

December 2009

IN THIS ISSUE

P2 Equal Opportunity, Economic Conditions, Company Changes

P3 Payroll Information, Physical Inventory, Team GP Update

P4 Birthdays, Anniversaries

Kansas City Electrical Supply

A quarterly newsletter for the employees of **Kansas City Electrical Supply**

Kansas Tax Audit

During our recent sales tax audit by the state of Kansas, we have been advised that the state of Kansas does not recognize a Missouri Project Exemption certificate. If a customer is doing a job in Missouri and they have a Missouri Project Exemption, **the material must be picked up or delivered to a location in Missouri.** If the material is picked up or delivered to a location in Kansas, even though the job site is in Missouri, the material is subject to the appropriate Kansas tax. The auditors are also watching very closely the project exemption expiration dates. If material is purchased after the expiration date, it is subject to tax. We will be changing our procedures to make sure these items are being monitored closely. Missouri does recognize a Kansas certificate and will exempt taxes, even if material is picked up or delivered to Missouri. Another item the auditor scrutinized was tax-exempt cash sales that do not have the name of the company/organization on the ticket. A company name must be on all cash sales that claim resale or tax exempt status. For any questions on this see John or Jamie.

Christmas Bonus / Harvesters

- While we wish we could give a Christmas bonus to everyone this year, unfortunately we are not able to do so. Our sales and profit continue to lag our projections for this fiscal year. We hope to continue this benefit next year. KCES would like to thank our employees for their dedication and hard work by buying lunch for everyone on Tuesday, December 22nd. We wish our employees and their loved ones a safe and happy holiday season.
- After setting a record of 1892 lbs of donations to Harvester's last year, I'm sorry and disappointed to report that our donations this year were only 354 lbs. I realize that this is a difficult time for most people, but there are a lot of people out there that are a lot worse off than we are and I only wish that we as a company could have done more. I know that some of you have made a donation to Harvester's at other locations, for that we thank you. If you have any suggestions on ways to improve this community service project for our company, please let John know.

Economic Conditions

PLEASE NOTE!! Due to the current economic conditions, the management team of KCES has decided to change our policy on payment of unused vacation time. For 2009, any remaining vacation time will not be paid out in 2010. All vacation time for 2009 must be used in 2009 or will be forfeited. We hope to return to our original policy when economic conditions improve.

Equal Opportunity

KCES is an Equal Opportunity Employer and will not discriminate against anyone applying for a job because of race, color, religion, national origin, sex, disability, sexual orientation or age.



Company Changes

The economy has caused most companies to rethink the way they do business and make adjustments accordingly and KCES is no exception. Our percentage of drop ships has increased tremendously and our stock/warehouse business has dropped. To address this issue, Eileen will begin training with Kaylin and Jenny in the Lighting Quotations department in January to help support a division of our business that is growing. Eileen is also training Jennifer in the Billing Department part-time.



Please keep Willie Abercrombie and his family in your thoughts and prayers. Willie was very appreciative for the card and money collected by KCES employees.

Payroll Information

Because Friday, December 25th and Friday, January 1st are both holidays, your payroll check for these weeks will be dated 12/24/09 and 12/31/09.

Physical Inventory

Thank you to all the employees that showed up for our physical inventory at our Troost location on November 7th and pre-counts on November 6th. We were all done in record time, but the most important thing is that our discrepancy was only 1% and we were over instead of short! **Our next inventory will be Saturday, April 24th at our Lenexa branch.**

KCES Team GP Update

KCES EMPLOYEES GP COMPETITION

Percentage of GP Target Achieved as of November

Team Colin (Dave, Ed, Eileen, Russell, Steve) 48%

Team Doug H (Gary, Jennifer, Larry P, Matt, Mike M) 41%

Team Janell (Daniel, Frank, Glen, Linda, Kevin T) 42%

Team Kevin G (Chris, Jim, Joyce, Tony) 43%

Team Kaylin (Dan, Debby, Mark, Willie) 41%

Team Jenny (Andrew, Doug D, Jamie) 43%

Team Jacque (Erie, Jimmy, John, Mike T) 41%

Beginning December 21, 2009 and thru March 31, 2010 the hours at our Troost location will be 7:00-4:00 M-F. This will help to reduce overhead until business picks up.



Birthdays

- Debby Vertz December 17th
- Colin Hinkley December 19th
- Tony Rider January 9th
- Frank Kasinac January 12th
- Steve McMahon January 19th
- Kevin Greenawalt February 25th
- Jim Moore February 25th

Anniversaries

- Mike Mitchell January 17th 7yrs
- Dave Hockla February 6th 21yrs
- Linda Connor February 13th 4yrs

HOLIDAY SCHEDULE

- **CHRISTMAS:** Close at 12:00 Thursday, December 24th and closed
Friday, December 25th
- **NEW YEAR'S:** Close at 12:00 Thursday December 31st and closed
Friday, January 1st

All employees that have completed 90 days of continuous employment will be paid for the holiday.