



RESOURCEFUL FINANCE PRO

Powered by  SuccessFuel

August 2022

Data is in: The commute for your employees is way more expensive12

Pros and cons of flexible hybrid workplaces in 202220

Business travel & cost control: Keys to keeping expenses low as trips resume24

Compensation crunch: Best ways to prevent resignations now








RESOURCEFUL FINANCE PRO

August 2022






In This Month's Issue

CFO News Briefs.....	3
A/P News Briefs.....	7
Upcoming Events.....	9

Insider Content

 CFO: You Be The Judge Is bank liable for damage from business email compromise attack?.....	10
 CFO: Case Study How we successfully implemented a new payroll & HR system.....	14
 Ask the Auditor Does employment law allow us to test employees for COVID?.....	18
 A/P Case Study Created standard operating procedure for bank notification of change (NOC).....	22
 Excel Tips Spreadsheet calculations looking off? Check for a 'PEDMAS' formula error	23
 A/P: You Be The Judge Was fired employee a troublesome staffer or victim of ADA discrimination?.....	26
 Ask the Auditor Are sales tax and use tax interchangeable?.....	30

Articles

 Benefits Data is in: The commute for your employees is way more expensive.....	12
 Staff Management Compensation crunch: How your peers are responding & what you can do.....	16
 Budgeting and Forecasting Pros and cons of flexible hybrid workplaces in 2022	20
 Cost Control Business travel & cost control: Keys to keeping expenses low as trips resume	24
 Banking Easy-to-miss fraud risks impacting A/P, Finance right now.....	28

CFO News Briefs

Stories You Might Have Missed

Survey: Good professional relationship with CIO linked to better business outcomes

July 12, 2022

How's your professional relationship with your CIO right now? A recent Gartner survey shows that many of your peers are struggling to work closely with their top IT execs because they aren't seeing eye to eye for various reasons.

A mere 30% of professional relationships between CFOs and CIOs are marked by business centricity and strong collegiality, according to Gartner's research.

[Read more](#) 

CFOs & digital transformation: How your peers are handling automation right now

July 13, 2022

Digital transformation is key to your role as a CFO. Most of your peers agree, according to a new study from StrategicCFO360 and accounting software provider Vic.Ai.

In fact, eight out of 10 of CFOs surveyed said that automation is crucial for optimizing their finance processes and getting key insights from financial data. And 61% said automation would likely have significant value for their organization.

[Read more](#) 

Love may be blind – but new lawsuit alleges clear employee misclassification issues

July 14, 2022

Employee misclassification can lead to legal issues for firms of all types and sizes. Even popular TV productions aren't immune – as one new case demonstrates.

A contestant on Netflix's hit reality show Love is Blind has brought a class action wage and hour suit against the streaming service, along with an associated casting company and a production company. Multiple news outlets have covered the lawsuit, which was filed in Los Angeles Superior Court, including Today.com and People magazine.

[Read more](#) 

Inflation taking a bite out of your cash flow? Join the club

July 19, 2022

We hate to point out the obvious, but sky-high inflation is making it more difficult for businesses to make ends meet these days.

And it's also placing a heavy burden on companies' cash flow efforts.

The economists who predicted "temporary" inflation pains more than a year ago aren't apologizing for misreading the economy so poorly, so we won't try predicting when the pain – particularly for small- to mid-sized companies – is going to ease.

[Read more](#) 

IRS: Watch for latest business identity theft scams targeting Payroll & tax pros

July 19, 2022

IRS is once again reminding companies to be on the lookout for tax identity theft schemes as part of its annual Security Summit. Correcting business identity theft can be a long, expensive process. So it's key to take a preventive approach.

Here's what you and Payroll need to know.

[Read more](#) 

More interest rate hikes on the horizon? Signs point to 'maybe not'

July 22, 2022

Word on The Street is the U.S. Federal Reserve wants to hike interest rates at least a couple more times in coming months, which will affect how much businesses want to risk borrowing or extending more credit to customers, among a host of finance issues.

But are rate hikes a sure thing? Or could the Fed look to scale back rates instead?

[Read more](#) 

Top community banks of 2022: Where does yours rank?

July 25, 2022

Last year, financial institutions had to contend with record-low interest rates and a glut of deposits. But that didn't stop community banks from becoming vital partners to businesses, delivering a blend of personalized service and prudent risk management practices that you might not be able to get from a large national bank.

Based on 2021 FDIC data, the Independent Community Bankers of America (ICBA) assigned community banks a score that weighs the average of a bank's percentile rank for lending concentration and loan growth over the past year. Each score was also adjusted for loan charge offs at certain percentile thresholds.

[Read more](#) 

Still need a reason to automate Payroll? How about fewer withholding forms?

July 26, 2022

Your Finance team, particularly staffers from other departments that have been assigned Payroll tasks, may still be adjusting to Tax Cuts and Jobs Act changes that went into effect in 2020.

For instance, there are now six worksheets that take the place of federal tax withholding formulas. Each of those worksheets has its own table for determining proper withholding.

[Read more](#) 

What to include in your employee workcation policy

July 27, 2022

A workcation – also known as “bleisure” travel – is when employees extend their business trip plans to enjoy sightseeing and other recreational activities. Allowing it is a good way to boost morale and encourage more employees to hit the road on company business, according to Dr. Jim Castagnera.

In fact, 43% of business trips end up gaining a leisure component outside of the work itinerary, and 70% of bleisure travelers get out of town at least once per quarter, according to data from Expedia.

[Read more](#) 

Hiring top talent is the No. 1 concern for CFOs right now

August 1, 2022

Your peers are extremely concerned with hiring top talent this year – even more so than top HR pros. That’s according to the 2022 PwC Pulse survey of execs of all titles, including CFOs.

Hiring and retaining talent is top priority for 83% of CFOs, compared to 77% of all execs. And many of them don’t think the talent shortage will be over anytime soon. Less than a quarter think it’s likely that the talent shortage will improve by the end of 2022.

[Read more](#) 

Job well done: Employee recognition a key tool for fending off costly turnover

August 1, 2022

Instead of investing in a new bonus or incentive program, maybe the solution for the Great Resignation is meaningful employee recognition.

A survey of nearly 6,000 workers and HR leaders by Achievers Workforce Institute concluded that employee recognition is an even bigger driver of employee engagement, productivity and job commitment than good compensation.

[Read more](#) 

This industry sector’s problems mean more potential good deals for you

August 2, 2022

So what happens when inflation is high, everything seems to cost more and consumer confidence is reaching rock-bottom?

One outcome tends to be inventory glut. And no one’s having a harder time moving product these days than retailers.

[Read more](#) 

Mark Cuban online pharmacy could be game changer for employee drug benefits

August 2, 2022

Your company could potentially save big bucks if employees buy their meds from a direct-to-consumer online pharmacy backed by NBA team owner, “Shark Tank” investor and billionaire internet entrepreneur Mark Cuban.

Launched in January, the Mark Cuban Cost Plus Drug Co. sells generic prescription drugs – and only generic drugs – at the cost of ingredients and/or manufacturing, plus a 15% markup and fixed pharmacy dispensing and shipping fees. More than 100 medications are available on the site..

[Read more](#) 

Restaurant asked people to volunteer for food, not pay: What DOL says

August 2, 2022

The old adage is true: There’s no such thing as a free lunch – and you also can’t use that lunch as payment for employees, even if it’s on a volunteer basis.

One location of a popular fast-food franchise learned that the hard way after a promotional opportunity it offered customers went viral recently.

[Read more](#) 

Avoid fraud schemes targeting Finance pros & cloud-based systems right now

August 3, 2022

While cloud-based software has gradually become the norm for many companies, there are dangers lurking in its use, IRS warns.

At its annual Security Summit, the agency laid out some of the pitfalls of using cloud software to store sensitive personnel, tax and financial info – and what Finance and IT can do to protect your company from data breaches that can cost thousands of dollars to correct.

[Read more](#) 

High cost of living is the hardest on the women at your company

August 8, 2022

Sparked in part by high fuel and food prices, the rising cost of living is a global problem that's expected to hit the women in your workplace the hardest, according to the World Economic Forum's 2022 Gender Gap Report.

Cost of living increases impact women more severely than men because women continue to be paid less and have unequal access to wealth-building resources, the Switzerland-based think tank said.

[Read more](#) 

EEO-1 report needs updating, new study says

August 9, 2022

Finance could be seeing some changes when filing the next EEO-1 pay data report, thanks to new recommendations from a study by the National Academies of Sciences, Engineering, and Medicine.

The academies studied the EEO-1 report to see if the info it collects was helpful for correcting pay inequities. While they did find the data was useful overall, the academies have proposed several changes designed to streamline data collection and make it more relevant to correcting pay disparities among certain groups.

[Read more](#) 

A/P News Briefs

Stories You Might Have Missed

Considering cryptocurrency to pay your vendors? You're not alone

July 29, 2022

Many of the vendors you work with may be among the more than 2,300 U.S. businesses that accept the cryptocurrency bitcoin, according to a report from Deloitte.

There may be even more businesses exploring cryptocurrency right now because, unlike cash, it's not subject to devaluation from inflation.

[Read more](#) 

Features impact taxability of online training for employees in Texas

August 1, 2022

Be careful with the features included in online training for workers in Texas. Purchasing certain features may make the software subject to sales and use tax.

That's according to a recent private letter ruling issued by the Texas Comptroller of Public Accounts. The letter ruling discusses a company that provided clients with various online learning plans, including plans where employers could directly sponsor employees who wanted to earn college degrees or vocational licenses. It wanted to know if all of its services were exempt from taxes under state law.

[Read more](#) 

No added sales tax for marketplace facilitator fees in Tennessee

August 1, 2022

There's good news if you work with marketplace facilitators for sales transactions in The Volunteer State. Both seller fees and service provider fees that facilitators may charge when connecting you to customers aren't subject to sales tax.

Letter Ruling No. 22-02 from the state Dept. of Revenue discusses a marketplace facilitator that charges various fees to service providers and sellers once sales are finalized with buyers.

[Read more](#) 

Travel expense reimbursement for abortion, medical care could be taxable

August 3, 2022

With several states recently passing legislation restricting access to abortion services, some of your peers have been mulling over paying for medical care travel expenses that employees and their dependents incur because the services they seek are unavailable in their area.

If your company's considering such a travel expense program, be aware that payments/reimbursements could be considered taxable. So it'll be crucial for Payroll and Accounting to ensure these benefits are properly reported and taxed.

[Read more](#) 

Time to think beyond email for invoice processing and receiving?

August 5, 2022

If any of your A/P staffers work a hybrid schedule, email is a crucially important tool for invoice processing.

Your payables department may also be relying a lot more on e-mail to onboard vendors and approve supplier payments.

[Read more](#) 

Same Day ACH transactions rising with new limit – but fraud risk remains low

August 5, 2022

More and more employers are getting on board with using Nacha's Same Day ACH ever since the agency increased the dollar limit to \$1 million in March 2022.

During Q2 of 2022, the ACH network processed a whopping 7.5 billion payments – 4.3 billion debits and 3.2 billion credits – largely spurred by growth in both Same Day ACH and B2B transactions. That's according to the latest data from Nacha.

[Read more](#) 

Revised PA bill adds new economic nexus tax guidelines

August 5, 2022

The Keystone State has officially updated its tax law with provisions on economic nexus that you'll need to know if you do business in Pennsylvania.

Effective for tax years beginning after Dec. 31, 2022, any business with \$500,000 or more in sales that can be sourced to Pennsylvania has created nexus for tax purposes.

[Read more](#) 

Upcoming Events

Free Webinars

Tuesday,
August 30th
2022



Everything You Need to Know About A/P Automation

But Might be Too Afraid to Ask

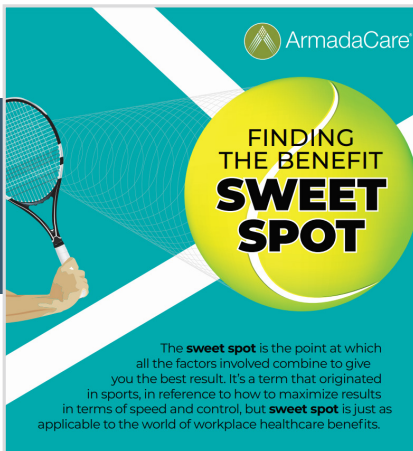
sponsored by  learn more [🔗](#)

Thursday,
September 8th
2022



2022 Workplace Trends and its Implications for the Future of Work

sponsored by  learn more [🔗](#)



FREE WHITE PAPER

Finding the Benefit Sweet Spot

Cutting coverage to save costs isn't as simple as it seems.

Finding the Benefit Sweet Spot will help you maximize your healthcare benefits while minimizing the cost to your company — a win, win solution. Get your free copy today.

get the guide [🔗](#)

Is bank liable for damage from business email compromise attack?

CFO Bill Keeper had just wrapped up a videoconference with his company's 401(k) administrator when he saw an incoming FaceTime call from his business owner friend Ben Hackett.

"Ben, how was your date last night?" Bill asked.

"I ended up canceling it because I found out our company email system got hacked," Ben replied.

"Oh, that's awful!" Bill said. "Did any scam emails get sent out?"

"Well, I've been on the phone with our bank for hours today because the hacker emailed one of our clients and had them wire \$80,000 that they owed us to a fake account at our bank that was created under a name similar to ours," Ben said.

"How did your customer not catch that? Better yet, how did your bank not catch that?" Bill asked.

Fraud precautions not taken?

"My lawyer's asking me the same questions," Ben replied. "The bank

supposedly froze the fake account when I reported we were victims of a business email compromise scam, but the crooks somehow made off with the money. We're still trying to get it back."

"What are you going to do now?" Bill asked.

"We're thinking of taking the bank to court," Ben replied. "Not only did they fail to freeze the fake account, it looks to me like they allowed an account to be opened without taking basic fraud prevention measures.

"But you know what the bank said?" he continued. "They're not required to review what name's on an account – just to receive and deposit the funds to the account number provided by the sender of the wire transfer. Seems pretty negligent to me."

Ben's company sued the bank for negligence for allegedly violating the Bank Secrecy Act by allowing a hacker to open an account without adequate proof of identification.

The bank asked the judge to throw the case out because the company failed



Is bank liable for damage from business email compromise attack?

to prove the bank had a duty of care. Was it successful?

The decision

Yes. The court dismissed the case and found that the bank wasn't liable for the loss from the business email compromise attack.

The judge said that just because an account was opened at the bank under a name similar to Ben's company, that doesn't mean the bank has a duty to freeze the account or cancel/amend a wire transfer to the account, even though it involved funds that rightfully belonged to Ben's company.

In dismissing the lawsuit, the judge said the Bank Secrecy Act "does not provide a private right of action" and "imposing liability on a receiving bank for declining to agree to cancel a funds transfer would be inconsistent with" Article 4A of the Uniform Commercial Code.

Fraud prevention starts with you

This case shows that financial institutions aren't always on the hook for damages caused by a cyberattack.

As far as the bank was concerned, it was just following instructions. Once a beneficiary bank accepts a payment

order, it's obliged to pay the beneficiary. Unfortunately, in this case the beneficiary was a hacker.

That means it's up to every single one of your team members to do whatever it takes to prevent fraud from happening. Ask yourself: Is it time to update your staff's cybersecurity training? Do security upgrades need to be made at your workplace?

Based on Shecter Landscaping Inc. v. JPMorgan Chase Bank NA, No. 22-10106, US D.C. E.D. Michigan Southern Division, 7/12/22. Dramatized for effect.

[Read more You Be The Judge in your Membership Dashboard](#)

PRACTICAL WAYS TO SUPPORT STAFFERS STRUGGLING WITH COMMUTING COSTS



CFO Benefits

Data is in: The commute for your employees is way more expensive



by Brian Bingaman

The one-two punch of high gas prices and rising costs related to driving could have the average American shelling out \$2,914 a year to commute to work, according to a report by OverheardOnConferenceCalls.com. It's a noticeable 35% increase over last year's estimated average yearly commute cost of \$2,064.

The "Annual Cost of Commuting: 2022 vs. 2021" report predicts that workers who commute will spend an average of \$657 this year just on gas to get to work (a 58% increase over last year). Meanwhile, the costs of insurance and maintenance are

up 8% this year, which is on pace with the overall rate of inflation.

The Overheard on Conference Calls study indicated some cities have particularly been feeling the impact. Based on data from the U.S. Census, Bureau of Labor Statistics, AAA, Car and Driver, Toyota and Bankrate, here's where the top-10 highest percentage increases are in annual commute costs from 2021 to 2022:

- Pittsburgh, 60.1%
- Philadelphia, 59.9%
- Cincinnati, 59.1%
- Phoenix, 58.1%

- Columbus, Ohio, 58.0%
- Allentown, PA, 56.5%
- Cleveland, 55.9%
- Harrisburg, PA, 55.7%
- Scranton, PA, 53.5%, and
- Dayton, Ohio, 51.5%.

The top five most expensive cities for commuting in 2022 by annual cost, according to the report:

- New York City, \$4,040 (\$1,290 more than last year)
- Rochester, NY, \$3,984 (\$1,267 higher than last year)

Data is in: The commute for your employees is way more expensive

- Albany, NY, \$3,946 (\$1,249 higher than in 2021)
- Jacksonville, FL, \$3,933 (an increase of 40% from last year), and
- Orlando, FL, \$3,922 (39% more than last year).

The increased cost of getting to work is putting stress on your employees' bank accounts and is driving discussions among your peers and company leadership about whether they should be doing something to support their employees.

With a worker shortage and a competitive labor market, it's an understandable first step to evaluate whether changes need to be made to your employee compensation structure. But consider that if inflation becomes a driver of pay, there should be a plan for what happens when inflation rate levels eventually go back down to where they were.

Some adjustments to your benefits offerings can be made to support commuters struggling with rising driving costs. They include:

- financial wellbeing support through your employee assistance program on topics like debt management, budgeting, tips for everyday spending and saving, etc., and
- helping them save money elsewhere through a corporate discount program.

Different commute solutions

The *Wall Street Journal* reported that to keep employees from jumping ship to a company that's closer to their home – or with a better benefits package – employers

are providing relief via fuel stipends, gift cards and other benefits. But don't forget those can qualify as taxable fringe benefits.

Because working from home can lead to significant savings in commute costs, if it's feasible, temporarily expanding work-from-home privileges and relaxing in-office work policies could be another option.

Another way to cut back on commuting is cutting back to a four-day workweek.

Employee carpooling reduces fuel consumption and congestion on the roads, while the group shares the expenses of gas and parking. And when not driving, employees can relax or even catch up on work emails. One way to encourage it is to reserve your best parking spaces for your employee carpooler groups.

Employees may be considering switching to electric vehicles. Would it be a good investment to provide electric vehicle charging points at your workplace?

Alternatives to driving

Another approach to supporting your people is encouraging them to try a commute option other than driving alone.

How would employees respond to a pre-tax payroll deduction for use toward mass transit or qualifying bicycle expenses? Or how about an employer-paid benefit that supplies employees with public transit cards? Those commuter benefit solutions look like they're about to become a requirement in the City of Philadelphia for employers with more than 50 people. Only employees who have worked an average of 30 hours or more per week in the city for the same

employer over the last year are eligible for the benefit.

In addition, most states offer transit subsidy benefits. Check your state's Dept. of Transportation website to see what benefits are offered and how to access them.

If you're encouraging the use of mass transit, it's a good idea to allow your people to work flexible hours so they can commute outside the peak morning and evening rush hours, when rail fares are higher.

Many cities have invested in a public bike or electric scooter program to reduce traffic congestion and provide an alternative mode of transportation. If your employees are taking advantage of such a program to save on gas, you could arrange to have a designated parking area for them near your office.

Commute news to share

Like many things, commuting is more expensive than it was this time last year, and many workers are feeling the strain – particularly those unable to work remotely and have lower-paying jobs. However, there are some encouraging signs.

Gas prices have been slowly dropping. As of Aug. 3, 2022, the national average cost for a gallon of regular gasoline was \$4.16, according to AAA's National Average Gas Prices tracker. Two months before that, the price was \$4.97.

In addition, some public transportation operators are taking measures to avoid fare hikes to coax riders back after ridership dramatically dropped during the pandemic.

[Read this Story Online](#) 

How we successfully implemented a new payroll & HR system

It's a staggering statistic: Nearly 70% of projects companies take on fail in some way. We wanted to make sure we didn't end up in that majority when we decided to update our payroll and HR system.

To avoid issues and make sure things went as smoothly as possible, we went in full force on project management. Organizations that invest in project management practices waste 28% less money on their projects – and we wanted to make sure we came in at budget.

Outlining objectives

We made a list of specific goals we needed to achieve with the project. Along with coming in at budget, they included:

- **Timely delivery.** We set clear, realistic deadlines for each stage of the project.
- **Stakeholder satisfaction.** We talked to everyone who'd be affected by the upgrade to make sure we were meeting their needs.

- **Change management.** We gave ourselves enough time to educate employees about the self-service features of the system they'd be using so no one would be caught off guard.
- **Corporate governance.** We made sure the top brass were supportive of the project and were aware of how it was progressing so they'd be engaged.
- **Return on investment (ROI).** We consistently measured how the upgrade would improve productivity so we could present ROI data to execs at various phases of implementation.

Released system in stages

Even with all our prep work, we did hit a snag with the project where we couldn't fully release the system on the original go-live date like we wanted. So we shifted gears, and we decided to do a staggered release instead with additional testing to allow us time to get it right.

Implementing the system gradually in stages helped us avoid the downtime and productivity loss we would've had if we went with a full launch. It gave us time to work out all the kinks



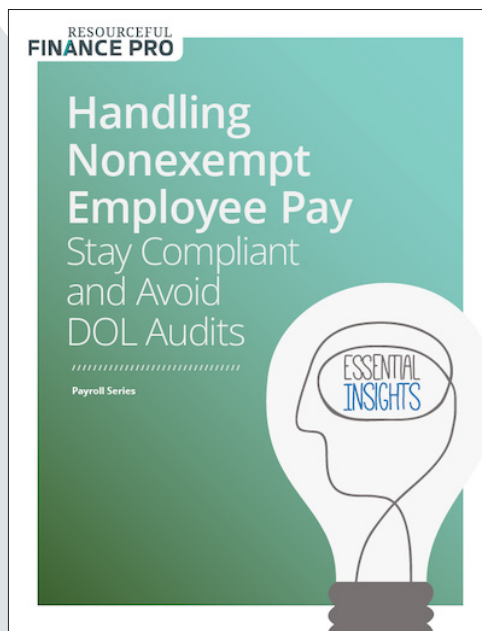
How we successfully implemented a new payroll & HR system

before using it to process payroll or onboard new hires – which meant we still maintained a strong ROI for our investment. It also helped us stay focused on our defined goals instead of putting out fires.

Having a project management strategy in place with clear, defined steps and a contingency plan helped us ensure our system upgrade was a success. We came in at budget and implementation went smoothly.

(Adapted from “Global Project Management: Just When You Think You’ve Got It Under Control,” presented by Catherine Honey, vice president of Solutions Consulting and Safeguard Global, at the American Payroll Association’s Virtual Congress & Expo)

[Read more Case Studies in your Membership Dashboard](#)



Exclusive Finance Pro Guide

Handling Nonexempt Employee Pay: Stay Compliant And Avoid DOL Audits Part of the Payroll Series

FLSA lawsuits are up 77% over the past few years. And the majority of these lawsuits are hitting well-intentioned employers who unknowingly slip up when dealing with complicated nonexempt employee pay.

And things are bound to get trickier with the new overtime threshold and changes to the regular rate of pay regs.

So how can you navigate through this legal minefield and make the right decisions when faced with tricky compensation questions?

The Solution: **Handling Nonexempt Employee Pay: Stay Compliant and Avoid DOL Audits**

[get the guide](#)

Compensation crunch: How your peers are responding & what you can do



LATEST RESEARCH SHEDS LIGHT ON RETENTION & RECRUITMENT IN A VOLATILE ECONOMY



by Jess White

CFOs trying to mitigate the effects of the Great Resignation on their workforce may want to reconsider their compensation and benefits strategies – especially in light of inflation.

As new Gartner research shows that many of your peers plan to take a conservative approach to salary adjustments due to inflation, additional data from the Pew Research Center demonstrates that wages are a significant force driving employees to quit.

Conservative approach to compensation increases

Right now, 51% of companies are only considering adjusting

the compensation of their top performers despite historic rates of inflation, according to a June 2022 Gartner survey of CEOs and CFOs.

Out of that figure, 24% are only planning to give raises to top performing salaried employees in certain geographic areas, while 27% will adjust compensation for top performers in all markets.

Meanwhile, 28% planned to offer raises to all salaried employees in all markets, and 19% said they'd be adjusting compensation for all salaried employees in selected markets.

Although CFOs and CEOs are taking a more cautious approach to salary adjustments right now, most respondents did agree that

permanent pay adjustments are key to retaining employees. So, they'll likely revisit this approach if the economy starts showing signs of improvement.

Even in the face of uncertainty, some employers are currently taking steps to financially reward employees as an incentive to stay on board: 43% of those surveyed said they'll be giving one-time bonus payments to employees along with regular pay adjustments, and 37% said they'll either fully or partially index pay adjustments to inflation.

Employees' response: 'I quit'

Overall, however, the data indicates your peers are taking their time with changing their compensation strategies. You're likely in the same boat, given the growing threat of a recession.

But given how eager top talent's been to jump ship, this may not be the best approach to take to preserve your bottom line.

Current quit rates for employees haven't been this high since the 1970s, according to the latest data from Pew Research. Not every employee who leaves a company goes to a new job. In fact, many stay unemployed for a time.

But each month from January to March 2022, 4 million new workers switched jobs. That would equal a 30% turnover rate annually, estimates Pew Research.

Compensation crunch: How your peers are responding & what you can do

And that's the *lowest* possible estimate, which assumes that no worker changes jobs more than once a year. Since that's not necessarily true, actual turnover rates could currently be even higher. If this trend continues, the costs of turnover could skyrocket for your company.

Competitive compensation continues to be key. Those who find new jobs after leaving a company almost always receive higher earnings at their new positions. From April 2021 to March 2022, half the workers who changed jobs experienced a real increase in pay of 9.7% when compared to their pay a year earlier at their former position.

Meanwhile, among the employees who've been loyal to their employers, only about 47% experienced any increase in real earnings during the same time period. In fact, the median worker who kept the same job actually experienced a decrease of nearly 2% in their compensation when inflation came into play.

Low pay was a significant reason why employees decided to leave a position in 2021, further Pew Research shows. That means it's pretty clear that if you want to retain your best and brightest employees, you may have to review your compensation strategy soon, even in the face of a possible recession.

Otherwise, your company could lose even more money if top talent jumps ship.

Other tactics to take – and workers to watch

The Great Resignation shows no signs of slowing, yet. In another recent Pew Research survey, 22%

of workers said they're very or somewhat likely to look for a new job in the next six months.

Your new hires are more likely to leave than those who've been with you for a while. Close to a third of those who've been in their current role for less than a year say they're planning to look for another job.

In contrast, among those who've been with their current employer between one and 10 years, 23% of workers surveyed by Pew Research are very or somewhat likely to look for new employment. And only 13% of those who've been with their current company for longer are either very or somewhat likely to look for a different job.

With that in mind, it's important to make your new hires feel engaged with your company's mission and values from the start. You might want to huddle with HR to make sure your onboarding process specifically highlights how the work new hires are doing directly impacts the company to make them feel like an integral part of the team immediately.

And don't forget to check-in with your Finance pros who've worked with the company for a few years to make sure they aren't secretly suffering from burnout or job dissatisfaction. After all, you don't want to be blindsided by your top talent leaving. It might be smart to have HR survey your team anonymously, then give you a summary of their responses to address any glaring issues existing. Finance staff might be having with their workloads, company culture or other issues that could cause them to leave their jobs.

Workers that fit other criteria may also be more likely than others to leave their companies this year, including your Gen Z and Millennial workers. Here's proof: 30% of

workers ages 18 to 29 and 23% of workers ages 30 to 49 said they're likely to look for a new position over the next six months.

Younger workers tend to value not only higher wages, but other perks like flexible work schedules and health benefits that focus on both their physical and mental well-being. They're much more willing to leave a company to seek out these characteristics. It might be worth it to explore alternate perks to retain these employees if compensation increases aren't feasible for the time being.

In addition, some people are choosing to leave the workforce entirely. Women are more likely to decide to leave the labor force than men. Typically, this is due to family-related demands such as raising children or managing a household, Pew Research said.

While this type of loss could be tougher for you to prevent entirely, offering working women more flexibility with their work arrangements may help in this regard.

[Read this Story Online](#) 



Does employment law allow us to test employees for COVID?

Q: With a new COVID-19 variant out there that can get past the vaccines, we're thinking of requiring worksite testing for our employees. But I heard there are new federal guidelines we need to be aware of. What are they?

A: The Equal Employment Opportunity Commission's (EEOC) official stance is that employers should follow CDC and FDA pandemic guidelines, and conduct an individualized assessment of their workplaces and evolving pandemic circumstances to determine whether such testing is warranted.

Employers are allowed to use COVID viral testing as a screening measure to evaluate whether an employee should be in the workplace, but it has to be for job-related reasons, and it must be a business necessity.

Possible business necessity considerations include:

- level of community transmission
- vaccination status of other employees
- the accuracy and speed of processing for different types of COVID viral tests
- the degree to which breakthrough infections are possible for vaccinated/boosted employees
- the ease of transmissibility of the current variant(s)

- the possible severity of illness from the current variant
- what types of contact employees may have with others in the workplace or other places they're required to work (e.g., working with medically vulnerable individuals), and
- the potential impact on operations if an employee enters the workplace with COVID.

Some other key compliance updates from EEOC's "What You Should Know About COVID-19 and the ADA, the Rehabilitation Act and Other EEO Laws":


- Employers may screen job applicants for symptoms of COVID as long as the screening follows a conditional job offer and screenings are also being done for all incoming employees in the same type of job – or if the employer is screening everyone (including contractors and visitors) before entering the workplace
- Employers can't require antibody testing (which shows past, but not current infection) before permitting employees to re-enter the workplace
- Employers may require an employee that's become infected to provide a doctor's note saying they can return to work. Employers can also follow



Does employment law allow us to test employees for COVID?

CDC guidance regarding release from isolation without a doctor's note

- Employers aren't allowed to withdraw a job offer to someone who is older, pregnant or disabled based on concerns of their increased risk of serious illness from COVID, and
- If an employee with a medical condition that puts them at risk of serious illness from COVID doesn't request an accommodation, employers aren't obligated to provide one. But employers do need to ensure no adverse action is taken against the employee, unless there's a "direct threat" to the employee's health or safety and there's no reasonable accommodation that will reduce the risk to an acceptable level.

[Read more Ask the Auditor in your Membership Dashboard](#) 



Pros and cons of flexible hybrid workplaces in 2022



by Brian Bingaman



WHAT TO CONSIDER WHEN MULLING A **REAL ESTATE CHANGE** FOR YOUR BUSINESS

The hybrid work environment has many companies re-evaluating the cost-effectiveness of their real estate strategy.

You may have noticed a major shift in work patterns in some industries: more telework and less five-day, in-person work environments. As a result, office spaces are being used differently than they were before 2020. Only 5% of workers are interested in returning to their offices full-time, according to a poll conducted by CareerBuilder.

So to reduce real estate costs and keep employees productive, should you consider moving to a leased space, leasing a smaller space or a combination of leased office space with a secondary flexible/co-working space? Flexible/co-working spaces are professional spaces that can come with creative desk layouts, such as non-fixed workspaces that any employee can use, and are intended to encourage new ways of collaboration. The concept first gained traction with WeWork.

If you're considering realigning your organization's hybrid workspace, you'll need to hash out a plan with your leadership team for these three important areas:

- **Security.** How much of a burden will it be for your IT team if you move to another location or add a satellite flexible workspace to the mix? What's the plan to keep your company transactions, records and data safe? Will any security

Pros and cons of flexible hybrid workplaces in 2022

improvements or upgrades be necessary to carry it out?

- **Productivity.** Does your HR leadership have any concerns about your people staying productive in a new space or spaces? What can be done to address those problems? Are there any other ideas for optimizing productivity?
- **Culture.** A dispersed workforce means using technology to make essential collaboration happen. But if employees have the ability to work from anywhere, there's also a chance engagement will take a hit. How can a strong sense of community and inclusion be nurtured as your hybrid work environment evolves?

Evaluating spaces for hybrid work

In 2021 office leases cost anywhere between \$8 and \$23 per square foot per month (depending on location), according to the Small Business Administration.

Meanwhile, flexible workspaces often have either different types of memberships or provide a custom quote. Prices may differ depending on location, your team size, or if you need dedicated desks, private offices or larger rooms.

Besides a cost analysis of the different options you're considering, you'll also need to carefully consider what hybrid work conditions would be the best fit for your organization. There are pros and cons to both office and flexible spaces.

In a conventional office space:

- you control how it's organized
- it can accommodate large numbers of people
- it's possible to get access in case of emergency, and

- you're responsible for expenses like utilities and cleaning.

With a flexible, or co-working, space:

- it's an alternative hybrid workspace for telecommuters encountering distractions at home, and could be an attractive workspace option for your independent contractors
- some expenses and cleaning may be included in your membership or subscription fee (however, some co-working spaces may charge for what they consider amenities, like conference room use, parking, etc.)
- it's ideal for smaller teams and can serve as a satellite location if your company unexpectedly outgrows its primary space
- decorating the space is already taken care of (but you don't control how the space is organized), and
- you may be limited to when you can use the space because of set hours of operation.

Lease negotiations & the hybrid workplace

Unless you decide that going full-remote makes the most sense for getting your best work done, having a leased physical workspace – whether it's a conventional office or a flexible space – will still be important.

Because of the unpredictable business climate, if you're still committed to a long-term lease now may be the time to approach the landlord about granting an early termination right without penalty.

However, if you're coming to the end of your lease term, you may be in a stronger position to re-negotiate provisions than you were

at the start of the lease. Some key elements to focus on:

- Have the landlord take on more repair and maintenance responsibilities
- A lower amount for your share of the common area maintenance costs
- If there's a percentage rent clause tied to your revenue, get rid of it
- Flexible options for expanding your office space
- Provisions that are adjustable – because circumstances can change without warning, and
- Add a subletting provision. Subleasing unused space can be another revenue stream for your firm.

When hammering out an agreement on a flexible workspace, the experts at Yardi recommend asking for front-loaded free rent, if feasible. (For example, when you pay your first month up front, plus your deposit/letter of credit, can you structure the deal where you can get a few months' rent for free?)

Key area for spend optimization

Energy costs have to be kept under control, and that's especially true if your hybrid work environment will be expanding to include a flexible workspace.

A solution for the office worth looking into is an artificial intelligence-enabled thermostat that can control the office climate based on factors like levels of occupancy, weather conditions, time of day and more. You can track the ROI via your year-over-year energy bill savings.

[Read this Story Online](#) 

Created standard operating procedure for bank notification of change (NOC)

Making ACH payments to our vendors directly from our bank to theirs made paying invoices much more efficient. However, we started getting multiple “failed payment error” notification of changes (NOCs) from our bank.

That meant that, to make transactions go through, our bank had to make changes to apparently incorrect information in the ACH pay files that we sent.

We knew that just because the money got to where it was supposed to go in the end, we couldn’t just disregard the NOCs. If we continued to take no action, and our bank had to keep putting in extra work to process our ACH payments, there’s a chance they could stop making the necessary changes and report us to Nacha.

Nacha has the power to fine us for sending inaccurate banking details in an ACH pay file, so we wanted to avoid that.

Put someone in charge of NOCs

Like our CFO says: “When something gets tracked or measured, it improves.” So the first step we took was assigning a staffer to “work” the NOCs and be responsible for logging and processing them.

Because this could sometimes become a daily task, we also designated a backup team member to handle it when our NOC person goes on vacation.

The NOC point person noticed that there was a specific payment error code – C02 “incorrect transit/routing number” – that many of these notifications had in common. It turns out that a few of our most frequently-used vendors were with a bank that merged with another bank, and the routing number had changed as a result.

Established procedures

A lesson we learned is sometimes vendors mistakenly assume that we already know about an important banking change. So now, whenever we receive an incorrect routing number NOC, the next thing we do is verify the number on the Federal Reserve’s website, [frb.org](https://www.frb.org/services).

It’s important to call the vendor and confirm the update to make sure there’s no potential fraud. But if the vendor’s slow to respond, sometimes we can’t afford to wait on them to call back if there are payments due in the near future.

In that case, we’ll also email the vendor a notification that we made a change to



Created standard operating procedure for bank notification of change (NOC)

their record and explain why. The message also says to call us immediately if they didn't authorize this change.

Once we've confirmed the routing number, we then make sure any other vendors that use the same bank have their info updated in our enterprise resource planning (ERP) system and the master vendor file.

Creating a standard operating procedure with these steps has significantly reduced the number of NOCs coming from our bank.

Adapted from the "Putting the A/P in hAPpy" podcast episode "5 Do's and Don'ts of NOCs from Your Bank When Your Vendor's Bank Has a New Routing Number."

[Read more Case Studies in your Membership Dashboard](#)



Excel Tips

Spreadsheet calculations looking off? Check for a 'PEDMAS' formula error

When creating formulas in Excel, it's important to be mindful of something from high school algebra that you may have forgotten about.

If your formula has a combination of addition, subtraction, multiplication (the asterisk key) and/or division (the backslash key), Excel will prioritize calculation according to the mathematical order of operations – also known as "PEDMAS" because the priorities from first to last go: Parentheses, Exponents (which you're probably not using in Excel), Division, Multiplication, Addition and Subtraction.

For instance, if you're populating a cell with an average of a range of cells, it's crucial that your formula has

parentheses around the cell coordinates being added together so they get totaled up first before being divided by the number of items in the cell range.

If your formula is $= (A1+A2+A3)/3$, Excel will follow PEDMAS in the calculation, and the parentheses will get higher priority than the division (or any of the other math functions). For additional examples, check out the [LearnExcelNow.com](#) workshop "Microsoft Excel: The Basics and Beyond for Today's Top Professionals."

So if the values on a spreadsheet look wrong, check the formula against PEDMAS. All it might take to correct the data is a set of parentheses.

[Read more Excel Tips in your Membership Dashboard](#)

Business travel & cost control: Keys to keeping expenses low as trips resume



LIMITING COMPANY SPEND WHILE REAPING THE BENEFITS TRAVEL HAS ON YOUR BUSINESS



by Jess White

Corporate travel was a casualty of the COVID-19 pandemic. As business travel begins to rebound this summer, some organizations may continue to keep travel at a minimum as a method of cost control in response to inflation and the rising costs of supplies.

Sure, that's one approach to cost control – but is it the best one for your business? Reducing business travel may cost companies much more in the long run by limiting their opportunities for profitability and growth.

Current state of business travel

Right now, over two-thirds of C-suite executives expect their companies to spend less on business travel over the remainder of 2022 than they did during the same period in 2019. That's according to the Business Travel Survey – 2022 Q2, conducted by J.D. Power and the U.S. Travel Association.

Per the survey, employers plan to spend less money when they're sending employees to conferences, trade shows, customer and stakeholder meetings, and internal

meetings in the summer and fall months.

Existing travel policies are also more limiting than they were pre-pandemic for half of execs surveyed. Companies are allowing fewer business trips overall (71%) and sending fewer employees on the road (58%). In addition, there are stricter limits on the destinations where employees can travel (36%) and more stringent guidelines concerning who travels for business and why (35%).

These restrictions may not last in their entirety for much longer since 52% of execs plan to re-evaluate their company's current

Business travel & cost control: Keys to keeping expenses low as trips resume

travel policies at some point this year.

And for good reason: Both business travelers and execs feel that the lack of business travel during the pandemic has hurt their companies in several ways.

In fact, 36% of execs and 32% of business travelers said that a decrease in business travel has negatively impacted the company's financial performance. And nearly 30% of execs also said that it's negatively affecting the company's ability to keep its current customers and attract new ones.

Plus, about 46% of execs said that the short-term cost savings of limited business travel will contribute to long-term reductions in sales.

How much does corporate travel matter?

As you know, business travel is critical to a company's financial health for several reasons. Almost 70% of execs agree that it helps develop relationships with customers, suppliers and others that are key to a business' profitability – a sentiment echoed by 46% of business travelers who responded to the Business Travel Survey.

Nearly 60% of execs said travel is also essential to help build awareness of their company's services or supplies. Additionally, it's crucial to understanding current trends (cited by 45% of execs) and gaining an edge over the competition (cited by 38% of execs).

Although most execs say business travel is essential, they also say that it'll likely be constrained by several elements moving forward – including cost controls, a concern cited by 69% of them.

Even with current budget constraints, it's clear that the benefits outweigh the drawbacks for business travel. Because of this, controlling costs by limiting business travel won't be feasible for most firms over the long term. That means it's critical to have a different strategy for cost control.

Spend management software & cost control

Using spend management software with expense management capabilities to keep better track of employees' travel expenses is one effective tactic companies can take for better cost control.

Spend management software can help everyone from A/P to the top brass have better visibility into what employees are purchasing and what travel expenses are being reimbursed.

A spend management solution with expense management features can also automatically screen out expenses that don't fall in line with your company's T&E policy, saving A/P time from trying to determine if reimbursements are valid. And it can track company credit card usage to help you avoid losses from fraudulent charges.

Plus, it streamlines the reimbursement process since employees can enter their expenses directly into the software. Spend management solutions often allow employees to scan in receipts and other supporting documentation, or take photos of them, so there's no need for A/P to have to track that down, either.

Spend management software helps companies control costs in other ways, as well. Particularly, it can help A/P avoid paying for the same

invoice twice. Some solutions can even help you keep track of your petty cash.

And it all happens in real-time, so you and A/P can see where money's going immediately and quickly flag any suspicious transactions.

Additional options to control travel expenses

Along with investing in a comprehensive spend management software solution, you'll want to make sure that your internal travel expense policies clearly spell out what expenses are and aren't covered. This should take top priority as you re-evaluate your pandemic-related travel policies since it'll help Finance avoid many hassles up front.

Besides this, there are other ways to improve cost control for business travel across the board.

For instance, execs can lead by example and choose more cost-effective options for their own travel and accommodations. If employees see that the top brass are willing to make concessions when planning business trips, they'll be more likely to follow.

Your A/P pros can look into working with a travel agency to find better deals on business travel for your company. Some spend management software solutions also have tools to help you find better deals on airfare and hotel stays based on a traveler's existing itinerary, so that may be an option for your company as well.

[Read this Story Online](#) 

Was fired employee a troublesome staffer or victim of ADA discrimination?

A/P Manager Jenn Smith was stuck in a traffic jam on her way to the office when her phone started ringing. She answered and was surprised to hear the voice of Leann Lyons, an A/P manager at another company.

"Jenn, I need your advice. We fired someone yesterday, and I'm concerned there's going to be some drama," she said.

"Well, now this traffic jam that I'm in doesn't seem so bad," Jenn replied. "Tell me what's going on."

"So this guy, Tom Hume, had been doing a decent job until he started taking big chunks of PTO," Leann said. "When he returned to work, he told me his doctor said he has some kind of health condition where he gets frequent headaches, dizziness, lightheadedness and painful sensitivity to sounds.

"Apparently it was affecting his work, and he thought the answer was to hire additional staff to lower his workload."

"That sounds like it could be an ADA request for accommodation," Jenn said.

American with Disabilities Act (ADA) qualified?

"I wasn't convinced Tom had a legitimate disability. He only asked for a lighter

workload and more bathroom breaks," Leann said. "To me, it sounded like he just couldn't handle the job.

Under the ADA, when someone can't perform the essential duties of their job, they can be terminated, right?"

"That's true, but the actions you took as soon as he told you he had a health condition are important. Did you bring in HR to talk about his requests?" Jenn asked.

"Actually, we had already put him in a performance improvement program since he was a little late on project deadlines," Leann said. "Things weren't getting better, so we let him go before we had a chance to talk with HR about his illness."

Tom filed an ADA discrimination lawsuit against his former employer. In court, the employer asked the judge to dismiss the suit on the grounds that Tom's condition wasn't officially protected under the ADA and his request for a lighter workload meant he couldn't perform the essential duties of the position.

Was it successful in getting the case thrown out?



Was fired employee a troublesome staffer or victim of ADA discrimination?

The decision

No. The judge allowed the case to proceed.

Because Tom's condition affected his ability to concentrate, think and hear, it limited major life activities. So, it meets the definition of a disability, according to the ADA Amendments Act of 2008.

The court also disagreed with the argument that Tom was unable to perform the essential duties of his job. It said that his request for a lighter workload and more bathroom breaks was reasonable.

In addition, the ADA requires employers to engage in an interactive process with an employee about accommodation requests and whether they're reasonable. The company not only failed to carry out the required interactive process, the court said, but the timing of the performance improvement program could be considered retaliation for making an ADA accommodation request.

Take the ADA seriously

To avoid costly legal trouble, it's vital to avoid perception of bias. That includes discrimination against staffers who are suddenly diagnosed with a condition that qualifies as an ADA disability, even though the condition may not have obvious, visible symptoms.

Because a misstep can land you in hot water, it's important to know

how the ADA legally defines a disability and to ensure conversations take place between employees and HR about any accommodation requests.

It's also crucial to document what you do. In the event of a legal dispute, courts will want to see that your company made an effort to help the employee before resorting to termination.

Based on Ford v. Gates, Hudson & Associates Inc. This case was fictionalized for dramatic effect.

[Read more You Be The Judge in your Membership Dashboard](#)

Easy-to-miss fraud risks impacting A/P, Finance right now



Overlooked risks open the door to criminals



by Brian Bingaman

Between internal fraud risks, cyberattacks and stolen checks, being on guard against fraudulent activity can become an all-day, everyday concern for your A/P department.

For instance, the number of fraud complaints nationwide averaged 2,300 per day in 2021 (up from 1,300 daily complaints in 2019), according to the FBI Internet Crime Complaint Center's (IC3) Internet Crime Report.

Business email compromise scams have a lot to do with it, with nearly

20,000 complaints to IC3 in 2021. The news that a county government in New Mexico was fooled by a Kenyan national living in the U.S. into paying over \$447,000 because it thought he was an approved vendor may have you concerned that the same thing could happen to you.

According to a report in the *Albuquerque Journal* newspaper, a legitimate-looking email from a tech vendor asked to change payment methods from check to ACH. But staffers didn't follow the county's verification procedures and called the contact phone

number listed in the email instead of looking up the valid phone number in the master vendor file.

Later, an email arrived from the accounting department of the real tech vendor asking why hundreds of thousands of dollars in legitimate invoices hadn't been paid.

The county recouped some of the money, but ultimately was hit with a net loss of more than \$216,000. Since then, internal controls have been beefed up to include an "enhanced multi-level" authorization process for verifying changes to a contractor's payment method.

Watch out for these fraud attempts

With more than 323,000 complaints reported to IC3 in 2021, phishing email scams that involve links to malware or data-stealing spoof sites are a favorite of fraudsters. They're easier to miss because cybercriminals are now recruiting native English-speakers to compose the emails – eliminating the obvious scam attempts with spelling and grammar errors.

But workplace email phishing isn't the only method crooks are using to rip off organizations like yours. Here are some easy-to-miss risks staffers need to know about.

Unnecessary details in a staffer's out-of-office message can be used to craft a targeted social engineering scam. All fraudsters need to get started is to receive an automated email reply or reaching a voicemail announcing someone's out of the office. For example, if a criminal knows that an executive is out of the country for a week attending a conference, the crook has enough specific details to impersonate them via email and target someone in Finance to request a payment or "update" bank data.

Some out-of-office message best practices to consider:

- Adjusting your email settings so that your out-of-office message is sent to contacts only
- Suggesting an alternate contact while you are unavailable, and
- Avoid oversharing. Don't include where you're going or why, your personal cell phone number or an alternate email where you can temporarily be reached. Just say you'll have limited access to email and will return the message as soon as possible.

Speaking of oversharing, another way A/P can inadvertently open the door to fraud is leaving sensitive banking change information on the voicemail of a vendor rep. Consider creating a vendor voicemail policy or a script your people can follow that requests a call back. That keeps them from giving out too much information at once.

According to security software company KnowBe4, phishing scammers are able to use CSS code to hide "external sender" email warning flags from IT to impersonate someone within the company. So IT will need to adjust its cyberthreat strategy accordingly. When in doubt about an email domain, Whois.com/whois is a site you can paste domain addresses into for verification.

Also, greater care must be taken when browsing the web because the "S" in the "https:///" at the beginning of a URL is no longer a guarantee of a verified, safe site. Hackers are able to obtain SSL certificates much easier than they should.

With the data of professionals now for sale on the dark web as a result of a data scraping incident, phishing attempts are being made via LinkedIn to entice your team members to provide corporate email addresses or phone numbers, sensitive login credentials and even financial information. Some red flags to watch for:

- Messages from people you don't know personally
- Job postings that sound too good to be true or ask you to pay something up front
- Urgent messages that your profile is being deactivated or requesting confirmation of your LinkedIn account
- A non-LinkedIn domain email address or a hyperlink that's not a LinkedIn.com webpage, and

- Messages asking to install software or open an attachment.

Fraud hitting even closer to home

A/P consultant and trainer Debra Richardson noted in an IOFM webinar that A/P pros need to be extra cautious about fraud right now because of an emerging international trend of stronger employer actions being taken against Finance pros.

She said that in one case in the UK, an employer unsuccessfully tried to sue an employee for mistakenly sending more than \$100,000 to a cybercriminal. In Australia, a \$61 million fraud loss led to a company firing its CEO and CFO, and then trying to sue them, according to Richardson.

That means Finance pros need to be vigilant about fraud – not just to look out for your company's interests and your vendors' interests, but also to protect yourselves. Richardson said that even though they can be hacked, password managers significantly reduce the risk of business fraud because they generate long passwords, prevent reuse of passwords and prevent automatic logins to spoof sites.

To stay on top of evolving fraud threats, it's good to periodically check these sites:

- [IC3](#)
- [IRS](#), and
- [Better Business Bureau](#).

[Read this Story Online](#) 



Are sales tax and use tax interchangeable?

Q: In what situations would we have to pay sales and use tax? Are the taxes interchangeable?

A: Sales tax and use tax may be related, but they're actually two different kinds of taxes, says CPP and SPHR Pamela Fagan-Shull. And there may be times when you have to pay both a sales tax and a use tax on something.

In the Premier Learning Solutions workshop "Navigating Sales and Use Tax Compliance in 2022," she said sales tax is an excise tax collected by more than 12,000 state, county and local municipalities – which can include school districts – for the purpose of raising revenue for some economic, social or equitable consideration.

Based on a rate set by the jurisdiction, and the purchase price or gross receipts, sales tax accrues at the point of sale when a buyer becomes the new owner of something, she said. There are exclusions that vary from state to state, and some states apply sales tax to services as well as goods.

Use tax is a bit trickier. Intended to prevent sales tax evasion and to level the playing field between local and interstate businesses, use tax applies when assets cross state lines, and is about the privilege of ownership, possession, use or consumption. It's based on a sales price, purchase

price or a taxable measure, such as depreciated value.

Some key triggers for paying use tax in your state, according to Fagan-Shull:

- ordering taxable items from states like Alaska, Delaware, Montana, New Hampshire or Oregon that don't assess sales tax
- importing items from another country
- storing equipment in a state different from the state it was purchased in or the state where it'll be used
- rentals of equipment from an out-of-state supplier
- reselling goods or removing products from a finished goods inventory for in-house use/consumption
- transfers or sales of taxable property between divisions
- transfers of used equipment from a different state, and
- use of self-constructed assets.

The big difference to keep in mind: Sales tax is collected (and remitted to a tax jurisdiction) by a merchant on taxable items it sells, while the consumer's use tax is paid by a buyer to a tax jurisdiction on taxable items it purchases.

[Read more Ask the Auditor in your Membership Dashboard](#)

RESOURCEFUL about FINANCE PRO

Powered by 

Resourceful Finance Pro, part of the SuccessFuel Network, provides the latest news, best practices and proven strategies for financial professionals. But we don't stop there.

Our editors read and vet hundreds of sources and hand-select the most relevant, practical content. Then we add our seasoned perspective and deliver actionable insights to help you understand what today's trends mean for your business.

Meet Our Editors



Brian Bingaman

Brian researches and writes about accounts payable, Finance technology and CFO management trends. Brian brings nearly 20 years of journalism experience to the *Resourceful Finance Pro* team.



Jess White

Jess covers business and finance topics such as payroll, cash flow, fraud, accounts payable, and sales and use tax. Jess also edits business software articles for *BetterBuys.com*. Throughout her career, Jess has worked for several different print and online publications, and she brings over 16 years of experience to the *Resourceful Finance Pro* team.



Jennifer Weiss

Jennifer keeps readers current on Payroll news, covering topics such as employment taxes, fringe benefits and the Fair Labor Standards Act. She brings over 20 years of experience to the *Resourceful Finance Pro* staff.



Scott Ball

Scott Ball is a Senior Staff Writer for Resourceful Finance Pro with more than 20 years of experience writing for business professionals. He wrote for the trade publications CFO & Controller Alert, Facility Manager's Alert and Environmental Compliance Alert.

Get In Touch

Phone:
484-207-6329

Email Customer Support:
support@resourcefulfinancepro.com

Mailing Address:
660 American Avenue, Suite 203
King of Prussia, PA 19406

About

At *SuccessFuel*, we equip professionals to do great work with news and analysis, online workshops, step-by-step training guides, digital newsletters, and much more. Our sister brands include:



Not a  INSIDER yet?

This monthly newsletter is just one of the benefits of being a Resourceful Finance Pro INSIDER. Find out more at www.resourcefulfinancepro.com/join-insider

become an Insider 