



Keep Up to Date on **ACCOUNTS PAYABLE™**

Inside information on how leading companies are managing cash and payments, in a fast-read format, twice a month.

March 1, 2022

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CFO DAILY NEWS

CFO Daily News, part of the SuccessFuel Network, provides the latest finance and employment law news for finance professionals in the trenches of small-to-medium-sized businesses. Rather than simply regurgitating the day's headlines, CFO Daily News delivers actionable insights, helping finance execs understand what finance trends mean to their business.

Employees resigning in high numbers: Solutions for A/P

■ What's making people leave & how to stop it

If you were hoping staffing issues would disappear in A/P this year, you're going to be disappointed.

According to a new study done by GoodFirms, retention issues are likely going to continue into 2022 as The Great Resignation rages on.

The pandemic has many people reexamining their priorities. Things like recognition and a healthy work/life balance are more important to employees than ever before.

Why people are leaving

Per GoodFirms, 22% of employees are planning to leave their current

jobs this year, and nearly 30% are considering it.

So what specifically is driving employees to quit?

Here are the top reasons that GoodFirms' survey found.

1. Employees want flexible work options (70%). This ranges from full-time remote work to the ability to work nontraditional hours. Many employees can't fathom doing the old nine-to-five in an office five days a week.
2. Employees are worried about contracting COVID-19 (38%).

(Please see Resigning ... on Page 2)

Same Day ACH limit increases March 18: Key info

■ Opportunity for larger, faster payments to vendors

Companies that do business with suppliers in big numbers will soon have new incentive to tap Same Day ACH payments.

The per-transaction dollar threshold for Same Day ACH jumps to \$1 million on March 18.

That's up from the current \$100,000 limit that's been in place since March 2020.

You can apply that higher limit to:

- business-to-business payments
- Same Day Reversals of standard ACH payments, and

- business continuity, recovery from missed deadlines or outages.

What to do now

Many businesses have taken advantage of these higher limits. In fact, the last time the limit was raised, the average amount of Same Day ACH payments increased by 46% within the first two months.

Now's the time to determine if you'd benefit from using the higher limit for same-day vendor payments.

Info: nacha.org/million

Resigning ...

(continued from Page 1)

- Thanks to the highly contagious Omicron variant, people are more afraid of getting COVID-19 at work than ever before. If employers continue to push people back into the office, they may lose them.
- Employees want to stay home (34%). Some people didn't like mixing work and home, but a good portion do — and they want to keep it that way. Some of the main reasons employees like remote work include no commute time, fewer expenses, easier to deal with sickness or chronic illnesses and the ability to do chores or side jobs.
 - Employees feel stressed and burned out (31%). Workers are stressed out, and a big part of that is because many companies didn't adjust policies or expectations throughout the pandemic. So employees tried to work just as hard as before, despite being stressed and worried. Within this group of people, 23% feel depressed and 16% say they are overwhelmed by their workloads.
 - Employees think they can find better job opportunities out there (17%). A lot of people are reevaluating their career goals and what kind of company they want to work for. Additionally, 21% of employees aren't pleased with

their current company's career development opportunities.

How to retain workers

Focusing on internal opportunities for career growth might be one good way to keep your top A/P pros.

Only one-third of employees looking for a new job explore opportunities at their current company, according to a recent Gartner survey. And that's partially because they don't trust the company to give them a fair shake in the hiring process. Besides the trust issue, half of employees aren't even aware of internal advancement opportunities at their company.

Here's how Gartner recommends employers can correct this.

- Make it easy to explore job openings. Employers can use technology to help map out career advancement paths at the company for employees, allowing them to see how they could grow.
- Encourage people to share their preferences. Put on record what each employee is interested in. This way, even if there are no current job openings that match their preferences, there are candidates available when new jobs open up.
- Create notifications. As soon as a new opportunity opens up, notify any employees who've expressed interest in similar positions.

Info: bit.ly/resign1557,
gtr.it/3oAk6D4

Sharpen your judgment

This feature provides a framework for decision making that helps keep you and your company out of trouble. It describes a recent legal conflict and lets you judge the outcome.

■ Can remote worker be fired for taking FMLA leave?

A/P Manager Jenn Smith was returning a favor to her friend, Joel Kabik, by picking him up at the airport.

"Thanks for doing this," said Joel, getting into Jenn's car. "I can't be dropping money on an Uber. I got fired while I was away taking care of my mom after her surgery."

"I'm sorry to hear that," Jenn said. "Were you eligible to take any FMLA leave to help her?"

"Right before my flight, HR texted me and said because I'm a remote employee and the company has less than 50 employees within 75 miles of my supervisor, I'm not eligible to take leave," he said.

"Then they said if I didn't return to work by a certain date, I'd be terminated."

Question of eligibility

"I don't know much about this rule," Jenn admitted. "I do know things get complicated working remotely, but don't you check in with your home office regularly?"

"Yeah, I get my assignments from there too," Joel said. "There's at least 60 people in that office."

Eventually, Joel sued his former employer for denying his FMLA rights and retaliation for taking FMLA leave.

The company tried to get the case dismissed on the grounds that Joel wasn't eligible for FMLA because he worked remotely, not at the home office, and the number of employees who worked in the same area was less than 50.

Was it successful?

- *Make your decision, then please turn to Page 6 for the court's ruling.*



Keep Up to Date on
ACCOUNTS PAYABLE™

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Networking with Other A/P Pros

Our subscribers come from a broad range of companies, both large and small. In this regular section, three of them share success stories you can adapt to your own unique situation.

1 **Changed 'it's A/P's fault' perception**

There were discrepancies between purchase orders, invoices and receiving reports. And there was a lot of grumbling around the office that it was all because A/P was disorganized.

For a while, we went on the defensive by pointing the finger back at other departments: "It was that requisitioner that skipped the purchase order (PO) step," or "It was that buyer that lost the receipt."

When it started causing hurt feelings, we decided to focus less on the individuals involved and instead

try to get to the bottom of where the bottlenecks were in our P2P process.

Increased visibility

We mapped out each step of the process, examined our purchasing and payment data, and generated a report to show to our CFO.

Using mapping and statistics means nobody gets personally singled out, and we can concentrate on the root cause of why PO mismatches and receipts are pain points, and how we can resolve the issues.

It turned out data entry errors, namely missing or incorrect billing

information, were the main culprit.

To prevent problems, we implemented a three-way matching policy that checks that each invoice matches its PO and that the goods or services were actually received.

We then streamlined workflows to reduce both the number of staffers involved and the number of steps, plus created a contingency plan.

Errors are down and teamwork with Purchasing continues to improve.

(Judy Bicking, P2P and O2C consultant, as presented at the A/P P2P Conference & Expo, Orlando, FL)

2 **How to tell if A/P's at peak efficiency**

The pandemic inspired companies we did business with to start using less time-consuming and paper-intensive workflows for processing invoices.

That's when our own leadership started asking: "Are there more seamless ways we can be paying our suppliers, and managing cash flow and corporate spend, to get a competitive edge?"

We started looking for benchmark metrics that would show progress against goals, what best practices and

A/P software are effective and what areas of A/P need improvement.

KPIs to watch

After doing some research online, we came up with five key performance indicators (KPIs) to start monitoring:

1. Average cost to process an invoice (with a goal of less than \$3)
2. Average time it takes to approve an invoice (with a goal of around three days)
3. Invoice exception rate (with a goal of around 10%)

IMPROVING YOUR OWN A/P PROCESS

4. Number of duplicate payments, and
5. Number of early payment discounts captured.

Tracking those numbers over time ended up building a case for moving toward end-to-end A/P automation.

The next step is looking up vendors that provide the tools we most need.

(Mark Brousseau, President, Brousseau and Associates, as presented in the IOFM webinar "Five Strategies to Achieving Optimum A/P Efficiency and Effectiveness")

3 **Special email folder for invoices saved time**

When I started my current A/P manager position, I set a long-term project goal of trying to get as many of our vendors as possible to switch to electronic invoicing.

Whenever I get some downtime, I work on the master vendor file a little at a time, reaching out by email or phone. I start with the vendors we use most, and work my way down the list.

As more and more of them started seeing how much quicker and easier it

is to email me an invoice, I needed a way to make sure invoices didn't get lost in my inbox.

All in one place

In Outlook, it's possible to move all messages from my most frequently received email addresses to a specific folder I named "Vendor Invoices."

From the three-dots menu toward the right-hand side of Outlook, you can choose "Create Rule," then "Always move messages from ... to this folder." There are other helpful parameters under "More options"

that can be set as well.

If a new vendor comes along that should be routed to the folder, I can easily "Create Rule" for that person's email address right away.

Thanks to my special folder, invoice emails get high-priority attention and don't get lost like paper invoices.

I can process invoices all from one place, and I'm not searching through hundreds of emails to get it done.

(Ashley Risseuu, Accounts Payable Manager, York General Hospital, York, NE)

T&E Spotlight

T&E comprises 8%-12% of the average organization's total budget – and it's also one of the areas where A/P can make the most impact. This regular feature showcases the latest ways you can save time and money on processing travelers' expense reports and reimbursements.

IMPROVING T&E COMPLIANCE

Correcting mistakes and preventing misunderstandings from employees concerning your T&E policies are not only time-consuming for you, but can hurt the company's bottom line if expenses are reimbursed incorrectly.

Here are three tried-and-true tactics to improve T&E compliance, reduce confusion and save money.

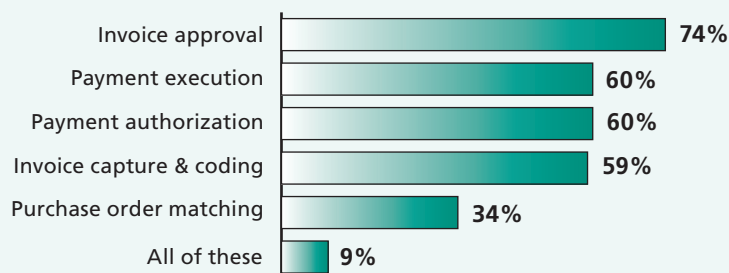
- 1. Use mistakes as training tools.** The next time you receive an expense report with a common error on it, black out the personal info and hang it outside A/P – along with an explanation of what's wrong and how to fix it. Road-warriors can learn the lesson from word of mouth, but if they see a real-world mistake and how they can avoid it on their own expense reports, you'll see it come up far less in A/P.
- 2. Stagger big policy changes.** As the pandemic continues, you and your CFO may need to develop new guidelines about the types of expenses that your company will reimburse once workers resume traveling regularly. At EFW Inc., located in Fort Worth, TX, A/P
- 3. Analyze spending patterns.** Many companies don't closely review how T&E dollars are spent when reimbursing employees. To root out mistakes that may fall through the cracks and find more opportunities for savings, regularly review spending by the type of expense to determine whether, say, focusing on airfare or hotel stays would help your company save the most. Determining total T&E spending by department's also valuable. Doing this will show you who the most frequent policy offenders are and give you insight on what areas to focus on to correct these issues.

needed to make some big changes to its T&E policy. So to soften the blow, they developed a strategy that staggered the T&E policy changes over several months. Travelers received a heads-up about the first change, with a month lead time to understand and begin following it. After that, A/P introduced the next change, and so on. It was easier for employees to get used to the incremental changes, and they were less likely to make errors on their expense reports.

Most in need of automation

What A/P tasks have you automated?

Note: More than one answer accepted



Source: Mineral Tree, MineralTree.com

In a survey of 669 finance pros, almost a third (32%) said they implemented an A/P automation solution. Instead of automating end to end, the vast majority (91%) chose to focus on certain areas. Honing in on your top pain points first could be the best way to get the biggest bang for your buck.

TEST YOUR KNOWLEDGE

Internal financial audits: What to look at closely

From large corporations to small businesses, everyone's subject to audits by IRS or state government authorities.

Performing regular internal audits helps you be better prepared for these external audits, keep your accounting system in order, and uncover and correct any mistakes.

Answer *True* or *False* to the following to see if you know what boxes to check off for a self audit.

1. External auditors will ask about your company's internal controls for preventing fraud.
2. When it comes to recordkeeping, you'll need to hold on to your company's tax records for the past three years, since that's all the feds will review in an audit.
3. Besides tax records and returns, other essential documents to review are contracts, loan balances, cash reconciliations and receipt records.

ANSWERS

- Cite: bit.ly/internalaudits57*
1. *True.* Auditors will ask about what you're doing to prevent fraud, so conduct interviews with staffers and management so you can speak authoritatively about your organization's separation of accounting duties.
 2. *False.* Tax records need to be kept for seven years. When analyzing company records, compare IRS tax receipts to records of tax liabilities in the accounting records. Also, take time to review credits and deductions from the most recent return.
 3. *True.* But first, reconcile all accounts before compiling your documents, including remaining invoices, bills to be paid and employee expenses.

Answers to the quiz:

Performance Boosters

To help our readers improve payables operations, KAP selects the best ideas from a variety of sources and presents them in a quick-read format.

Dos and don'ts to consider when revising expense policies

Due to financial stress caused by the pandemic, you may be working with your CFO to make your expense policies more cost-effective in 2022.

When you're fine-tuning those policies this year:

- Do include other teams in the process.
- Do include real-world examples of good and bad spend, and
- Don't get carried away with too many expense examples. Guidelines are better than long lists.

Info: bit.ly/expense557

4 vital steps to responding to correspondence from IRS

There's a right way to respond to correspondence and notices from IRS. When dealing with the Service:

1. Keep all documents related to a notice in a file, including copies of canceled checks, receipts, tax returns and letters.
2. Send correspondence via certified mail, return receipt requested.
3. If IRS doesn't respond within six weeks, send them a copy of the correspondence, write "Second Response" at the top and include the date of your first response.
4. If a problem's showing no signs of resolution, visit the IRS Taxpayer Advocate site at taxpayeradvocate.irs.gov/get-help.

Info: bit.ly/IRS557

What if a staffer starts crying while receiving feedback?

Sometimes, a person might respond to your feedback with tears, especially if they were seemingly caught unaware of any performance issues you might be addressing with them.

BusinessManagementDaily.com's

advice: Back off a bit until the staffer regains their composure. Tell them it's not the end of the world, or their job, and the two of you are just meeting to correct things.

Info: bit.ly/conflict556

Color coding your calendar for better time management

If it seems like there aren't enough hours in the workday, it may be time to examine how you're using the hours you have.

A way to accomplish this is to time-block and color-code your calendar. For example, mark administrative tasks blue, personal tasks red, and time spent developing a new professional skill green.

At the end of the week, look back and identify what you spent the most time doing and where adjustments can be made, such as delegating admin tasks to someone else.

Info: bit.ly/color557

SOFTWARE SKILL BOOSTER

Quick way to create a backup copy of an Excel worksheet

If you need to duplicate an Excel worksheet quickly, follow these steps:

1. From the Home tab, click Format, then "Move or Copy Sheet."
2. If copying within the same workbook, click Create a Copy, then OK.
3. If copying to another workbook, select the workbook name from the To Book list, click Create a Copy, then OK.
4. If moving a sheet to another workbook, select the workbook name from the To Book list, then OK.

Info: bit.ly/excelcopy557

If you have a story idea or comment to share, contact the editor at bbingaman@CFODailyNews.com

PAYABLES NEWS

■ Behind on 1099s? Here's how to apply for an extension

If you've had trouble getting Forms 1099 ready for contractors, there's some good news: Extensions from IRS are still available for most forms (except Form 1099-NEC).

To apply for an extension, fax Form 8809, Application for Extension of Time to File Information Returns, to 877-477-0572. Along with this form, you'll need to include a letter with the taxpayer's name and TIN, the company's address, the returns at issue and the reason for your delay. It should be signed by your company's authorized IRS agent.

If filing your 1099s on paper, you'll only have until Feb. 28 to request an extension. E-filers will have until March 31.

Info: "Form 1099 Reporting: Updates for Timely, Compliant Filing," learningpremier.com

■ Big reduction in missing invoices through automation

Missing invoices are the bane of A/P's existence. But automating the process can cut down on misplaced invoices by 60%. That's according to PYMNTS and OnPay Solutions.

Now's the time to approach your CFO about electronic solutions such as a vendor portal or e-invoices.

Info: bit.ly/missing557

■ Survey: More new Finance hires may be remote this year

Nearly two-thirds of companies are planning to add new positions in the first half of 2022, according to new research from Robert Half.

And Finance is the top hiring priority for 65%. If new Finance folks are brought on, they may be remote, since 50% of companies are recruiting across the country and offering new hires remote options.

With that in mind, be sure you have the IT capabilities to support remote workers.

Info: bit.ly/hiring557

4 keys for navigating supply chain disruptions during the pandemic

■ *Focusing on vendor relationships is critical*

From inventory outages to incorrect orders to missed shipping dates, the era of COVID continues to be full of supply chain issues for businesses like yours.

And miscommunication with vendors can make matters worse.

To minimize the impact of supply disruptions and keep things flowing smoothly, it's going to take open and honest cooperation between you, your company and your vendors to form lasting partnerships.

Working together

Here's how you can make sure your vendor relationships are built to last and benefit both you and the vendor.

1. **Consider multiple elements of vendor partnerships.** Conversations need to be about other things besides the lowest cost. Can the supplier push your orders ahead of others because your company is a longtime partner? Does it consistently deliver on time? Do they offer good payment terms?
2. **Establish trust.** Try initiating candid conversations and swap

supply chain challenge stories with your vendors. It may open up opportunities for collaboration to help solve problems your supplier may be having with inventory.

3. **Make the vendor relationship more important than the business transaction.** Your vendors need to feel like you view them as more than just a creditor. Consider something like a rewards program for vendors that meet certain key performance indicators. It shows them the value they bring to your company's supply chain.
 4. **Share your company's potential future supply needs.** Catching suppliers off-guard with large, unexpected orders could damage the business relationship. On the other hand, sharing data with your vendors that shows what's going on with your business can help ensure that they'll be able to anticipate demand and fulfill future orders.
- Bottom line: If A/P makes vendors feel valued and respected, it'll make it easier to resolve supply chain issues.

Info: bit.ly/supply557

from the home office site, which had 50 or more employees, that location could meet the requirement of being his "worksite," even if he's remote.

Analysis: Take proactive approach

Whether your people are remote or work primarily in the office, they're likely eligible for FMLA if all other requirements are met.

Interference with FMLA rights can land your employer in hot water, so it's good to make sure your leave policies and procedures are compliant.

Based on Landgrave v. ForTec Medical Inc. This case was fictionalized for dramatic effect.

MISTAKES THAT COST

This regular feature shows how companies and individuals have run afoul of state or federal laws. See how others got off track so you can avoid similar problems.

A/P clerk stole company funds, changed records

Individual: Grant Devillez, accounts payable clerk in Providence, RI.

Violation: Devillez pleaded guilty to defrauding his former company of around \$302,000 by using his access to the company's bank account to steal funds for his own personal use.

Penalty: When sentenced, Devillez faces up to 20 years in prison and a hefty fine for his crimes.

Note: Instead of paying vendors in full, Devillez would often make partial payments and transfer the rest of the money to his personal accounts. He also altered the business's A/P records to make it appear the payments were made.

Cite: bit.ly/devillez557

Accused of embezzling \$800K from 2 companies

Individual: Stephanie Simontacchi, bookkeeper, accountant and assistant controller, Sausalito, CA.

Violation: Simontacchi is accused of embezzling accounts payable checks that were supposed to go to vendors and depositing them in her personal bank account. She also allegedly stole accounts receivable checks written to her employer and cashed voided checks for her own use.

Penalty: If found guilty, Simontacchi faces 35 years in prison and a fine of over \$1.25 million. She could also be ordered to pay restitution or serve additional time under supervised release.

Note: Two different companies fell victim to Simontacchi's alleged schemes, from which she stole a combined total of over \$800,000 between 2009 and 2019.

Cite: bit.ly/steal557

Sharpen your judgment THE DECISION

(See case on Page 2)

No. The judge said Joel deserved to plead his case that he shouldn't have been fired because he was taking leave under the Family and Medical Leave Act (FMLA).

The employer argued the FMLA states an employee isn't eligible for leave if there are less than 50 company employees within 75 miles of that worker.

But the court said that because Joel's work assignments originated

3 serious cyberthreats A/P needs to know about: How to stop them

■ Could your firm be vulnerable to latest schemes?

Crooks keep looking for new ways to fool hard-working A/P departments into giving them access to company data and money.

A recent study from security platform provider CyberCatch identified three emerging types of attacks that you may not have heard of:

1. Spoofing is when a thief taps into a company's private system by using a fake internet protocol address to masquerade as an authorized device.
2. Clickjacking is a technique used to persuade an employee to click on something in their browser that looks normal, when in fact it's a malicious link.
3. Sniffing attacks involve hackers intercepting a network's traffic to access unencrypted data.

The reason to be concerned? A scan of more than 20,000 businesses by

CyberCatch found that about a third of them were vulnerable to spoofing and 28% could be clickjacked.

What you can do

Start by giving your IT team a heads-up about these threats so they can patch security holes by implementing prevention, detection and response cybersecurity controls to protect your company's most valuable data and assets.

The next step should be a test all of systems, including websites, software and web applications, to identify any security vulnerabilities, like a disabled security feature or injections of malicious code.

It's also a good idea to regularly inspect your web servers and websites to detect any software weaknesses.

These safeguards can help your firm fend off the latest cyberattacks.

Info: bit.ly/cyberattack557

ACH vs. wire transfer: Which is the better option?

■ Depends on purpose of transaction, circumstances

When it comes to electronic funds transfers, your top two choices are ACH and wire transfers. But what's the difference between them?

Answer: A couple of things stand out. For example:

- With same-day processing, wire transfers are faster.
- ACH is less expensive, usually costing no more than a few dollars per transaction. Some providers offer no-charge transfers.
- Wire transfers can send money internationally.
- While amount limits vary between providers, wire transfers generally allow higher payment amounts.

- ACH has the option to automatically pay recurring expenses, such as rent and utilities.

Is one better than the other?

Online A/P solution provider Melio said if it had to choose, it would give the advantage for preferred B2B payment to ACH. Being able to pay little to nothing per transfer makes it better for everyday transactions, the company said on its blog.

Wire transfers are ideal for urgent payments, but only if paying the fees is worth it. However, remember that Same Day ACH is also available (*see related story, cover*).

Info: bit.ly/EFT557

How do you stack up?

Fraud blind spots

Which areas could make your firm vulnerable to internal fraud?



Source: 2021-2022 Kroll Global Fraud Summary, [Kroll.com](https://www.kroll.com)

Your Finance peers say internal fraud is most likely to be linked to suppliers, customers or distributors. It may be time for your company to conduct a fresh, data-driven risk assessment of your processes.

Each issue of KAP contains an exclusive survey to give payables professionals insight into what their peers nationwide are thinking and doing.

THE LIGHTER SIDE

■ Fish can drive: The next big thing in ride sharing?

In the future, your firm's business travelers may be able to summon an Uber driven by a fish.

In the journal "Behavioural Brain Research," a team of Israeli researchers reported that they taught six fish to drive a water tank robot car on land.

Tapping into their navigation abilities, the fish were trained to maneuver the car by being given a destination: a pink target board that dispensed food when the vehicle touched it.

Although the fish were able to successfully drive around obstacles, there's no word yet on how ready they are to drive your people to the airport, or what travel expenses would be for a fish taxi ride.

Sales & Use Tax Highlights that A/P Needs to Know

Taking the guesswork out of state tax compliance

Here's KAP's roundup of key state tax changes. Developments in other states often indicate trends to watch. Your state may be next.

NEXUS

Here's the latest update on tax rates for purchases from small retailers.

COLORADO – The Centennial State has extended a tax provision for small businesses with less than \$100,000 in retail sales per year.

When purchasing from these businesses, sales tax will continue to be calculated based on the business' physical location instead of the buyer's address until Oct. 1, 2022. This provision was originally set to expire on Feb. 1, 2022.

Info: bit.ly/co-557

ADVERTISING

NEW YORK – If you're working with a third-party vendor to determine whether your company's advertising is effective, the cost of this service is a taxable expense.

That's according to the state's Tax Appeals Tribunal. It affirmed the Division of Tax Appeals' decision that these services count as "taxable information services" under state law.

The company tried to argue that the info it provided to customers was personal and tailored to each client, so it should be exempt from tax. However, some of the info was shared with outside parties, and customers were also asked to complete surveys. So it failed to qualify for the exemption, the appeals tribunal said.

Info: dta.ny.gov/pdf/decisions/828619.dec.pdf

SUPPLIES

Not all professional supply purchases are the traditional pencils and pens. Here are four recent sales and use tax developments that affect unique supplies needed by businesses.

MARYLAND – The state comptroller's office recently released its "Sales and Use Tax List of Tangible Personal Property and Services." The list is a comprehensive guide of the tax rules that apply to common supplies and services purchased by businesses.

One listing of note: Purchases of KN95 and N95 masks and infectious drug tests (e.g., COVID tests) are exempt from sales tax.

Info: bit.ly/md-557-1

SOUTH CAROLINA – Heads up! There's a new sales tax exemption process for agricultural farmers.

According to the state Department of Agriculture and Department of Revenue, after April 1, 2022, farmers must show their South Carolina Agricultural Tax Exemption (SCATE) key fob or card when making any supply purchases that are exempt from sales tax because they're related to agricultural production.

Retailers will no longer accept any paper forms from farmers for exempt purchases. Apply for the SCATE card online at scatecard.com.

Info: agriculture.sc.gov/scate

WASHINGTON – This might be hard to swallow. Certain supplies purchased by dental offices to create veneers, crowns and bridges are subject to sales and use tax.

While the devices themselves are exempt from sales tax, since they're considered corrective prosthetic devices under state law, the refractory die materials used to create them aren't exempt.

Reason: During the creation process, these materials are destroyed. Because the original materials no longer existed after the veneers, crowns and bridges were made for patients, their purchase couldn't qualify for the exemption.

Info: bit.ly/wa-557

WISCONSIN – Start your engines – indoor racetracks that purchase new go-karts must pay sales tax, the state

Tax Appeals Commission said in a recent ruling.

Here's why: The go-karts themselves are incidental to the company's business model, which is to provide a racing experience for customers.

Customers primarily pay an admission fee for access to the racetrack, then rent the go-karts from the company. They aren't allowed to bring their own or use the company's go-karts off the premises.

This means the go-karts are controlled by the company, which makes them the end user of the vehicles. And that makes their purchase subject to sales tax.

Info: bit.ly/wi-557

FROM OUR SUBSCRIBERS

Over 90% of our readers say that Keep Up to Date on Accounts Payable (KAP), with its quick-read format, is more valuable than any other publication they read.

"KAP is short, relevant and easy to read."

Pamela Taylor
Controller
ASCD Inc.

"The newsletter is pretty much the 'meat and potatoes' of all A/P issues – that's why I find it so valuable."

Carmenlita Cothran
A/P Manager
Holladay Corp.