Ransomware: A Growing Problem For The Business Community

By now, most people have heard of computer viruses, malware, Trojans, and bloatware. But recently, a new threat to your computer system has been gaining momentum in the last several years. It's called ransomware. Ransomware is a type of malware that prevents or limits users from accessing their system and forces users to pay a ransom before regaining access and normal function.

Ransomware can: (1) restrict access to your files, operating system, or management tools; (2) remove your ability to browse the Internet beyond locations that let you to pay the ransom; and (3) allow only those programs required to pay the ransom be executable.

Ransomware will usually infect your computer through a downloaded file, malicious website, opened e-mail attachment, or hyperlink, or by being downloaded by other malware. Once your system is infected, the ransomware will display a message demanding payment. The message will often appear as though from a legitimate company or law enforcement. As ransomware becomes more advanced, it is able to use your Internet protocol (IP) address to determine your geographical location and display a message that is tailored to your language and location. The ransom amount will vary, but the general range is $24 to over $600. Here are links to two examples of the images you may encounter.

CryptoLocker & FBI-Virus

As you can imagine, malware like this would be damaging to any user, but it is especially detrimental to businesses. In most home environments, when one computer is infected, it won't likely spread to other computers, servers, or storage systems. However, this is not true in business environments where there are complex networks connecting the various desktops, laptops, servers, and other devices. A single infected computer can easily bring an entire corporation to

Continued On Page 28
Making Maryland Magnificent

Whitney Bailey Cox & Magnani, LLC (WBCM), has over thirty-eight years of experience delivering professional engineering services to public and private clients. Founded in 1977, WBCM has grown from four partners to over 200 employees and produces annual billings in excess of $25 million, earning a place on the Engineering News-Record’s list of Top 500 Design Firms.

WBCM provides marine, industrial, structural, civil, transportation, and environmental engineering as well as architecture and construction services. With offices in Baltimore, Maryland, Pittsburgh, Harrisburg, and Philadelphia, Pennsylvania, and Fairfax, Virginia, WBCM serves clients across the Mid-Atlantic region and is well positioned to provide services throughout the United States.

www.wbcm.com  800.673.9312
Architect’s Corner

ST. MARY’S ANTIOCHIAN GREEK ORTHODOX CHURCH

The new 7,000 sf sanctuary addition onto an existing parish and social hall is designed in the Byzantine style and is defined by strict religious and geometric constraints. Each element of the structure is related to Orthodox Christianity, from the length and width of the ‘cross-like’ layout, to the number of windows in the dome and the number of sides of each bell tower. Colors were selected to represent and reflect the sun and sky, and the interior finishes were chosen to emphasize the path to the altar.
Gross Mendelsohn and the Maryland Construction Network are teaming up to bring construction contractors new, competitive data, insights and benchmarks on the Maryland construction industry.

We’re inviting all Maryland contractors to participate in the 2016 Maryland Construction Industry Survey: Current Conditions, Future Trends and Today’s Best Practices, and we’ll be offering the following incentives for all contractors who participate:

1. You’ll get exclusive data on your competition.

For many construction contractors, information on peers and competitors is hard to come by. This lack of data can make it difficult to get a comprehensive look at current conditions, best practices and future trends in the industry, making it all the more difficult to figure out how your company measures up to other Maryland contractors.

All survey participants will receive exclusive access to the results of the survey in a detailed report, providing data and insights on topics such as:

- Best practices for recruiting and retaining key staff
- Strategies and tactics competitors use for new business
- How baby boomers are selling and leaving their business
- Tax minimization strategies that work
- Top choices for accounting and project management software

2. You could win a $500 Home Depot gift card.

We know construction materials can be costly. Everyone who takes the survey will automatically be entered for a chance to win a $500 Home Depot gift card. It’s simply our way of saying thank you for completing the survey.

3. You’ll receive an exclusive invitation to the revealing of the results.

The results of the survey will first be released at a Maryland Construction Network seminar, presented by Steve Ball of Gross Mendelsohn. Mark your calendar now for May 4, 2016. As a survey participant, you’ll receive an exclusive invitation.

4. It only takes five minutes.

Time is money, and we know you’ve got a lot on your plate. Thankfully, the survey only takes five minutes to complete, and with the promise of competitive data, a chance to win a $500 Home Depot gift card and an exclusive invitation to the reveal event, we can guarantee that they will be five minutes well spent.

Take the survey

You only have until March 22, 2016 to participate in the survey. To take the 2016 Maryland Construction Industry Survey, click here or visit http://bit.ly/MD2016ConstructionSurvey.

Join MCN On April 14th To Get Your Head Out Of The Cloud: The Do’s & Don’ts Of Modern Business In The Cloud

This is an informative (non-technical) presentation addressing cloud computing. The presentation will address the model of cloud computing, the types of cloud computing, and the business benefits and risks associated with cloud computing. Industry case studies will be presented and business benefits discussed.

Presented By: Business Information Group
TAKE THE 2016 MARYLAND CONSTRUCTION INDUSTRY SURVEY

All survey participants get:

competitive industry data and insights on best practices,

entered to win a $500 Home Depot gift card and

an exclusive invitation to the unveiling of the results on May 4.

Start the survey—click here or visit:
10 Lessons Learned From Successful Business Owners

Over the nearly 30 years I have had the pleasure and privilege of meeting and working with groups of business owners, there are some lessons learned from them that come up over and over:

1. **Identify your own highest and best use** to your company. Focus on that and build an organization around you whose highest and best uses are to do the other things that need to be done. If you were only spending 10-20% of your time on your highest and best use how much better would your business be doing if you increased the time to 30% or 40%? By the way, the most frequently mentioned highest and best use is wandering the market and figuring out what is coming next.

2. **Hire Slow and Fire Fast.** Are you stuck with bad or underperforming people? How much does a bad hire really cost you? Look at the good people you have-were they worth the wait?

3. **Hire for attitude and train for skill.** You want people with the right attitude, including the desire to learn to do things and how you do them.

4. **Develop an exit strategy** by building a company that increases in value as it grows-so valuable that you are indifferent to whether it sells or you pass it along.

5. **Do for yourself what you do for your clients—take your own advice and use your own products.** How do you answer your prospects inquiries about your experience with your own services or products?

6. **Build a clear vision** of where you want to go with your business and get everyone who works with and for you on board. Having a destination substantially raises the odds that you will reach it. And, it is perfectly reasonable to update your vision as your business and personal circumstances change. Remember the critical parts of a vision as outlined by Nick Hobar, CEO of Learning Front:
   - **Leadership** - Leaders commit the organization to a vision and communicate and support efforts to achieve it.
   - **Timeline** - The vision has a clear finish line—a date.
   - **Process** - People make needed changes and continuously improve them
   - **Outcome** - The desired result is so clear that stakeholders or customers can tell when they’ve done it
   - **Criteria** - A standard is defined and its achievement points to the creation of a new vision.

Also, build a clear vision for your life outside of your company and Reconcile that vision with your business vision.

7. **Establish a successful culture and sustain it.** as the company grows. This can be done. It takes work but if you like the culture of your company and want to keep it working, the work is worth it. And remember that “Culture trumps strategy every time” www.imperialdistribution.com.

8. **Have people working to their strengths.** In his landmark book *Good to Great*, Jim Collins made the case for putting all your people on the right seats “on the bus.” Great organizations hire the right people into the right jobs doing the right things. Match the strengths of your people with their jobs.

9. **Maintain some balance in your life.** Even if you love your business and are consumed by it, you have to have the rest of your life-family, fun, relaxation. If you commit to it, it will be there.

10. **Stop every so often and congratulate you for keeping it going.** Your success can ripple through many lives-your family, your employees and their families and your customers.

Paul A. Riecks
Principal
INSIGHT
Voice: 410-323-7429
paulriecks@gaininsight.pro
www.gaininsight.net
Meet & Greet

Tyson Investigative Services, Inc. is a provider of insurance investigative and security services as well as an internal risk mitigation consulting services. TIS, Inc. assists employers, risk managers and the law firms.

TIS, Inc. specializes in solving complex business problems, increasing profits and reducing risk for employers, claims adjusters, third party administrators, and self-insurers through compensation fraud investigations. Our investigators are highly skilled and able to conduct on site investigations and interviews. We will respond to any accident site immediately so that any evidence or witnesses can be located and secured. TIS, has a proven record of reducing payout, locating witnesses and identifying any subrogation possibilities due to our immediate response to the site.

Our investigators are seasoned in litigation support techniques, and are trained to provide credible, expert testimony when required. Our investigators adhere to strict internal guidelines and they are conscious not to violate local, state or federal laws. Our current investigative staff is all former law enforcement officers, military veterans and minorities. Tyson Investigative Services activity requires military veterans, law enforcement veterans and insurance professionals.

Tyson Investigative Services, Inc. has created an excellent partnership and network with professionals in the private investigative field, products/services, security and technology industries that can get positive results within states in the Mid-Atlantic Region and throughout the United States. We rely on our Partners to extend the value of their services by integrating complementary products and service solutions that are outside of our business focus. We believe in structuring long-lasting partnerships that deliver true value to our clients and friends.

Tyson Investigative Service’s is a certified minority owned and operated company.

Services we provide:
- Fraud awareness training
- Detailed statements
- AOE/COE Investigations
- Fraud management/file reviews
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- Internal Investigations
- Setting up and maintaining a comprehensive vendor management program
- Undercover Investigations
- Writing Detailed Fraud Plans for State requirements
- Executive/Dignitary protection
- 24X365 hour response

Tyson Investigative Services, Inc.
P.O. Box 344
Perry Hall, MD 21128
Phone #: 410-882-2641 Fax#: 410-882-4301
www.tysoninvestigativeservices.com
A critical component of a successful safety program is a comprehensive incident investigation program.

It doesn't matter whether a claim actually occurs or if it is a “near miss”, taking the time to do an investigation is critical on many levels. Companies that only investigate accidents that cause injury or property damage are missing opportunities to gather information that can make a safer workplace.

**Have a written accident investigation program in-place**

As part of your overall safety program, have a written policy that outlines your accident investigation program. This should include a form (or forms) that your company uses for investigations. The process and documentation for investigations should be accessible to all employees and included in all corporate safety training and employee orientation.

An effective program has a reporting form that includes the who, what, where, and why of an incident. Documenting, including statements and photographs, must be second-nature to your team.

**Investigate all incidents, including near misses**

Some companies only do formal investigations on accidents that cause injury or property damage. This is used for claim reporting to their insurance carrier and for protection in the event of future litigation. The focus is to prevent or mitigate the cost of the claim. The secondary part of this is to prevent future accidents of a similar nature.

Companies that investigate all incidents, including near misses, end up with much better data and can more effectively manage the true exposures their operations are facing. Sometimes loss prevention involves luck. Something happens that could have had bad results, but nobody gets hurt and nothing is damaged. Treat these incidents the same as an accident and use the information to train your employees.

Treat every incident the same. Investigate, document, and use that information to improve your safety program and training.

**Use results of investigations to improve your safety and training program**

Documenting an incident is great but don't stop there. You need to take that information and use it to improve your safety program and educate your employees. The near misses might reveal an exposure that could result in a fatality the next time. You need to use all of the information gathered to improve your company's safety profile.

With so much technology available today, we can take a picture or a video at an accident scene, record the GPS co-ordinates, access a paperless reporting form, and carrier or message a supervisor, insurance broker, or insurance carrier. Not taking advantage of everything available limits what information you end up with. It also gives you some great training material to use.

Make your accident investigation program a cornerstone of your safety program and use every incident as a training tool.

**Richard Shaw is a Senior Client Executive with RCM&D with over 25 years of experience working with clients to help them manage their risk. You can contact Richard at rshaw@rcmd.com.**

Because of your smile, you make life more beautiful.

~ Thich Nhat Hanh
4 Things You Should Know About Long-Term Care Insurance

Long-term care is often an area that people prefer not to think about. The thought that you might need assistance when you get older is an emotional idea to consider. But what if you aren’t protected and you do need assistance? It could be financially draining to you and your family. With at least 70% of people over 65 needing long-term care services and support at some point in their lifetime\(^1\), it’s time to take a closer look.

You decide what kind of care you’d like to receive

Most think that long-term care is associated with only nursing homes – not true. Long-term care insurance can be used with assisted-living facilities, home health care and adult day care.

You can share your benefits with your spouse

Many long-term care policies offer an optional benefit known as “shared care”, which allows couples to share their benefit. Here’s how it works: If you have a spouse that has used all of his or her benefits, your spouse can start using your benefit. This provides added protection and peace of mind, knowing that there is coverage available if you should need care longer than expected.

Risks of waiting

Premiums are based on age and benefits; the older you get the more expensive it becomes. Not only does waiting cost you more money, your risk of needing long-term care grows. With the national median cost for assisted living at $42,000 per year\(^2\), how will pay for your care?

Not all polices are created equal

While most think of traditional long-term care polices, there are also asset-based products that can be used with life insurance. Both types of policies are flexible and premiums depend on many things including your age, the level of benefits and the length of time you are willing to wait until benefits begin.

Having a financial plan in place is the best way to protect your future if you should need long-term care. Sit down and have a discussion with your loved ones, so they know that you are not only thinking about yourself, but of them. I’m happy to help you review your options and develop a long-term plan that provides you comfort.

2. Genworth 2014 Cost of Care Survey, conducted by CareScout(R). 4/2014 CareScout is a Genworth company.

Erin M. Ansalvish
Director of Financial Services
The Prosperity Consulting Group, LLC
410-363-7211

Mark Your Calendar & Make Your Plans To Attend A Special Direct Connect on April 13th.
MCN Is Joined By ASA of Baltimore At Union Jack’s In Columbia
The approach to storm water differs quite drastically to how, as Landscape Architects, we were tackling design projects 15 - 20 years ago. When I first started in this industry most often, when it came to storm water, we implemented drain inlets tying into the storm drain or daylighting to somewhere of hopefully inconsequential impact... even further back, when I was a student earning my degree in landscape architecture, the term storm water management was not even addressed. Now, we have quite a paradigm shift in understanding impacts of storm water.

**HERE’S WHY IT MATTERS:**

Our Chesapeake Bay watershed! A vast expanse extending up to New York, Pennsylvania, parts of West Virginia, Virginia, Delaware, and Maryland. The physiography of the bay is tantamount to this issue we are having with water quality and pollution of the Bay. The Bay averages a depth of **ONLY** 21 ft. and a width 195 miles long. It stretches 4-30 miles wide with a total of 64,000 Square Miles of surface area.

... the long and short of it is.... Our bay is shallow and skinny. This equates to our bay not having much water, BUT having to filter all the water from an enormous watershed. The more we can do with keeping water on-site, or not disrupting natural drainage patterns, the better it is for the health of the Chesapeake Bay. Keep in perspective, in a natural sequence about 50% of storm water will infiltrate into the ground and recharge the ground water, 40% as evapotranspiration, and 10% will be run-off, which will travel to the nearest body of water. In a human developed sequence with impervious surfaces, only 15% will infiltrate into the ground, 55% becomes run-off which makes it’s way to the Bay picking up pollutants, fertilizers, pesticides, oil, sediment,etc along the way.

Currently, there are regulations in play that require us to have Storm Water Management plans, Erosion Sediment Control plans, and implement SWM tactics like rain gardens, we should be approaching projects with this mind frame, **NOT because we have to, BUT, because we know why we need to!** Take for example this graphic from, savethewater.org, every year I show this to my students, and they are astounded by the small amount of usable/available water to us...

www.intreeguedesigns.com  |  thoughtful design  •  environmental consideration  •  intreeeguing outcomes
How To Prevent Fire Sprinkler Freeze-Ups

The first thing anyone with a fire sprinkler system should understand is that a little maintenance goes a long way toward keeping them functioning throughout the winter. The second thing they should understand is that they are responsible for the maintenance.

Entire systems have been damaged and replaced because the system's owner didn't spend five minutes maintaining a low point drain. When it comes to winter freeze-ups, the majority of cases ironically involve dry pipe systems designed for cold applications.

Dry pipe systems mechanically withhold water from the sprinkler system with pressurized air. The air supplied by a compressor contains a certain amount of moisture. Eventually the temperature inside the system drops, and the water condenses. The pipe on dry systems is required to pitch back toward the drain so the condensation does not accumulate in cold areas.

When pitching the pipe back to the system drain is not possible, a low point drain is installed in pipe sections holding trapped water. These sections accumulate enough water to freeze. When water freezes, it expands up to 10% in volume, which causes the pipes to snap. Such a break results in an air leak that trips the valve, allowing the system to fill with water. This results in costly damage and even more costly interruptions to business operations.

To avoid delays, following a small regimen of maintenance checks during peak freeze-up periods is as simple as it is valuable:

- Provide additional pipe insulation in unheated areas in which the system is located. Insulation helps block the flow of cold air from finding its way into pipe chases and soffits that focus the flow onto sprinkler piping and accelerate freezing.
- Install water flow alarms to alert users that water is flowing in the system and temperature signaling devices to warn users of potential freezing conditions.
- Drain all water and condensation from auxiliary drains and low points as often as necessary.
- Check pressures daily during cold weather, especially at night when temperatures are lowest.
- Install a desiccant dryer in the air line to help absorb moisture before the air enters the system. You can also transfer air from a chilled environment where relative humidity is naturally low.

Though Reliance Fire Protection Inc. encourages owners to perform regular system maintenance, the services detailed here are also available through Reliance. Please contact me if you would like further details.

Mark Kessler
Inspections Department Manager
Mark.Kessler@RelianceFireProtection.com
(443) 989-3000

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Mark Kessler
Inspections Department Manager
Mark.Kessler@RelianceFireProtection.com
(443) 989-3000

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WBCM
TRANSPORTATION INDUSTRIAL FACILITIES MARINE
Baltimore Philadelphia Harrisburg Pittsburgh www.wbcm.com 410.512.4500
What Makes Great Leaders?

Are great leaders born with leadership capabilities or is leadership learned? Great leaders are learners. They are always learning, studying to be better at what they do. So, yes people can learn to be great leaders.

Mary Ann Kmetyk, of Applied Performance Strategies, introduced me to the book The Leadership Challenge by John Kouzes and Barry Posner, first published in 1987. The book was the result of four years of case studies of what makes great leaders. This book should be in your library. The authors discovered that there are five practices of exemplary leadership:

**Model The Way** - A great leader does what he says. It is easy to tell people how to behave and what to do. True leaders set high standards and values and go beyond just talking about them. They lead by example.

**Inspire A Shared Vision** - They understand why the organization exists and set the vision for where it is going; inspiring others to follow their lead as they work to achieve the shared vision.

**Challenge The Process** - Great leaders recognize that staying status quo equals going backwards. They challenge the status quo and look for ways to experiment and innovate. They know the importance of taking risks and aren't afraid of the failures along the way. They learn from their failures. Without the risks, the breakthroughs and successes won't be there either.

**Enable Others To Act** - They delegate responsibilities. They hire smart people. They encourage them to innovate, take risks, make mistakes, and encourage growth and develop new skills. Great leaders build interactive cohesive teams and allow others to participate in planning and decision making.

**Encourage The Heart** - Great leaders celebrate and appreciate the accomplishments of others. They support

Understanding Bid Bonds

First of all, let’s start with “What is a bid bond?” It is best described as a debt secured by a bidder for a construction job that is bid based, for the purpose of providing a guarantee to the owner or general contractor that the bidder will accept the job if they are the chosen contractor.

Contractors often ask me about bid bonds, and the conversation usually starts with “How much do they cost?” The answer is that most reputable Sureties and bond agents provide bid bonds at no cost to the contractor. We get paid when the contractor is awarded the job and the performance and payment bonds are issued.

Sometimes the “capped” bond programs, which are programs with a set maximum bond amount, charge a fee for the first bid bond, but it is an annual fee. These are bond programs that require minimal underwriting information, i.e., no financial statements, no reference checks, and in most cases not even a look at the contract. These are smaller bonds, usually $1,000,000 and under, and are underwritten based on the credit of the contractor and a couple years of tax returns.

These “capped” bond programs are highly effective but are generally more expensive than a “traditional” bonding approach, but then you aren’t paying for CPA reviewed financial statements, which are expensive. The capacity is limited, but for a contractor that only needs a couple small bonds a year, this is as easy to procure bonding as it gets.

The usual requested bid bond percentage, at least in the Baltimore – Washington marketplace, is either 5% or 10%. The amount needed will be mandated in the invitation to bid. I have seen a higher percentage requirement, and even a set dollar amount on rare occasion, but 5% - 10% is typical around here.

Another popular question I get from clients is “What
Ward-Boland offers commercial gas monitoring solutions from Honeywell Analytics.

E³Point
Toxic/c Combustible gas monitor that makes a commercial operation run more intelligently to protect people, property, and the bottom line.

Features
- Standalone, standalone with remote (dual gas mode), or network versions available
- Saves energy through Demand Control Ventilation
- Advanced sensing technology detects CO, NO₂, O₂, H₂, H₂S, CH₄, C₂H₆, C₃H₃.

To learn more about E³Point and other innovative solutions, contact Ward-Boland Associates today.

Ward-Boland proudly represents

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(844) 897-7801
What The PATH Act Means For You

The Protecting Americans from Tax Hikes Act ("The Act") was signed into law by the President on December 18, 2015. The Act includes a number of significant tax changes. Some of the more important changes effective after December 31, 2014, (unless indicated) are as follows:

- **R&D Credit** – The Act retroactively and permanently extends the research credit and may be used as an offset against Alternative Minimum Tax (AMT) in certain situations. No changes were made to the calculation method of the R&D credit.

- **R&D Credit** – Offset against AMT. The Act provides that the R&D credit can be claimed against an AMT offset for an eligible small business (ESB), which is defined as a business with $50 million or less of gross receipts effective January 1, 2016.

- **R&D Credit** – Offset against payroll taxes. Effective after December 31, 2015, the Act provides that a qualified small business (QSB), which is defined as having gross receipts of less than $5 million in current year and not having gross receipts for more than $5 million in the prior year, is eligible to offset their R&D credit against their payroll taxes. The maximum payroll tax offset is $250,000.

- **Section 179** – The $500,000 expensing limitation and $2 million phase-out amounts are retroactively extended and made permanent; after 2015, the limits are indexed for inflation.

- **Section 179** – The rule that allows expensing for off-the-shelf computer software is retroactively extended and made permanent.


- **Qualified Leasehold Improvements** – The Act retroactively extends and makes permanent the inclusion of qualified leasehold improvement property, qualified restaurant property and qualified retail improvement property in the 15-year Modified Accelerated Cost Recovery System (MACRS) class.

- **Built-In-Gains Tax** – The Act retroactively and permanently provides that for determining the net recognized built-in gain, the recognition period is a 5-year period.

- **Work Opportunity Credit** – The Act retroactively extends the work opportunity credit so that it applies to eligible veterans and non-veterans who begin work for an employer before January 1, 2019. With respect to individuals who begin work for an employer after December 21, 2015, the credit applies to employers who hire certain qualified unemployed individuals. The credit with respect to such long-term unemployed individuals is 40% of the first $6,000 of wages.

- **Empowerment Zone Tax Incentives** – The Act extends for two years, through December 31, 2016, the period for which the designation of an empowerment zone is in effect.

- **New Market Credit** – The Act retroactively extends the new markets tax credits through 2019. It provides up to $3.5M in qualified equity investments for each calendar year from 2015 through 2019. The carryover period for unused new markets credits is extended through 2024.

- **Exclusion of Gain from Certain Small Business Stock** – The Act retroactively and permanently extends the 100% exclusion and the exception from minimum tax preference treatment.

- **Tax-free IRA Transfers to Charities** – The Act retroactively and permanently extends the ability of individuals at least 70½ years of age to exclude from gross income qualified charitable distributions from IRAs of up to $100,000 per year.

- **Mortgage Insurance Premiums** – The Act retroactively extends this provision for two years so that a taxpayer can deduct, as qualified residence interest, mortgage insurance premiums paid or accrued before January 1,
2017.

- Qualified Tuition Deduction – The Act retroactively extends through 2016 the above-the-line deduction for qualified tuition and related expenses for higher education.

- American Opportunity Tax Credit (AOTC) – The Act makes the AOTC permanent.

- Child Tax Credit (CTC) – The Act makes the enhanced CTC permanent by setting the threshold dollar amount for purposes of computing the refundable credit at an unindexed $3,000.

- Look-through Rules for Payments between Related to Controlled Foreign Corporations (CFC) under the Foreign Personal Holding Company Income — The Act retroactively extends the look-through treatment for related CFC’s for five years making it applicable to qualifying CFC’s for tax years beginning on or before January 1, 2020, and to the tax year of US shareholders with or within the tax years of the qualifying CFC end. This rule provision generally permits the tax treatment of the receipt of dividends, interest, rents, and royalties income items as non- foreign personal holding income (FPHCI) sources and does not require immediate income inclusion for US tax reporting purposes provided that such income items under the look through provisions are determined to be attributable or properly allocable to non-subpart F income, or such income items are determined to be not effectively connected with the conduct of a US trade or business of the payer.

Tonny Tani is a senior manager in Aronson’s Tax Services Group. He has been with the firm since 1995 and specializes in tax compliance and consulting services for government contractors and small business clients.

If saving money is wrong, I don’t want to be right!

~ William Shatner

CONSOLIDATED INSURANCE CENTER, INC.

WE PUT EVERYTHING WE HAVE INTO PROTECTING EVERYTHING YOU HAVE

11403 Cronridge Drive, Suite 270
Owings Mills, MD 21117

410-356-9500

www.cicinc.com
dworkmeister@ cicinc.com
11403 Cronridge Drive, Suite 270 Owings Mills, MD
Industry Partner

Our mission is to preserve and revitalize houses and communities.

The Frederick County affiliate of Rebuilding Together has been in existence since 1994 (we were then known as Christmas in April). From 1995 to 2015 Rebuilding Together has rehabilitated over 275 homes in Frederick County.

Collectively, Rebuilding Together has completed work on more than 100,000 homes across the nation. With the help of 3.4 million volunteers, Rebuilding Together has delivered over $1.3 billion in market value since its founding. And our work has just begun!

Who we help.
Rebuilding Together focuses on home modifications and community-centric programs which serve a variety of populations: low-income homeowners, elderly-at-risk, veterans and military families, people living with disabilities and disaster victims.

Homeownership is a cornerstone of the American Dream and a fundamental asset to the health and continued growth of communities across the country. Nearly a third of America’s 41 million low and moderate-income people spend more than half of their income on housing, sacrificing other basic necessities.

The work is hard, but rewarding.
Each affiliate sets its own goals. Some provide emergency year-round services in addition to the major rehabilitation projects they undertake on National Rebuilding Day, usually the last Saturday in April. Each can rehabilitate anywhere from 3 to 300 houses and nonprofit facilities with the aid of both unskilled volunteers and skilled trades people.

Houses and homeowners are selected with care.
Homeowners must be low-income and elderly, disabled, veterans or families with children, who are unable to do the work themselves.

The site selection process takes place locally. Individual families are referred through neighborhood associations, churches, synagogues, community organizations, service groups or by self-referral.

Homeowners participate in many ways.
Typically, labor and many supplies are donated. While homeowners do not pay for services, family members are asked to welcome the volunteers and work alongside them if possible. Our work is done with the families, not for them.

Become a Sponsor
Money comes from generous individuals, corporations, civic and religious organizations, labor organizations and foundations. As a nonprofit nonsectarian organization supported by voluntary contributions of time and money, every dollar we are given is at least quadrupled and is an investment in building a better America.

Volunteer
Each year 100,000 volunteers in towns and cities all over America tackle the sagging roofs, leaky pipes, shaky railings, peeling paint and rotting steps that plague low-income homeowners who don’t have the means to fix these problems.

With 10,000 projects completed each year, our volunteers make a direct and lasting impact on their community.

How Are Projects Completed?
We are able to complete projects using materials, supplies and equipment donated by our corporate sponsors and local businesses. Volunteers work to assure that homeowners in-need have the opportunity to live in a safe and healthy home.


We need your help! Volunteer or make a financial donation today!

Rebuilding Together Frederick County Maryland
P.O. Box 1822, Frederick, MD 21702 • (240) 415-8728 • rebuildingfrederick@gmail.com
Did you take advantage of cashing in on 2,390,019 opportunities in 2015?

If you're an advertiser on Maryland Construction Network's website; “congratulations” – you did! If you're not an advertiser; have you missed the proverbial boat? Do your competitors advertise with MCN?

MCN’s website had just shy of 2.4 million “real” hits in 2015.* These hits are legitimate sources and do not include the “automated” visits from “worms” and “bots” that crawl their way through the internet.

What do (or can) those website stats mean (or do) for you? MCN’s well-trafficked website provides a tremendous opportunity for you and your firm to have clients and potential clients learn about your company.

After all, experts acknowledge that a well-rounded marketing strategy is paramount in creating relationships, obtaining new business, and finding that next job. Brand recognition, and exemplary performance, keeps us in business - paying our bills, putting food on our tables, etc.

Maryland Construction Network advertising is extremely affordable; often less expensive than membership alone in most area construction industry associations. Why not drive traffic to your firm’s website; garnering attention and ultimately growing your business?

So, what’s the cost? An advertisement can be placed for as little as $300 a year! (You read that correctly.) If each visitor to MCN’s website sees your ad (it’s on each page of our website) your $300 advertisement costs you about $0.000125 per hit. As MCN grows, so does the traffic to our website. The value of your advertising investment grows and grows!

Now is the time to seriously consider taking a closer

Continued On Page 23
Year End Accounting For Contractors: Put Yourself In Prime Position For 2016

They say year end is a good time for tax planning — and they’re right. But it also is an excellent opportunity to perform a number of accounting-related tasks that can put your construction company in prime position to have a successful and profitable 2016. Here are a few examples.

Embrace on your budget

To hit the ground running next year, lay the foundation for your budget now with an eye toward putting the final numbers in place at the very end of the year. Your financial statements can be of great assistance.

First, look at your income statement to analyze your sales, margins, operating expenses, and profits or losses year to date. A particularly important number to focus on from an overall budgetary standpoint is your gross profit margin. If your margin is declining, you may need to adjust or increase your contract revenues or try to lower your contract costs.

Next, conduct a cash flow projection. Construction companies can all too easily be undone by a lack of available dollars at critical times, so your budget needs to account for cash flow now at year end, as well as setting expectations for the coming year. To integrate a cash flow projection into your budget, take your current and anticipated projects and estimate your expected revenue by month.

Last, look at your balance sheet. Think of it as a screen shot of your construction company’s financial condition on a given date — in this case, year end. Use your balance sheet to, among other things, calculate your debt-to-asset ratio. It can tell you how many of your assets (heavy equipment, office technology) are owned by your lender(s) and how this could impede next year’s budget.

Reinforce banking and surety relations

Aside from governmental bodies, the two outside entities that have the biggest impact on a construction company’s success are its bank and its surety. So with the year winding down, now is a good time to reinforce your banking and bonding relationships.

Let’s start with your bank. Re-examine any bank covenants in place and look for potential compliance issues. If your year end financial data indicates you might be at risk for violating any covenants, determine why and whether you’ll be able to get back into compliance without incurring a severe penalty. You may need to set up a meeting with your lender rep to discuss this or next year’s covenants. In addition, consider whether you might need to take out additional business loans next year.

Then there’s your surety. The end of the year is the perfect time to maintain and solidify this relationship by reaching out to review and discuss your 2015 financial performance. Specific topics to consider include your:

- Working capital position,
- Debt-to-asset ratio, and
- Tangible net worth.

Overall, you want to establish consensus on where your bonding capacity stands now, at year end, and whether your surety sees that capacity as expanding or diminishing in 2016.

Close the books

When any type of company reaches the end of an accounting cycle, it needs to “close the books” and begin ones for the new cycle. This certainly holds true for contractors who, among other things, need to make adjusting entries to record any amounts accrued for the period that aren’t yet listed and remove any deferred items.

At this point, you should also have combed through your expenses and cost of sales to get them in line with the true expenditures that actually occurred. In
Contact us today to see how we can work together on building your business. We can help provide your company reach its maximum profit potential by providing the expert guidance, support and resources many contractors lack. Services we provide include: Accounting and Auditing, Tax Planning and Preparation, Business Advisory Services, Surety and Bonding Assistance and Cost Segregation Services.

Building Relationships | Delivering Success®

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addition, your sales revenue should contain the proper billings for the year.

Beyond that, precisely how you close your books will largely depend on your accounting software. Construction-specific packages are generally preferable but may be difficult to operate because they contain so many processes set up to cover industry-related details. Non-construction-specific software may be easier to operate but overlook key details for contractors.

Gear up

It’s understandable to want to wind down a bit during the last few months of 2015. But this is a perfect time to gear up to make 2016 even better. Your financial advisor can help you complete the steps covered above and many more.

Important questions to ask about your taxes

Perhaps you’ve wondered when year end really begins. The close of October financials is a good time to kick off this critical period. When you have these in hand, send a copy of them to your tax advisor. In addition, generate revenue and net income projections for the remainder of the year, and then set up a tax planning meeting. Three important questions you might ask at this meeting are:

1. How can I best time my income and deductions? It's generally better, when feasible, to defer the recognition of income and, therefore, tax liability. But this isn't always the case.

2. What’s my depreciation situation? Contractors should always look into the Section 179 deduction, which allows businesses to deduct some equipment and software purchases instead of depreciating them. Just bear in mind that, absent congressional action before year end, the Sec. 179 deduction won't be as valuable this year as it has previously been. Check with your tax advisor for the latest information.

3. Will I be able to claim any tax credits? If you own a small construction business, ask your advisor about the retirement plan credit and small-business health care credit, among others. Owners’ construction companies of any size should monitor whether and when a variety of expired tax credits will be revived by Congress. Again, your tax advisor can provide the latest information.

Rivka Bier
Senior Manager
Hertzbach & Company, P.A
410.363.3200

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Hacked Today: Gone Tomorrow – Cyber Security Considerations Every Business Should Take

Although the Construction Industry is not top of mind when thinking about the industries that fall victim to most cyber-attacks it is still a critical threat to any business that is connected to the internet. Based on the way a construction company and its associated partners access and share data; Cyber Security should be a component of risk mitigation for every company.

The construction industry is sharing information across multiple platforms and companies throughout the entire project; compounding the risk for all parties. IPD (Integrated Project Delivery), BIM/Revit Models, Estimating Packages, Collaboration Tools and ERP Products are examples of technologies and applications that share information and data that propose risk.

Actions You Must Consider

There are some specific actions that companies should consider to help reduce risk. The list could go on and on, however, these actions need to be taken into consideration for many reasons: It will help identify what needs to be done at a base level, is a scalable approach to moving up the security ladder, and will help to eliminate costly high level security spends that firms find themselves considering.

1. Limit Access: Only give users access to what they absolutely need. This will help reduce exposure when an account is comprised. It is also one of the easiest and least costly measures to implement.

2. Password Policy: This is simple yet very important for no other reason than you want to protect accounts and access to systems. Lack of password policy leaves companies and users vulnerable to guessing and cracking passwords.

3. Maintenance, Cleanup & Audit: Regularly scheduled maintenance with active user accounts in order to identify unused and/or dormant accounts, Patch Management and keeping Antivirus and Malware up to date helps to decrease risk.

4. Email Protection: This one is critical because email is a major vehicle for communication in the industry which makes it a primary conduit for an event to occur. A commercial grade device or service inspecting all email for SPAM and viruses in addition to virus scanning on the client devices themselves. Doubling your protection here is well advised.

5. Web Filtering: It is entirely too easy for a user to be redirected to a compromised site; especially those users whose job entails research of any kind. Web filters are purchased as a software or a device.

6. Professional Network Design & Use of Commercial Grade Devices: Failure to do so increases vulnerabilities and exposures. Many Information Technology Consulting Firms’ staff high level engineers to help create these designs and make hardware recommendations.

7. Educate Staff & Employees: Employees don’t know what they don’t know. Educating employees creates an awareness that helps to limit costly errors.

8. Backup: This cannot be stressed enough. A solid backup and replication strategy is your primary safeguard when a compromising event destroys or corrupts data.

Don’t ask IF, ask WHEN you will be hacked:

The PwC, 17th Annual Global CEO Survey stated that 69% of US executives are worried that cyber threats will impact growth. This is one of the few times that it is recommended to be part of the statistic. Be proactive, don’t wait until you’ve had an attack that will surely cost your organization time and money. Meet with your internal IT staff and engage an external IT consultant. Discuss the existing measures that are being taken to address Cyber Security, create a base line of existing conditions. Then, build out the strategic road map to move your organization up the security scale.

Jennifer Dangro
Business Information Group
717.873.8098
MCN is proud to offer an exclusive “one-stop-shop” event showcasing construction opportunities in Frederick County. Learn first-hand, from those “in the know”, what’s in the pipeline and what’s on the horizon for the construction and real estate communities.

Government officials, municipal planners, and private developers have the inside information construction professionals need to accurately recognize and secure upcoming opportunities. At this not to be missed event, MCN has assembled a “star-studded” group to discuss current construction and market trends in the Greater Frederick region. Attendees will learn about economic development, throughout Frederick County, as “hot spots” of growth are identified.

Our Event Host:

Our Sponsors:

197 People Attended MCN’s Frederick Direct Connect in 2015!

Don’t Miss This Chance To Experience Maryland’s Premier Construction Networking Event!
Construction Change Directive: A Contract Term To Properly Negotiate

One of the most difficult pieces of advice I ever have to give is to advise a client to walk away from a contract. I don't want to say it, and they don't want to hear it, but that doesn't make it bad advice. Contracts containing terms related to “construction change directives” have prompted me to give such advice, especially if my client is working with the owner or prime contractor for the first time.

Rather than bore you with the legalese, I'll tell you a story: My client, Small Electrical Company, Inc. (“SEC”), bids and wins a job with Prime Contractor, Inc. (“Prime”). SEC’s scope is to purchase and install lighting systems throughout a large government-owned building, so SEC found lights that complied with the specifications and ordered them.

Then, the Owner demanded a specific type of lighting, which it had never mentioned before, which costs substantially more than the lighting SEC has already ordered. The Owner refuses to approve a change order for the difference in cost, so Prime therefore refuses to approve SEC’s change order. The lights needed to be installed promptly, or the schedule would be delayed. Prime issues a construction change directive (not a change order) to SEC, and demanded that SEC order the lighting and pay the difference in cost itself, or face liquidated damages for schedule delays. What happens next? Does SEC get paid for the difference in cost? Often times, it depends upon the language in the contract.

Construction change directives are unavoidable in some jobs because they can be passed down to subcontractors, even if the contract does not address them. The issue is, if there is a dispute as to whether the subcontractor (SEC) should be paid additional funds for the change directive, how do we resolve that dispute? Does the contract address it? Some contracts are silent, which results in a lengthy dispute between the owner and contractors. Some contracts give the Owner unfettered ability to direct a change, or it may state that the contractor is unequivocally not required to deviate from the original scope without a written and signed change order, in which case the contractor and subcontractors get paid.

If you’re still reading, I owe it to you to tell you that SEC is getting paid because we properly negotiated the contract before the job began. The moral is that change orders and change directives are a major cause of disputes in the construction industry. If your contract is silent on these issues, have an attorney draft language to which the parties can agree. Always make sure that you have a clear understanding of your obligations under the contract. Otherwise, you may be paying for others’ enjoyment of some very expensive lighting.

Kate Lawrence is a construction lawyer and owner of Lawrence Law, LLC. Kate represents clients during contract review and negotiations, as well as construction litigation.

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Look at the value and ROI of MCN membership and website advertising. Use the power of the Maryland Construction Network to keep your company name in the forefront and on the lips of people in the construction industry.

MCN makes it easy for your firm to shine in Maryland's construction community. Let's put the spotlight on your company today!

* - As reported by AWStats statistical reports 1/1/15 through 12/31/15.

Contact Verna Regler at 443.982.7329 or email her at verna@mdconstructionnet.net to find out how MCN can help make your New Year great.
Establishing a profile with no content, or infrequent content, or irrelevant content can drive people to other sites or to competitor sites to find what they are looking for. "If your social-media plan is to just wing it, your fans and potential customers are going to know," says Amy Porterfield, social media strategist and co-author of Facebook Marketing All-In-One for Dummies (Wiley, 2013). Worse, it could turn them off of your brand and on to your competitors.

When is the last time you bought something without searching the Internet first or without asking a friend? While often professional services firms go through an RFP process to gain new projects, clients who receive the proposals are looking online. Before you receive the RFP or before an interview, the client team is searching for your firm, key staff, and recent projects. Having complete social profiles that show your firm's personality, your expertise, and your experience engages clients so they learn more about who you are, your process, and if they can connect with you.

Like all marketing efforts, the social media tactics should be strategic. The activity on various platforms should support the overall goals of the firm's business and marketing plan.

- What are you trying to achieve?
  - Increase brand awareness, demonstrate thought leadership, build relationships with audiences, curate content, influence ideas, build a presence beyond current market or geography, position company as expert in an industry, drive traffic to company website, or promote upcoming events
- Who is your target audience?
  - Design students, trade publication editors, current employees, recruitment candidates, potential clients (can break down even further – facility managers, contractors, designers, etc.), industry peers
- What does your audience want to know and what
messages do you want to send?

- Aligning your social media campaigns with your marketing plan should provide content that is meaningful to your audience. An easy way to prepare your social media content plan is to define three to five ‘buckets’ of content. These buckets are categories of content that are meaningful to your audience and relevant to your brand. Having categories helps focus your efforts, and organically build an audience that is interested in what you have to say. Your audience will come to you because of your consistent, effective messaging.

- Once you have your buckets, work with your team to develop an editorial calendar of content you will create and publish on your own and when you will spend time engaging on the platform live – retweeting, commenting, connecting. A collaborative calendar that can be used by the entire social media team is best to make sure you stay on track with regular, frequent updates.

- Which platform is most appropriate for reaching that audience?

- Evaluate each platform and your available resources to determine where your target audience is participating and what capability you have to actively engage on that platform. You can use Buzzsumo to see where your competitor’s content is popular, and where content like yours is popular.

- What is the strategy and the plan?

- Platforms and Resources – It is fine to commit to only one platform or to four platforms or more. The social media plan it is all based on your firm’s goals, resources, and other marketing tactics. Know what you can manage effectively and don’t overextend your resources.

- Strategy and Plan – The social media strategy complements your overall marketing strategy.

- Website Content / Blog – One of your goals will be to drive traffic to your website where someone can learn more about your people, portfolio, and process. It is important that your website content be up-to-date and fresh so visitors learn more whenever they visit. The content can be news updates, a blog, videos, or new project pictures – ideally a combination of all of these things.

- How are you going to measure the success of your efforts?

- Monitor increased website traffic with Google Analytics, use a social media tool like Hootsuite, Infusionsoft, or HubSpot to monitor impact, increase in followers or other online engagement – your measure of success should be based on the goals you were trying to achieve.

Remember to make your social media meaningful to you and your audience by refining the content to manageable buckets, creating an editorial calendar and updating regularly. Find your audience and build your following by engaging actively and consistently with each platform you choose to work with. Including social media as an integrated element of your marketing plan will boost your brand awareness, strengthen your marketing message, and build recognition within your target markets.

Carrie Ann Williams, CPSM is the founder of Andana Consulting, a boutique marketing agency for architects, engineers, contractors and environmental professional services firms. We work with each client to help them get noticed in the marketplace. Learn more at www.andanaconsulting.com.

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and defend those working for them. When necessary, they publically take responsibility for their employees’ mistakes and coach those who made them to learn from those mistakes.

Are you a great leader?

Allan Hirsh is an Executive Coach at Allan Hirsh Advisors and the host of AHA Business Radio on CBS Sports Radio 1300AM Tuesdays at 6-7 pm. Visit ahabusinessradio.com to podcast the shows.
Incentives, developers, designers, contractors, and others involved in building or renovating residential or commercial buildings may benefit from new “tax extender” legislation. The law, Consolidated Appropriations Act, 2016, prolongs the existing sustainability incentives in real estate development, and diminishes some of the uncertainty that has surrounded these rules in past years.

**Section 45L: home credit**

This amendment provides investors and developers of residential buildings with credits of up to $2,000 per qualifying unit. The credit applies to apartments, condominiums, mixed-use developments, production homes, and senior, student, and affordable housing. The buildings must be three stories or less above grade, and should be constructed and leased over the last three years.

The credit originally expired on December 31, 2014, but under the amended Section 45L of the new law, the provisions extend the credit until December 31, 2016, applicable to homes acquired after December 31, 2014.

**Section 179D: commercial building deduction**

The Section 179D building deduction allows the owner of a commercial building to receive a tax deduction for a building that is constructed or renovated in an energy-efficient manner. Although government entities do not pay federal taxes, they can assign tax benefits to tax-paying commercial businesses involved in designing these buildings, such as architects, engineers, contractors, and energy service providers. As with the Section 45L credit, the Section 179D deduction expired on December 31, 2014.

The amended Section 179D provisions extend the deduction until December 31, 2016, applicable to property placed in service after December 31, 2014. For properties placed into service after December 31, 2015, the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) baseline standard used to determine qualification, will be updated from the current ASHRAE 90.1 2001 standard to ASHRAE 90.1 2007.

How we can help?

While these incentives are extended, they are set to expire down the road just as they have always been in the past, so we urge you to take advantage of them while they are available. Naturally, you have to complete some paperwork to qualify. Our experienced tax professionals can help you determine the potential tax benefits for your project.

**Paul Hydukovich**  
Manager, Professional Engineer (P.E.)  
CliftonLarsonAllen LLP  
paul.hydukovich@CLAconnect.com  
or 612-397-3079

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**Advanced Notice**

**Direct Connect Networking Extravaganza & Industry Survey Presentation**

**Hillendale Country Club**  
**May 4, 2016**

Industry Survey Presentation | 3:45 – 5:00 p.m.  
Direct Connect Networking | 5:00 – 7:30 p.m.
impact do bid bonds have on my capacity?” The answer is that the bond company presumes you won the job and deducts the full bid amount from the available capacity until they are notified that you are not the apparent low bidder. Also, if you decide not to bid the project and have been issued a bid bond, simply tell your agent that you decided not to bid, and there will be no reduction in your available capacity.

To recap, the main questions I get about bid bonds are the cost, the percentage requirement, and how they affect capacity. There are a lot of other fine points relative to bid bonds and bonding in general. If you would like to discuss them with me, or would like my help with any issue relative to bonding, feel free to contact me at fredh@advantagegroupinsurance.com.

Fred Hildebrand
Advantage Group Insurance & Bonds
205 E. Main St.
P.O. Box 2100
Westminster, MD 21158
Continued From Page 1
its knees. The malware will seek out shared drives, data stored in other locations, and even e-mail systems. As more and more businesses rely on digital communication and information, a small company may have years of data and hundreds of thousands of stored files and e-mails.

If your computer were infected, your first reaction would probably be to pay the ransom instead of going through the hassle of manually removing the virus. But it’s important to note that there is no guarantee that the cyber-criminals will restore your computer to its previous state after you pay. Often the files are not restored, or a certain number of files are restored and then it asks for additional payment.

Although it is sometimes possible to remove ransomware, it is usually best to wipe the infected computers clean and reinstall the operating system and necessary software.

If you suspect your computer has been attacked, the first thing you should do is disconnect the infected computer from the network. Check if any other computers are infected and disconnect them from the network as well. It is also important to confirm that none of your shared files have been affected as ransomware regularly targets shared drives.

Here are some hints to prevent ransomware:

• Never open an attachment or click on links in e-mail, even if it is from someone you know.
• Use a browser extension that detects malicious websites.
• Confirm your operating system and loaded software have the latest updates and patches.
• Use security software and a firewall.
• Have a tested backup and disaster recovery plan in place.

Allen Gudesblat
Chief Solutions Officer
NetLogic Solutions, LLC
Office: 443-522-9615 / 1-800-36-ITHELP
www.ourithelp.com

Coming Soon

March 10, 2016th – Direct Connect & Program
“Future Frederick”
Dutch’s Daughter
Frederick, MD
3:00 p.m. Presentation ~ 5:00 p.m. Networking

April 13th, 2016 – Direct Connect & Program
“Building Value At Open Enrollment”
Union Jack’s - Columbia, MD
3:00 p.m. Presentation ~ 5:00 p.m. Networking

April 14th, 2016 – Learn To Know – Learn To Grow
Business Enhancement Breakfast Seminar
“Get Your Head Out Of The Cloud: The Do’s & Don’ts Of Modern Business In The Cloud”
Offices of PK Law - Towson, MD
9:00 a.m. - 10:45 a.m.

May 4th, 2016 – Direct Connect & Program
“Construction Industry Survey Results”
Hillendale Country Club - Phoenix, MD
Details Coming Soon!

July, 2016 – Direct Connect & Program
Anne Arundel County
Details Coming Soon!

September 29th, 2016 – Direct Connect & “Where’s The Work” Economic Forecast
Montgomery County
Details Coming Soon!

November 17th, 2016 – Direct Connect & “Where’s The Work” Economic Forecast
Player’s Fun Zone - Carroll County
Details Coming Soon!