and learning from the highly regarded members of FEI-OC, that are the true leaders of this industry.

William Miller



Will is a second year MBA Candidate and Faculty Fellow at UC Irvine focusing on finance and strategy. Prior to his MBA studies, Will served as an Assistant Vice President at Phoenix Capital, a Denver-based advisory firm for banking and private equity institutions. He received his undergraduate degree in finance from the University of Denver and has passed all three levels of the CFA program. Will and his fiancé Ellese will be moving up to the Bay Area after graduation to continue his career in finance within the technology industry.

Xi "Cecilia" Wang



Cecilia grew up in Mainland China and at eighteen was admitted to The University of Hong Kong. After graduating in real estate finance, she managed commercial properties for five years. In 2016 she met her husband Yan, who is a loving and responsible person. She moved to Orange County with him after getting married and decided to pursue her Master of Accounting at Chapman University. She is now a teaching assistant of Professor Ran Zhao at Chapman. Cecilia is a dog person, yoga lover and passionate about cooking and food.

Additional Students Night Photos



Welcome New Members!



Philip Madsen

Cameron Keith

Dave Dement

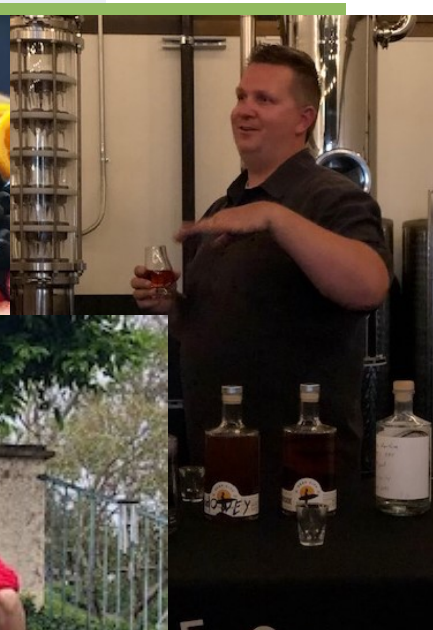
Ed Morrell

James Buckby

Affinity Program Contact Info

Affinity Program	Program Description	Next Meeting Date	Meeting Place	Leader Name	Preferred Contact Method	Contact Information
Cigars and Bullshit	Meets occasionally for social conversation, drinks, cigars and bullshit	TBD	Bistango	Steve Kasprisin	Email	Skasprisin@magnaflow.com Work: (949) 858-5900 Cell: (949) 459-3910
Golf	Meets for golf and social interaction at golf courses in Orange County, generally on a weekend day.	TBD	Varies	Jane Roth	Email	Jroth@seniorserv.org Work: (714) 229-3356 Cell: (909) 208-4964
Hiking	Meets for hiking and social interaction at hiking trails in and around Orange County	TBD	Varies	Scott Partridge	Mobile	S3kpartridge@cox.net Cell: (949) 439-8385
Investment (Retirees)	Meet to discuss investment ideas, market conditions, allocation approaches and alternatives for individual investors. The group is limited to members and guests that are retired or soon to retire only.	9/25/19	Strawberry Farms Golf Club	Bill Pavony	Email	bpavony@aol.com Work: (949) 497-8026 Cell: (949) 338-8615
Investment (Active)	Meet to discuss investment ideas, market conditions, allocation approaches and alternatives for individual investors.	10/29/19	TBD	Todd Amy	Email	tofeddeamy1@yahoo.com
March Madness	A virtual group that meets online each March to compete against each other in a fun competition in connection with the NCAA Men's Division I Bracket Basketball Tournament	March/ April 2020	Virtual	TBD	TBD	TBD
Whiskey Club	Meets to sample a variety of premier Scotch or Bourbon and learn their story and origins	9/19/2019	TBD	Fernando Castorena	Email	fcastorena@renovo1.com
Retirees	Meet for day trips to events and locations in and around LA and OC. The group is limited to members and guests that are retired or soon to retire only.	TBD	Varies	Jeff Badrtalei	Email	badrtalei@cox.net
Wine Tasting	Meet for wine and appetizers or dinner at select locations in and around Orange County. Each event headcount will be restricted in number, when necessary, on a first come first registered basis.	Meets every third month	Varies	Brian Ruttencutter	Email	brianbbr1@gmail.com

Affinity Group Photos!



Technology Text!

*Follow FEI OC on
Twitter!*

@OCChapterFEI

*Follow FEI Whiskey Club on
Instagram!*

@fei_whiskey_club

TAKE A HIKE!



You are all invited to the next hike which will be about 2 hours in length, on Saturday, September 14. The hike will start at 8:30AM at Canyon View Park in Aliso Viejo, and we will be in Aliso and Wood Canyons Park, walking on the Wood Canyon, Wood Creek and Coyote Run Trails, to name a few. Should be a mild hike. As we have done after most hikes, we will head to a nearby shopping area, Aliso Viejo Town Center, for coffee or a cold drink.

Date	Saturday, September 14 (shooting for the 2nd Sat of each month)
Time	8:30AM – 10:30AM
Location	Meet at Canyon View Park Canyon Vistas and Silkwood Aliso Viejo, CA 92656 (See below for directions to meeting point on Canyon Vistas)
Terrain	Uneven/some steep hills
Distance	Approx. 4 miles
Level	Intermediate. Adults only
RSVP	PLEASE RSVP by WEDNESDAY EVENING, SEPTEMBER 11 by contacting me at the RSVP information below, or by telling me in person at the September 11th dinner meeting.
Required	Please bring water, sunscreen, lip balm, sunglasses, hat, sturdy hiking shoes (hiking poles are optional)

Directions to Meeting Point (Canyon View Park, Aliso Viejo)

1. Take Pacific Park Drive to Canyon Vistas.
2. Take Canyon Vistas all the way until it ends at Silkwood. Park on Canyon Vistas or Silkwood wherever you can (lots of “NO PARKING” signs).
3. Meet where Canyon View Park’s road intersects with Canyon Vistas, a short distance from CV’s intersection with Silkwood.

RSVP— Scott Partridge - Cell: (949) 439-8385—email—s3kpartridge@cox.net

Retired Members—Calendar

Wednesday, September 25, 2019	
Event	Investment Management Group Meeting
Location	Strawberry Farms Golf Club
Wednesday, December 4, 2019	
Event	Investment Management Group Meeting
Location	Strawberry Farms Golf Club
Wednesday, January 22, 2020	
Event	Investment Management Group Meeting
Location	Strawberry Farms Golf Club
Wednesday, April 22, 2020	
Event	Investment Management Group Meeting
Location	Strawberry Farms Golf Club

Guide to Insurance Captives

What is a Captive Insurance Company?

A captive insurance company is generally a corporation that is formed in a legal jurisdiction (U.S. states or foreign countries) and subject to various industry regulations (federal, state, international governance) and income tax authorities for both the insurance company and the insured.

Insurance captives are a type of risk-financing tool. The term “captive” refers to the fact that the insurance company is owned and controlled by its insureds, in the form of a governing Board of Directors. The captive functions much the same as a regular insurance company, evaluating risks, writing policies, managing claims, and setting premium levels. The big difference is that it primarily insures the risks of its owners, and not outside parties.

The risks being insured are mostly risks available through traditional commercial insurance companies. However, some risks insurable under a captive arrangement may generally be unavailable through the commercial insurance marketplace or otherwise fill “gaps” in a commercial insurance policy. These risks can include general liability, E & O liability, employee benefits, workers compensation, product liability, cyber risk, environmental, property and more.

How Do They Work?

Most captive insurance companies are arranged through captive management companies that assist the insured business in identifying the benefits, costs and burdens of forming the captive insurance company. This captive manager is critical in navigating the captive and the insured through the highly complex and burdensome regulatory environment, while staying current in a rapidly changing environment (for both industry and taxation policies). The premium pricing and actuarial analysis are critical functions handled by the manager.

The captive entity is a standalone legal entity. Our client captives are generally formed utilizing Internal Revenue Code § 831(b), which can provide substantial income tax benefits for the captive, while still giving rise to deductible insurance premiums for the insured business.

What are the Benefits of Insurance Captives?

Benefits of utilizing captives include potential cost savings, both short and long term, improving cash flow, centralization of investment policies, reducing risk management losses, enhanced control over policy design and claims management and removing commercial insured profit loading.

Who Can Use Insurance Captives?

For many small- and medium-sized businesses, captive insurance companies are a viable and productive tool. However, the complexities and costs involved certainly make it a “not for everyone” consideration. Generally, insurance captives are a good choice for companies that excel at risk management, are ready to make a long-term commitment, are financially sound, and have a reasonably predictable insurance risk. If your organization struggles with poor risk management, isn’t strong financially, or is too small to accept the risk of loss, then an insurance captive is probably not right for you.

What about the Internal Revenue Service?

The United States Treasury embraced the use of captives in 1986 by creating Internal Revenue Code § 831 and the § 831(b) election previously mentioned. The genesis of the §831 tax incentives came about in a difficult U.S. economy, where-by small and medium sized businesses found it difficult to find affordable insurance. The § 831(b) election was deemed to be an incentive to bring small and medium sized businesses into the captive arena.

§ 831(b) allows certain small insurance companies (non-life policies) to exclude certain net insurance business income from federal taxation. This exclusion is based on net premium income (gross receipts) of \$2.2 million or less as of January 1, 2017 (\$1.2 million prior to that). This has the effect of federal taxes applying to only taxable investment income.

The § 831(b) provisions (and other insurance provisions) require that small captives enter shared risk pools (other insured risks are pooled with the insured that creates the captive) and is a critical area under IRS scrutiny. This is relatively easy to navigate with a quality manager (but “other businesses risks are commingled with your business risks.”). Even with the captive endorsement of Congress with the 2016 § 831(b) revenue expansion to \$2.2 million, the IRS views all captives with a less than positive lens. In 2016 the IRS issued a notice requiring all parties involved in certain captive insurance programs (micro-captive transactions) to file an annual form with IRS disclosing various details associated with the captive arrangements and the various parties involved in the captive arrangements. The IRS used the term “Transaction of Interest” for this type of captive insurance transaction. In and of itself, this required filing put these transactions in a highly visible and uncomfortable situation.

An IRS examination that identifies the existence of a captive insurance transaction will generally result in a referral to centralized IRS exam group. It should be expected that an IRS exam that identifies a captive insurance transaction will intensify the examination process and create an initial disallowance of all premiums paid under the captive arrangement. The IRS is generally not interested in auditing the core elements of the captive insurance arrangement nor the criteria established and set forth by the IRS as to “What makes a captive acceptable to the IRS?”. Rather, it is an arbitrary and capricious attack on bona fide and lawful transactions. It is... a bit of vigilante bullying.

The IRS is emboldened by general disdain for its statutory tax benefits and recent cases that have resulted in government victories in light of very problematic taxpayer facts and circumstances. The insurance industry stands to fight a good and righteous fight. The expectation is that substantial taxpayer victories will force the IRS to accept proper and legal captive insurance companies and their arrangements.

White Nelson Diehl Evans LLP

This article has been provided by White Nelson Diehl Evans LLP. If you have questions regarding insurance captives or other accounting and tax related matters, you may reach us at (714) 978-1300 or contact us via email at

info@wndecpa.com

6 Benefits of Volunteerism for Your Finance Team — and Your Business

There's nothing like a good team-building exercise to increase trust and enhance collaboration in the workplace. Managers typically plan games, special meals or recreational sports to help build camaraderie among employees in their organization. But as fun as these activities are, many finance leaders seek more meaningful ways to engage and develop their staff — and create more positive benefits for the business as well.

One reason for this trend is the growing emphasis on corporate social responsibility programs, such as charitable giving or volunteer community service. For many businesses, philanthropy and volunteerism are now integral parts of their [organizational culture](#) as well as cornerstones of environmental, social and governance (ESG) initiatives. In a recent Robert Half Management Resources survey, 80% of finance leaders said that corporate social responsibility programs are important for their firms.

When well-organized and supported with appropriate resources, corporate social responsibility programs like volunteer community service can create significant benefits for companies and their employees. Here are six examples:

1. Bonding with colleagues

Planting trees alongside the company's chief financial officer (CFO) or picking up roadside litter with the payroll director is a great way to break down silos and bring management and employees closer. Collaborating on a worthy cause is often a better way of really getting to know one another than making a minute or two of polite small talk during an all-company picnic or holiday party.

2. Skills acquisition

Untangling a human knot or breaking out of an escape room is a good way to [refine soft skills](#) in problem solving, communication and leadership. But wouldn't it be much more rewarding for employees to boost those skills while laboring together on real-life issues and helping people in need? Your team can expand their abilities while building affordable homes in your local community, for example. Volunteerism also enhances your employees' sense of empathy and customer service — and adds positivity to your company's reputation in your community.

3. A sense of achievement

Jobs in accounting and finance are rewarding. So, too, are nonprofit projects. They also have a tangible and satisfying end goal, be it to collect a certain number of toys for children in need at the holidays or remove invasive plants from a nearby park.

A shared accomplishment outside of day-to-day duties can really help to boost team morale. In the Robert Half Management Resources survey mentioned earlier in this post, 71% of CFOs said increased employee morale was a key benefit of corporate social responsibility programs, like volunteer community service.

See an infographic of the survey results [here](#).

4. Health benefits

Volunteerism can have a positive impact on a person's health and well-being. By volunteering, you and your employees can increase your activity levels if you opt for physical service projects like cleaning, building or planting. What's more, when you help others, your brain releases endorphins that create a host of positive feelings, and these natural substances help you de-stress.

5. Recruitment and retention

An organization that embraces corporate social responsibility sends the message that it values compassion, citizenship, integrity and environmentalism — which is the type of company that many professionals today seek to be a part of. [Corporate culture can be a make-or-break factor](#) when people choose where to work — and whether they stick around for the long term.

6. Enhanced reputation

Many consumers consider a company's philanthropic activities when deciding where to spend their money, as they feel better about supporting businesses that reflect their values and give back to the community. By publicizing your corporate social responsibility or ESG initiatives, you're letting your current and future customers know just what your brand stands for.

Tips for setting up a volunteer program

A commitment to volunteerism at your company needs to be supported by appropriate focus and investment to be successful. Don't simply chase trends or leave the effort to interns. Before signing your finance team up for the next fun run or beach cleanup you hear about, take the following suggestions into account:

- **Find suitable causes.** Work on service projects that align with your company's mission and core values. A great partnership, for example, would be between a supermarket chain and an organization that works to reduce food waste. For companies in just about any industry, volunteering at food banks or collecting school supplies for disadvantaged children are rarely the wrong choice.
- **Give time and money.** A great way to double your impact is for the business to donate both labor and dollars to the causes you choose to support, such as through a corporate sponsorship of a philanthropic event. You could also give employees the option of contributing money in lieu of, or in addition to, their service.
- **Offer flexibility.** The biggest barrier to volunteerism success is finding enough time to devote to giving back. If you want your employees to have the chance to get involved, offer a choice of opportunities whenever possible. Also, make sure your team members know how much you would like to see them participate.
- **Make it a group effort.** Volunteering is a worthwhile activity on its own. But to reap the most value from it, you'll want to get your entire team involved. Holding service projects during workdays is one way to maximize participation. Also, consider giving your employees paid time off to do volunteer work. A recent [Robert Half survey](#) found that nearly half (49%) of U.S. businesses embrace this practice.
- **Think local.** There are needs all over the world, to be sure. But to help drive employee involvement in your company's volunteer program, consider aiming for projects that your team members can easily participate in, in person, and which make a difference in the local community.

While corporate social responsibility initiatives require time, effort and other resources to be successful, they are a worthwhile investment. They can generate many positives for your business — including a more-connected finance team that works better together. So, if important soft skills can be honed through helping others rather than paying for off-site corporate getaways, the question CFOs should be asking themselves is not “Why should our team volunteer?” but “Why on earth wouldn't we?”

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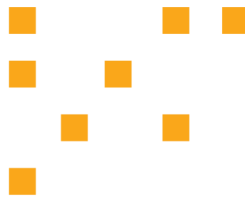
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