



Premiere Partnering Solutions

Companies often find they need a change. Change in the way business is managed; change in how revenue is earned; change in how other service lines are supported or enhanced. This change may even alter the strategic vision of the enterprise. How does a company respond to change? Can they develop the necessary infrastructure? Can they develop process, procedures and controls? Can they convey a level of experience that separates them from the competition? In partnering with C.E. Anderson & Company they can.

Companies rely on Anderson for the custom, expert relocation services they need to increase the productivity and cost-effectiveness of their relocation management team. Anderson creates efficient, partner specific services that reduce direct and hidden costs common in administrating employee relocations, while eliminating personal and organizational concerns. Anderson's exclusive services compliment the efforts of our clients and service partners – backing them with proven processes and the experienced staff required for superior service and immediate responsiveness.

Anderson adds real value and measurable benefits for any relocation management team, client, or service partner. Use of Anderson's services:

- Ensures compliance with applicable tax and record keeping requirements
- Ensures concise reimbursement policy communication and policy compliance
- Increases employee productivity by allowing transferees to focus on their job by removing concerns pertaining to selling their departure home
- Reduces employers' paperwork and internal direct and indirect costs
- Reduces employer fees through effective cost management
- Provides service excellence as a transferee resource and advocate

In-house relocation clients often contract directly with Anderson for Expense Management services and specific Home Sale services. Relocation service providers such as Marketing Assistance companies, Real Estate firms, Van Line Companies, and other suppliers come to Anderson to compliment their service offerings, either as an identified strategic partner or as a provider of backroom services.

Regardless whether you're in the need of Home Sale services, Expense Management services, or International Expense Management services; whether you want backroom expertise or front line service; whether you want a fully outsourced solution or a menu driven approach, **Anderson can design a custom solution for you.**

Home Sale Services:

Relocation of key employees has always been an important facet in the deployment of corporate resources. Smart companies understand it is non-productive to saddle the employee with the task of managing the disposition of their former residence during a very stressful and trying time. Merely reimbursing the employee for the out-of-pocket costs associated with selling their home does nothing to ease this burden. In many instances, such action increases an already considerable expense even more by the additional cost of tax-protection on these compensable reimbursements. Through the use of a properly structured two-step sales process, Anderson can eliminate the taxability of home sale costs to the relocated employees and at the same time professionally manage the process.

Among the benefits:

Anderson's Home Sale services save the employer several thousand dollars compared to a Direct Reimbursement program with gross-up protection. This vital service permits the employee to proceed immediately to the new job and focus on their new responsibilities without the worries of closing their former home.

Anderson's objective administration ensures the best interests of both the employee and employer are met. Reimbursable expenses requiring gross-up are reduced or eliminated and disposition costs are properly tracked for concise and timely management reporting.

Anderson's Home Sale services are even valuable to transferees ineligible for traditional BVO or GPO programs. Transferees who must bear the financial responsibility of selling their own home can still be given access to Anderson who will professionally manage the transaction allowing the transferee to concentrate on finding a new home and addressing their new job responsibilities without devoting the time, stress and anxiety to their home sale.

The Process:

Anderson will acquire the home of a relocating employee at the request of the employer in a manner consistent with the employer's relocation policy. Anderson will then sell the home to the ultimate outside purchaser in an arms-length transaction.

Anderson incurs no closing costs in the sale with the employee. Customary closing costs are subsequently incurred by Anderson in the sale with the outside purchaser and therefore unrelated to the employee's sale. The employer reimburses Anderson, not the employee, for all associated selling costs and does not treat the costs as taxable income to the employee, thereby eliminating payment of thousands of dollars of potential gross-up expense.

Managing the Closing Process

In managing the closing process, Anderson:

- Prepares and coordinates the flow of appropriate documents
- Obtains required title commitment or title opinion on behalf of the transferee
- Verifies closing costs to be paid by the seller
- Prepares Equity Closing Statement
- Verifies and collects any funds
- Distributes funds to the transferee, in accordance with the terms of the sale
- Ensures that all documents are properly signed
- Arranges for the recording of documents when necessary
- Audits all funds and documentation
- Submits detailed reports to the client upon final reconciliation

Generally clients use one of the following two Home Sale programs:

Guaranteed Purchase Option (GPO)

When an employer contacts the relocation marketing company and advises that a transferring employee is eligible for home purchase based on a Guaranteed Offer, the following process begins:

- The relocation marketing company interviews the transferee and provides pertinent information to Anderson. Anderson then contacts the transferee and explains Anderson's role.
- Anderson orders a title search and obtains mortgage information and homeowner disclosure statement and arranges for required or recommended property inspections.
- Meanwhile, the marketing company orders an appraisal and researches real-estate brokers. The marketing company then works with the transferee to select a broker and formulate a marketing strategy.
- The transferee lists the home with the broker, with a waiver in the listing contract.
- The offer amount is calculated, based on the appraisals, and communicated to Anderson and the transferee.
- If there are no problems with the title or inspection, Anderson makes an offer to the transferee based on the valuation from the appraisal company.
- Meanwhile, the marketing company works with the broker to find an outside purchaser.
- If no outside offer is received, the transferee accepts the Anderson offer.
- Anderson then lists the property at the price and conditions directed by the marketing company.
- Anderson sends the transferee a check for the value of the transferee's equity in the property.
- Anderson pays carrying costs on behalf of the employer until the eventual sale of the home to an outside buyer.
- The relocation marketing company monitors the contract and the broker's performance. When the broker produces an outside buyer, the marketing company negotiates for the best offer, which is submitted to Anderson for acceptance.
- Anderson coordinates the closing and receives the proceeds and issues appropriate reports, including Form 1099S, to the transferee and the employer.

Buyer Value Option (BVO)

Many companies use a market-driven BVO program to create savings for the employer even when the employer does not provide a Guaranteed Purchase Option as part of the relocation package. Called the Buyer-Value Option or BVO, the process is similar to home-purchase except that the home's value is determined by the marketplace rather than by an appraisal process:

- The relocation marketing company interviews the transferee and provides pertinent information to Anderson, who then contacts the transferee and explains Anderson's role.
- Anderson orders a title search and obtains mortgage information and homeowner disclosure statement and arranges for required or recommended property inspections.
- The transferee lists the house with a broker, with the appropriate listing waiver.
- Contract terms are negotiated with the outside buyer; however the transferee is not listed as the seller and does not sign the contract.
- The contract is delivered to Anderson. Anderson sends the transferee an offer at the same price, terms and conditions as the amount on the contract from the outside buyer.
- The transferee executes the Anderson offer and other transfer documents.
- Anderson activates the listing waiver and re-lists the property with itself as seller.
- Anderson signs the contract with the outside buyer and coordinates the closing.
- Anderson is listed as the official seller on the HUD Statement and resale proceeds are sent to Anderson.
- Anderson forwards any equity to the transferee and issues an IRS Form 1099S when applicable.

Benefits to the Transferee

- Provides expert, objective guidance and support throughout the complexity of closing
- Eliminates the need to secure a local attorney, in most cases
- Eliminates the need for the employee to attend the closing -- all activities are arranged by phone or mail
- Eliminates the need to submit closing cost reimbursement request to company
- Provides for full proceeds of sales to be received more quickly
- Reduces time and aggravation during a stressful period
- Provides tax protected benefits
- Provides assurance that transferee's best interests are achieved

Benefits to the Corporate Client

- Ensures objective administrative management to meet the best interests of the employee and company
- Increased productivity with fewer employee distractions and work absences
- Maximizes cost savings by eliminating return trips back to attend closings
- Lowers or eliminates tax gross-up expenses
- Streamlines company expense reimbursement and reporting processes
- Includes built in audit service ensuring proper expense detail of company payments
- Speeds implementation with an immediate return on value
- Provides a expert resource for information on relocation-related issues

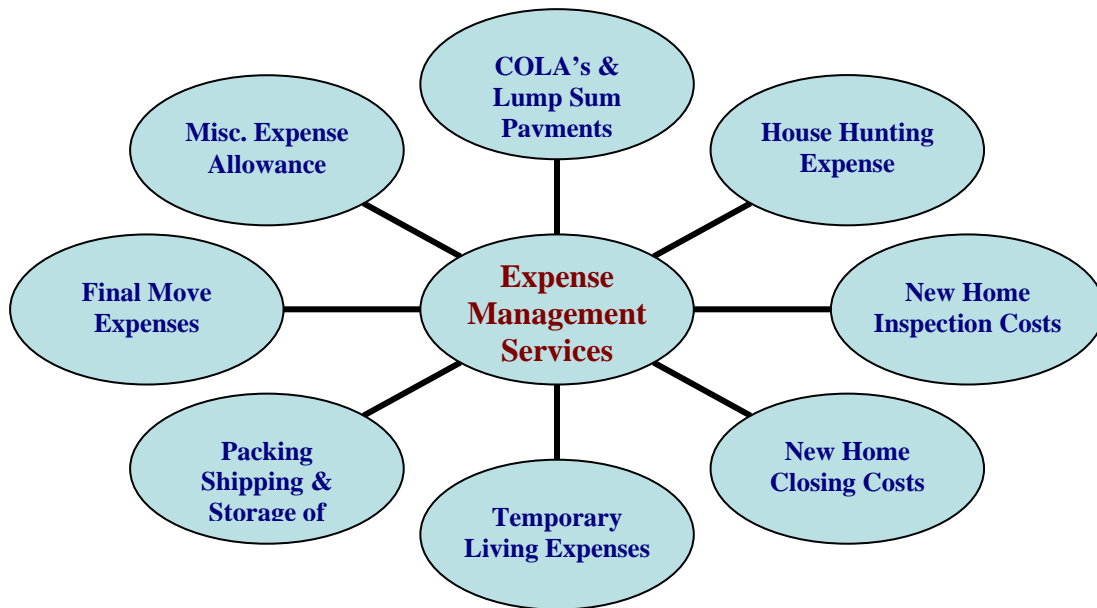
Expense Management Services:

As organizations search for fresh ways to cut costs and increase profitability, many overlook a common area that accounts for a very large corporate expenditure: employee spending. From unbiased approval, timely payment, and proper taxability tracking of submitted expense reports and vendor invoices, Anderson helps companies to significantly control costs, and ensures compliance with corporate policies and tax reporting requirements. The real-time results are maximum efficiency of administration, control, and bottom-line savings.

Anderson's Expense Management Services create proactive business management by transforming expense management data into valuable information that:

- Monitors policy utilization
- Tracks exceptions
- Aids in budgeting

Regardless of the source, expenses are received by Anderson via employee expense reimbursements, vendor invoices, or through Company directive. Centralized management of the process helps ensure expense data is properly captured, appropriately tracked, and reported to payroll and management.



Service Options:

C.E. Anderson & Company realizes that not all companies need to avail themselves of all our capabilities. Anderson will design a customized solution for each client, or clients can choose the level of assistance best suited to their needs by opting for one of the following levels of tiered service:

Tier 1 – Full Program

- Counseling to employees about reimbursement policies
- Reviewing submitted expenses for policy compliance
- Ensuring policy limits are not exceeded
- Resolving any expense report discrepancies or errors
- Disbursing available funds via check or electronic transfer
- Tracking of the taxability of each expense
- Tracking and reporting on policy exceptions
- Preparing monthly management summary reports
- Preparing quarterly payroll reports reflecting gross wages, federal, state, and FICA taxes
- Reconciliation of payment history with payroll records
- Calculating year-end gross-ups and preparing Relocation Tax Reports

Tier 2 – Non-Audit Full Program

- Disbursement of available funds via check or electronic transfer
- Tracking of the taxability of each expense
- Preparation of monthly management summary reports
- Preparing quarterly payroll reports reflecting gross wages, federal, state, and FICA taxes
- Reconciliation of payment history with payroll records
- Calculating year-end gross-ups and preparing Relocation Tax Reports

Tier 3 – Lump Sum Programs or Tracking Gross-up Only

- One time payment of Lump Sum to employee
- Capturing of post-payment employee reimbursements and vendor payments
- Tracking of the taxability of each expense
- Preparing quarterly payroll reports reflecting gross wages, federal, state, and FICA taxes
- Calculating year-end gross-ups and preparing Relocation Tax Reports

Benefits Summary

Regardless of the service tier selected, Anderson clients receive experienced, professional service in the administration of their relocation payment program and superior attention to their transferring employees.

Benefits for the Corporation

- Centralized administration of relocation spending
- Increased employee satisfaction
- Objective, enforced compliance with corporate relocation policies
- Accurate categorizing ensures IRS tax compliance – minimizes risk of penalties
- Minimizes corporate Accounts Payable administrative tasks
- Accurate out-of-policy exception tracking with alerts to employees and managers
- Reliable auditing and tracking capabilities for regulatory compliance – e.g. Sarbanes Oxley
- Convenient access to accurate, detailed management reports
- Bottom-line savings created by proper gross-up calculations, penalty avoidance and minimized administrative costs

Benefits for the Transferred Employee & Vendors

- Fair and consistent audit of reimbursement requests
- Fast payment turn for employees and vendors 24 – 48 hours
- Expedited processing of exceptions to policy
- Access to knowledgeable Counselors for payment and process questions
- Accurate year-end tax summary – Relocation Tax Report
- Frequent availability to answer questions for tax preparers