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RESOURCEFUL FINANCE PRO

January 2023

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CFO News Briefs

Stories You Might Have Missed

New WOTC guidance from IRS: What you need to know

December 8, 2022

The federal Work Opportunity Tax Credit (WOTC) could be a boost to your bottom line – a one-time credit up to \$9,600 per qualified new hire.

The tax credit amount is 40% of the employee's qualified wages if the employee works at least 400 hours during the first year of employment. If the employee works less than 400 hours, but at least 120 hours, the credit is 25% of the employee's qualified wages. However, employers can't claim the credit for employees that are rehired.

To qualify, your company and the job applicant must complete IRS Form 8850, *Pre-screening Notice and Certification Request for the Work Opportunity Credit*, and file it with the state workforce agency of the state where the employee works (but not with the IRS). It's then up to the state WOTC coordinator whether the new hire qualifies.

What's changed is the pre-screening must be completed on or before the day a job offer is made. Both the job applicant and the employer must sign Form 8850 no later than the date you submit the form to the state workforce agency.

[Read more](#) 

As promised, new drafts of Form 5500 Series released by DOL

December 13, 2022

Give your team a heads up: The informational copies of the 2022 Form 5500, Form 5500-SF, IRS Form 5500-EZ and form instructions have been released by IRS, the Dept. of Labor's (DOL) Employee Benefits Security Administration and the Pension Benefit Guaranty Corporation.

They arrive just in time for the year-end financial condition, investments and operations federal reporting of your employee pension and welfare benefit plans. They're due the last day of the seventh month after the plan year ends (July 31 for a calendar year plan).

As much as your team wants to get a jump on wrapping up year-end as soon as possible, remind them these are just reference copies, and can't be used to do the EFAST2 filing of the 2022 Form 5500 Series.

So they still need to keep an eye on efast.dol.gov for the official versions, which can then be filed using software from EFAST2-approved vendors or directly through the EFAST2 website.

[Read more](#) 

Still time to give employees a holiday bonus they'll appreciate the most

December 15, 2022

More than half of employees say they'd like to receive a financial reward of some kind as the Christmas and New Year's holidays near. The reality is, many won't be seeing a bonus of any kind as employers tighten their belts and layoffs loom on the horizon.

Various surveys over the years show that younger employees expect and appreciate gifts or bonuses around year-end more so than older ones. Failure to receive financial recognition may factor into a younger employee deciding to find work elsewhere.

Some companies make the mistake of creating a "personal" gift to employees at Christmastime. Often the time and money spent doesn't hit the mark. Employee surveys find that when folks do receive a company gift, about half don't appreciate the gesture.

[Read more](#) 

Elon Musk states the obvious – meetings are (almost) always a waste of time

December 20, 2022

Musk and his management team aren't wasting time laying off entire divisions at Twitter. He's refusing to pay exorbitant air travel bills that former execs tallied, and he's (for now) not paying severance packages to a handful of former Twitter decision makers.

Musk is also trying to change the Twitter culture. The tech maven forwarded "6 rules for success" to his employees with the message, "Some people don't like change, but you need to embrace change if the alternative is disaster."

Three of Musk's six rules relate to meetings. No surprise there: People say their companies schedule too many meetings, and worse, meetings aren't productive or needed (a conversation between key players is typically all that's needed to keep a project humming along).

[Read more](#) 

4 red flags a purchase order may not be on the up and up

December 22, 2022

Accounts Receivable departments need to stay on their toes for scam artists and fraudsters. Plenty of companies' cash flows are squeezed tighter than ever these days. So the last thing you need is to accept and fill an order from a source that's not going to pay for it.

Turns out there are a few easy-to-spot signs that a bad actor is eyeing your company for a steal. Seeing one or more of these signs doesn't guarantee someone's trying to pull a fast one at your company's expense – but they're red flags that need to be spotted right off the bat.

Red Flag 1: A generic email address

Red Flag 2: A "too neat" mailing address

Red Flag 3: Pushing for a rush order

Red Flag 4: A problematic purchasing pattern

[Read more](#) 

Uh-oh: Those 1 million jobs created last spring were a figment of the feds' imagination

December 28, 2022

Remember those rosy employment figures the Bureau of Labor Statistics put out last year? More than a million jobs added during the second quarter of 2022, to be specific?

Turns out the feds were off by a bit. And no, not off by a few thousand jobs or so. Try more than a million.

The Philadelphia Federal Reserve corrected the Bureau's wildly inaccurate projection for that period to less than 11,000 jobs created. And thanks to the Philly Fed for setting the record straight even if it took half a year for someone to tell jittery employers the truth.

[Read more](#) 

Email phishing attempts look fishy: Keep an eye out for these warning signs

December 30, 2022

Email scams are getting more sophisticated. To make matters worse, some companies' employees are getting fooled by phishing sends that announce salary reductions and include file attachments.

The good news is, most email scams look "off" at first glance to a reasonably intelligent person.

Are there any telltale signs that an email in your inbox isn't what it appears to be? Yes there are, according to tech security pros and law enforcement who've seen it all.

Remind staff to beware of an email that possesses one or more of these traits in its subject line. Always preview it first and don't click on it if you suspect it's a fraud:

1. Email starts with "Re:" or "Fwd:" followed by vague words like "project" or "meeting."
2. The words "you" or "your" followed by terms like "loan application" or "credit card." Personalized subject lines are a bright red flag.
3. Email sender address has letters and numbers in it, not a name. Pause first and ask yourself if you're expecting an email from someone you don't usually do business with.
4. Misspelled, odd or inappropriate words you don't see often in business email. Be careful, it could be a trap meant to lure you in.

[Read more](#) 

Get ready: Federal Reserve eyes 5%-plus interest rate for 2023

January 4, 2023

Plenty of financial gurus lauded the Federal Reserve for hiking interest rates and its stated goal of ratcheting down inflation. After multiple hikes in 2022, the Fed intends to increase the target rate even further in 2023.

How high? Seventeen out of 19 Fed officials on the monetary policy committee expect a target interest rate as high as 5.25% at some point this year.

The good news: Inflation's slowing down in some areas. The year-over-year inflation rate is just over 7%. Not good for sure, but much better than last June when the year-to-year inflation rate stood at 9.1%. Similarly good numbers in January and February might encourage the Fed to ease up on hikes.

Now the bad news: A key factor in inflation dropping has been the White House tapping the strategic petroleum reserve to drive down gasoline and diesel prices at the pump. Those price reductions could be temporary. Domestic oil & gas companies don't intend to ramp up production anytime soon, largely due to costly EPA regulations and President Biden's freeze on drilling leases on federal lands.

[Read more](#) 

A/P News Briefs

Stories You Might Have Missed

Paperless A/P in your New Year's resolutions? Make sure these internal controls are in place

December 7, 2022

Since about 80% of all your company's transactions go through A/P, if a totally paperless A/P department is one of your goals for 2023, robust controls to prevent waste and misuse of company funds will be essential.

In the *ResourcefulFinancePro* workshop "A/P Internal Control Best Practices: Going Paperless," consultant, author and former CFO Carl L. Young said that as you build your tech stack to achieve paperless A/P, you still need a level of internal controls similar to what you had in place pre-COVID when Finance staffers were all on site. They'll be especially important in a hybrid work model with no paper trail of purchase orders, approvals, receiving reports or check requests.

Even if you have to carve out time to collaborate with your software vendor reps to align these controls with your new tech, it's worth it to stop cash leaks and head off inventory-ledger discrepancies that can add up and hurt the bottom line.

[Read more](#) 

Could not reimbursing work-from-home expenses get your company in trouble?

December 12, 2022

Since remote and hybrid work became normal for many companies, some workers are complaining that their employers should pay for work-from-home expenses, such as internet and electricity costs, printers and office supplies.

A few employees are even suing their employers to recover what they're spending on work-from-home expenses. Bank of America, Liberty Mutual Insurance, Oracle, Visa and Wells Fargo are among the high-profile companies that have had to defend themselves in court, according to a *Los Angeles Times* report.

If your organization is considering work-from-home expense reimbursements because of the federal tax deduction allowed under an IRS accountable plan, your Finance team needs to be diligent.

For example, your A/P team will need to collect documentation. Under IRS accountable plan rules, with the exception of reimbursing employees for the business use of their cell phones, employees must be able to establish a business connection for the expense and they must provide receipts, bills and expense reports.

[Read more](#) 

The weirdest business expense submissions of 2022: Can you top these?

December 19, 2022

Your A/P staffers have seen their share of outrageous business expense reimbursement requests from employees. But how do they compare to the “Craziest Expenses” for 2022 compiled by global expense management company Emburse?

See if you can guess which business expenses were green-lighted and which were declined, then share this list with your team for a laugh.

- \$110 for a tent because a cost-conscious employee decided against expensing \$800 for a hotel room – which we assume was the only lodging option available. Status: Denied (although the company's VP approved it).
- \$200 in dues for an exec's membership in a hair restoration club. Status: Denied.
- \$45 for three cases of ramen noodles when an overseas traveler was forced to quarantine because of COVID. Status: Approved.
- \$75 for a tracksuit and some alcohol wipes that served as a road warrior's makeshift bedbug delousing kit. Status: Approved.
- \$0.49 for a single pencil from an office supply store for an employee who must've suddenly run out of working pens in their home office. Status: Approved.
- \$700 for car repairs after a large raccoon jumped in front of an employee's car, damaging the engine and cutting a business trip short. Status: Approved.
- \$2,200 for airfare to Paris for an employee's spouse. Status: Unknown. (This company may need to review its travel policy.)
- \$4,500 for rental car repairs after an employee inexperienced with driving stick-shift damaged the rental's transmission. Status: Approved.
- \$10,000 for new “home office furnishings,” including a washer/dryer combo. Status: Unknown.
- \$74,575 to purchase a replacement for a car that was allegedly totaled in a rental car parking lot. Status: Denied. (The rental company falsely told an employee he had to pay, but Accounting intervened when the employee's card was rejected.)

- \$180,000 for two BMWs that an employee charged to his personal card to impress a client. Status: Approved. (The company's expense policy was changed and it billed the client for the cars.)

[Read more](#) 

Latest from IRS: Crucial tax relief deadlines for COVID Social Security Tax deferment, disasters

December 20, 2022

Reminder: If you're like many businesses that took IRS up on the pandemic-related relief offer in 2020 to put off paying Social Security taxes, the last payment installment was due by December 31st.

If you're experiencing déjà vu, there's a reason. December 31, 2021 was the deadline for the first half of the deferred amount.

A quick huddle with A/P may be in order for which of the IRS-accepted payment methods you'll use.

No matter which option you choose, it must be made separately from your other tax payments and deposits. This will ensure that it's credited properly so you don't receive a follow-up bill or notice.

[Read more](#) 

Payroll News Briefs

Stories You Might Have Missed

Sure about deadline for distributing Forms 1095-C to employees?

December 9, 2022

First things first, what's the upcoming deadline for getting Forms 1095-C to full-time employees? March 2, 2023.

You may recall that when the Affordable Care Act (ACA) passed – over a decade ago – the law set the end of January each year as the deadline for applicable large employers (ALEs) to furnish the forms to full-time employees.

Since then, year after year, IRS has issued an automatic extension of time. That helped employers out, because they didn't have to file Form 8809, *Application for Extension of Time to File Information Returns*, seeking an extension themselves.

But in 2021, IRS decided to make it official. The proposed regs laid out an automatic extension of time for ALEs.

For Payroll, doublechecking who's a full-time or full-time equivalent employee can help keep your company on track.

[Read more](#) 

IRS releases income tax withholding tables for 2023

December 16, 2022

IRS has finalized the withholding tables Payroll will need in 2023. Whether you have old or new Forms W-4 on file for employees, you can get ready for next year.

As you know, IRS did a major overhaul of the W-4 in 2020. While some employees haven't turned in new forms since then, the 2023 withholding tables account for that.

Heads up: IRS issued an information release on December 6, 2022, aiming to help taxpayers avoid surprises when they file their TY 2022 income tax returns. It's possible that Payroll will notice an uptick in revised Forms W-4 from employees, once they become more aware of the changes.

Remember, if an employee gives you a revised Form W-4, you have limited time to implement the changes. What's the 30th day from the date you received the form? What's the first pay period that ends on or after that day? IRS says you must put the changes into effect by the start of that pay period.

[Read more](#) 

The latest IRS guidelines on electronic Forms W-4

December 20, 2022

Having employees complete Forms W-4 electronically can be a convenience to you, but be careful: IRS has issued strict guidance, and it's recently been expanded.

Employers don't have a "license" to simplify or modify electronic substitutes to paper W-4s, IRS warned.

After rolling out guidelines on implementing an electronic system for Forms W-4, IRS received questions. Now, you can find answers to some of those questions.

Meanwhile, the pressure's on to get things right for 2023, as IRS just released the final version of Form W-4, *Employee's Withholding Certificate*.

In *Additional Guidance for Substitute Submissions of Form W-4*, IRS made clear that "exactly" the same information contained in the paper W-4 must be provided in the electronic substitute version.

IRS threw the spotlight on Steps 1c-4c, reiterating the need to use the paper form's exact wording.

Bear in mind that setting up a system to electronically receive W-4s isn't mandatory. Therefore, switching back to paper if you don't have enough time to comply with updates is something to consider.

[Read more](#) 

Secure 2.0 Act contains many retirement plan changes: Quick rundown for businesses

January 6, 2023

The Secure 2.0 Act became law just before the close of 2022, as part of the federal spending bill.

Roll up your sleeves – the list of new retirement plan requirements and opportunities for businesses is lengthy.

That's not surprising given that one of the primary goals of the Secure 2.0 Act of 2022 was to expand coverage and increase savings in retirement plans.

In Title 1 alone of the Secure 2.0 Act, you'll find 28 sections related to retirement plans. For example:

Section 101 makes automatic enrollment in 401(k) and 403(b) plans mandatory once participants become eligible, although they can opt out of coverage. The contribution amount is set by the law: at least 3% and not more than 10% to get started. That amount escalates by 1% each year until reaching 10%, with a cap of 15%.

The requirements of Section 101 kick in for plan years beginning after Dec. 31, 2024.

Our editorial team will continue to provide analysis of what's included in the Secure 2.0 Act.

[Read more](#) 

Finance staffer on intermittent FMLA leave fired: Will judge agree there was retaliation?

CFO Bill Keeper was on the phone with Dan Latham, a CFO at another company.

"Bill, I need to tap into your employment law knowledge," Dan said. "I had to fire my payroll manager, Becky, and we may have to get ready to defend ourselves against a disability discrimination or FMLA retaliation lawsuit."

"First of all, what are you doing about payroll?" Bill asked.

"I put our office manager in charge of it," Dan replied. "She's been busy reconciling a bunch of Becky's mistakes."

"Payroll errors – ouch!" Bill said. "So you mentioned disabilities and FMLA. What was going on with your payroll person? A lot of missed work time due to health problems?"

Unexcused absences vs. FMLA leave

"At first, we were able to work around Becky's intermittent FMLA leave just fine," Dan began. "HR sat her down, explained her rights and spelled it out in a memo that she was responsible for giving me notice when taking FMLA time and for tracking and submitting all FMLA hours."

"But then she started randomly not showing up for work, with no notice.

Deadlines started to get missed."

"Could those absences have been for medical reasons? Did she explain why she wasn't at work?" Bill asked.

"No, and I really started to get angry," Dan replied. "So as soon as I could, I met with Becky and walked her through an improvement plan memo for preventing the errors, the missed deadlines and handling absences not related to her FMLA time. It also said there would be disciplinary action for non-cooperation."

"And I'm sure you gave HR a copy. How did she respond?" Bill asked.

"She filed a complaint with the National Labor Relations Board," Dan said. "We finally let her go a month later. I know the timing looks bad, but she failed to follow reasonable expectations."

When the fired payroll manager sued Dan's company for retaliation for taking FMLA leave, the judge ruled in favor of the company and she appealed. Was the appeal successful?

The decision

No. The court rejected the appeal because the employer documented its interaction with the employee, including a performance improvement



Finance staffer on intermittent FMLA leave fired: Will judge agree there was retaliation?

action plan, and demonstrated there were non-discriminatory reasons for termination.

The judge also ruled the employer took proper care to document the employee's unexcused absences and not lump them together with protected FMLA leave when discussing the employee's attendance issues. The judge also said there was no evidence of a connection between the adverse employment action and taking FMLA leave.

Documentation diligence

This case shows how important it is for you and your managers to document what's done when dealing with employee issues in the workplace.

But it has to be executed properly – in compliance with both your company policies and employment law.

Had the employer in this case not made it a point to say the problem was with absences that were against company rules, and not FMLA leave, the termination could've looked like retaliation and the outcome might have been different.

Based on Corkrean v. Drake University, No. 22-1154, U.S. C.A. 8th Circuit, 12/13/22. Dramatized for effect.

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

2023 bringing tax changes: What your Finance team needs to know

 by Brian Bingaman

KEY UPDATES FOR PAYROLL, PLUS NEW TAX CREDITS **FROM INFLATION REDUCTION ACT**



As the calendar flips to 2023, it's crucial for your Finance team to be aware of the tax changes going into effect and for you to take steps to ensure compliance.

In the *ResourcefulFinancePro* webinar "Tax Changes Finance Pros Need to Know Going into 2023," Pamela Fagan-Shull, president of Audit Business Services Inc., highlighted seven tax changes that will impact budgeting for your Payroll taxes. These tax changes all involve new caps that affect your employees. For the sake of their financial wellness, they need to be kept in the loop.

7 key tax changes for 2023

"Inflation has hit American families really hard. And the changes that IRS has made to the 2023 [tax code means] workers can keep more money out of Uncle Sam's hands," she said. "During an era of rising prices, that's welcome news if you're trying to prevent financial stress from making life more difficult. However, you've got to remember too ... that inflation is increasing higher than what our cost of living is."

1. The maximum amount employees can contribute to their 401(k), 403(b), 457 plan or federal government Thrift Savings Plan jumps to \$22,500

2023 bringing tax changes: What your Finance team needs to know

and catch-up contribution limits for employees 50 and older increase to \$7,500. The total annual contribution allowed for those folks adds up to \$30,000.

2. Maximum annual IRA contributions are now \$6,500 (up \$500 from the 2022 limit). The IRA catch-up contribution limit for employees 50 and older is now \$7,500 annually, an increase over the current \$6,500. In addition, the adjusted gross income IRA phaseout range for single filers rises to \$138,000-\$153,000, and \$218,000-\$228,000 for married taxpayers filing jointly.
3. Health savings account (HSA) contribution limits are higher: \$3,850 for individual employees and \$7,750 for families. Fagan-Shull added: "To qualify to contribute [to] an HSA plan in 2023, the deductible must be at least \$1,500 for individual coverage or \$3,000 for family coverage. Annual out-of-pocket expenses can't exceed \$7,500 for self-only coverage and \$15,000 for family coverage."
4. Depending on an employee's income and family size, the Earned Income Tax Credit range is expanding from \$600-\$7,430. The income phaseout threshold is \$17,640 for filers with no children, \$46,560 for filers with one child, \$52,918 for filers with two children, and \$56,838 for filers with three or more children.
5. Standard deduction amounts are increasing to \$27,700 for

married couples filing jointly (currently \$25,900), \$13,850 for single employees and married individuals filing separately (currently \$12,950) and \$20,800 for heads of household (currently \$19,400). Also note that the additional standard deduction for blind people and senior citizens is \$1,850 for single filers and heads of household and \$1,500 for married taxpayers (double it if you're both blind and 65 or older). Since the passing of the Tax Cuts and Jobs Act, more people have been claiming standard deductions, so this news may prompt more than a few employees to submit a new Form W-4 to Payroll for 2023.

6. Marginal tax rate thresholds are increasing. The seven tax brackets remain the same; however, the federal income tax rate tables have been adjusted for inflation. So for example, the 22% rate will now apply to employees with taxable income that exceeds \$44,725 if filing single and \$89,450 if married filing jointly. That's up from \$41,276 and \$83,551, respectively. "Your employees ... really need to pay close attention to what their total income threshold is so that they can see exactly what impact it will have on them and how much they have coming out of their checks," Fagan-Shull commented.
7. Capital gains tax thresholds are shifting. The 15% amount

applies to gains \$89,251-\$553,850 for married couples filing jointly, \$59,751-\$523,050 for heads of household, \$44,626-\$276,900 for married filing separately and \$44,626-\$492,300 for single filers. The 20% amount applies to anything above those limits. Short-term capital gains assets are still to be taxed as ordinary income.

Tax change: decreases to child credits

Beginning in 2023 "taxpayers will get a significantly larger standard deduction, but they may see smaller write-offs related to their child tax credits," Fagan-Shull said.

Employees with children may need some financial wellness resources for adjusting their sails as COVID-19 emergency increases to the Child Tax Credit and Child and Dependent Care Credit expire. This will impact parents starting with the 2022 tax year.

Social Security wage base fallout

That's not the only thing that may take employees by surprise. You may have seen our report that the Social Security taxable wage base is going up.

According to Fagan-Shull, the raising of the wage base could not only result in lower take-home pay for some employees because more of their income is taxable, but it also means the

2023 bringing tax changes: What your Finance team needs to know

employer pays more taxes because of the requirement to match the Social Security tax of 6.2% of the employee's salary up to the cap.

"You want to make sure everyone understands the impact this will have on budgets ... also on an employee's final paycheck at the end of the year," she said.

The Inflation Reduction Act factor

According to Fagan-Shull, now's the time to start looking into taking advantage of tax cuts that are part of the Inflation Reduction Act of 2022, including:

- The Clean Vehicle Credit of \$3,500-\$7,500. Keep in mind not all electric vehicles will qualify, so before adding to your fleet, be sure to look over the list of federal government-approved makes and models by clicking [here](#) and see IRS Rev. Proc. 2022-42, and
- The Energy Efficient Commercial Buildings Deduction.

[Read this Story Online](#) 

Standardized workflows helped streamline things in A/P

Our A/P staff needed help. Bottlenecks were occurring in getting orders from our purchasing department, verifying what purchases were for so they could be coded correctly for accounting purposes, and ensuring invoice data matched the merchandise we received.

The timeliness of gathering this essential information so that we can process payments on time was something we needed to tighten up because late payments can lead to vendors freezing our accounts.

That's when I'd hear complaints from Purchasing because a frozen account means they can't place any new orders. And yet, Purchasing's part of the problem because they're the ones moving orders to A/P so slowly.

We needed some more standardized workflows.

Getting started on standardizing workflows

Because forgetting information and tasks happens, we set up automatic, twice-a-week email reminders to our

Purchasing manager to double-check that all purchase orders (POs) have a digital copy that's sent to A/P, so they can better plan ahead for the invoices that are coming.

Procedures were adjusted so that POs are sent to the vendor, then to a new, shared A/P email account just for POs. Now they don't get lost in somebody's email inbox.

Because purchase verification was an issue, we designated team members to be in charge of reconciling receiving reports with POs and communicating with purchase approvers about exceptions or discrepancies.

We also assigned team members specifically for three-way matching of PO, receiving report and the vendor invoice, once it arrives, and for general ledger posting, and reviews and notifications.

Once those duties were set, we created an online spreadsheet for tracking issues. When necessary, A/P and Purchasing meet to resolve any recurring problems.

These standardized workflows are helping A/P pay invoices more efficiently



Standardized workflows helped streamline things in A/P

while we explore options for an A/P automation solution.

Next step: Improve vendor relationships

After identifying any suppliers that we were having problems with, we reached out to them and let them know about current payment statuses, our new approval processes, how payment timelines are going to improve and adjusting due dates to ensure they get paid on time.

That was also a good time to start talking about converting to digital payment methods and electronic invoicing. Ideally, we'd like to eliminate check payments and paper invoices altogether.

Our vendors are much happier because they're getting paid in a more timely manner and we've even been talking to them about early payment discounts.

(Brinna Rischen, Accounting Manager, FirstFruits Farms, Prescott, WA)

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BUSINESSES WILL NEED TO BALANCE PRUDENT SPENDING, DIGITAL TRANSFORMATION



Featured Story

CFO Finance Technology

Top 2023 Finance trend predictions related to fintech, the economy: Are you prepared?



by Brian Bingaman

The economy will continue to fluctuate next year, and that'll be driven by interest rates, according to a webinar on 2023 Finance trends from Controllers Council.

Many of your peers agree that it'll be a roller coaster ride because they're not sure what's going to happen next:

- 21% of the webinar's attendees named braving economic uncertainty as a top priority in 2023 for their business.
- 27% of Finance pros polled in an IOFM webinar said helping their business navigate economic uncertainty will be one of next year's biggest

challenges and 34% said their departments have taken measures to prepare for a potential economic slowdown.

- A PwC Pulse Survey revealed 62% of your peers believe inflation will remain high into next year.
- A survey by Grant Thornton found that 64% of finance leaders think rate hikes will lead to a recession because rising interest rates tend to put downward pressure on the stock market.

Based on that, a hot trend among finance leaders will be deploying prudent spending strategies with

reviews and approvals to keep more cash on hand, especially with interest rates making the cost of capital much higher.

Another 2023 finance trend prediction: Your peers will be exploring new workforce benefits, such as reconfiguring their office spaces and providing employees resources and technology that enable them to be more efficient and productive.

2023 Finance trend: transformation

Doing things the way they've historically been done at your

Top 2023 Finance trend predictions related to fintech, the economy: Are you prepared?

organization may not be enough to stay competitive in 2023.

For example, digitally transforming the Finance department is expected to be top of mind for your peers in the new year. Experts predict that technologies, such as automation of A/R, expense management and financial close management, will continue to have a significant impact on the organizations that leverage them.

Adding new tech may create a need for another kind of transformation – talent upskilling, including how to work with the artificial intelligence (AI) and machine learning software you've put in charge of the mundane manual tasks that staffers used to do. This can enable your Finance team to take on more strategic advisory roles (e.g., A/P performing more data analysis and less data entry as paper-based processes become digitized) and collaborate on projects with other departments across the organization, as well as external stakeholders.

When the Controllers Council webinar attendees were asked how their businesses were achieving their "finance agility" goals:

- almost half (48%) said continuous learning
- 27% said taking on new strategic assignments
- 21% said expanding role requirements, and
- 4% said something else.

Companies will likely look to their CFO to come up with the framework for the necessary research, training and support to get an upskilling initiative going.

2023 Finance trend: emerging technology

Another prediction for 2023: As more applications move to the cloud, Finance will need to embrace intelligent, data-centric fintech applications with built-in contextual intelligence. This includes smart systems technologies – revolutionary tool sets with advanced machine learning software capable of making autonomous decisions and performing a variety of business tasks.

The *ResourcefulFinancePro* webinar "A Look Back and Forward – A Finance Retrospective and a Crystal Ball Reading" named applications that are quickly moving from the theoretical to reality:

- conversational AI that can, for example, automate shared inboxes used for communicating with customers
- machines that understand human spoken communication
- "intent and sentiment interpretation and action taking"
- threat analysis and remediation that not only responds to cyberattacks,

but also geo-political threats to your business, natural disasters and economic scenarios like supply chain disruption, and

- optical character recognition with computer vision enhancement for automating document processing.

You might also start hearing about businesses turning to hyperautomation – a strategy of rapidly identifying, vetting and automating as many business and IT processes as possible – to promote resilience in times of economic uncertainty.

What's going to happen in A/P?

An IOFM webinar on 2023 Finance trends in A/P made these predictions:

- A/P managers will need to address evolving to new operating models, including automation, AI and/or tech-enabled managed services, to maintain productivity during times of high turnover.
- Touch-free P2P processing will gain traction because it means fewer errors and exceptions, faster cycle times and lower costs.
- There'll be more automation of companies' vendor management processes. It reduces the time spent tracking down

Top 2023 Finance trend predictions related to fintech, the economy: Are you prepared?

missing vendor information and the risk of IRS fines for mishandling vendor info. In addition, this tech increases visibility into spend yields and monitors supplier compliance.

- More organizations are going to be extending their payment terms via supply chain financing. A supply chain financing network enables suppliers to get paid faster while letting buyers hold onto their cash longer, protecting the goodwill of the buyer-supplier relationship.

Mark Brousseau, president of Brousseau & Associates and a thought leader on A/P, A/R, payments and document automation, made these suggestions to A/P managers during the webinar:

- Come up with a plan to make posting of invoices to your enterprise resource planning system touch-free. (It'll probably require an automation solution.)
- Seek out tools that streamline supplier management, and
- Re-evaluate your supplier payment terms. "Don't leave this to somebody in treasury or cash management," Brousseau commented.

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What do we do if a DOL Wage and Hour Division investigator shows up?

Q: Our company just got a call from the Dept. of Labor (DOL) and, for some reason, the feds want to take a look at our payroll and employee time records from the last three years. Do we approach this the same way as we would an IRS audit? Are there any other steps we should take to prepare?

A: You're fortunate the DOL gave you notice and didn't just arrive unannounced. (If that happens, you should ask to see their Wage and Hour Division identification.)

The first thing to consider doing is calling your employment lawyer, said Jon Hyman, a partner in the employment and labor law practice at Wickens Herzer Panza in Avon and Sandusky, OH.

In a post on his Ohio Employer Law Blog, he explained that "you have the legal right to be represented by an attorney at all points during the investigation."

"We can also determine the scope of the investigation so that we can narrow the scope of the documents you'll need to gather and produce," he said.

Just like an IRS audit, being able to produce important documents in a timely manner goes a long way with the DOL. Just remember not to turn over more than what you're asked to.

"It's important to be cautiously comprehensive, but it's also important to avoid producing documents that are non-responsive, privileged or confidential," Hyman said.

The feds usually interview employees, so try to anticipate who they might want to talk to and prepare to make them available. (Your employment lawyer will want to meet with them first, if possible.)

"The DOL investigator will interview employees to verify your payroll and time records, to identify workers' duties to determine which exemptions apply, if any, and to confirm that minors are legally employed," Hyman said.

You also have the right to review and respond to the investigator's conclusions. If there's an exempt/nonexempt or contractor/employee classification issue, what is it and what's the investigator's explanation? If there's a proposed payment of back wages, do you agree or disagree? Is the DOL willing to negotiate the amount?

Then, if necessary, update your wage and hour practices. Do you need to reclassify any workers? Do you need to do something to ensure that off-the-clock work time is being captured? Were you missing any records that you now need to start keeping?

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

What's your business travel liability if something bad happens when employees go on the road?



by Brian Bingaman

Mitigating the Risks of Lawsuits, Workers' Comp Disputes Involving Business Travelers



With business travel volume expected to return to 96% of pre-pandemic levels in 2023, now's a good time to review your firm's business travel liability risk.

In a *ResourcefulFinancePro* webinar, Dr. Jim Castagnera, an attorney affiliated with the Washington International Business Counsel and arbitrator for the U.S. District Court for the Eastern District of Pennsylvania, spotlighted two areas of business travel liability companies like yours need to be aware of:

1. workers' compensation, and
2. what happens if an employee causes damage to a third party during a business trip.

Workers' comp & business travel liability

You're familiar with how workers' compensation insurance applies to workplace injuries, but did you know there's business travel liability with workers' comp? There are some important exceptions to the general rule that workers' comp coverage is continuous for business travelers. Castagnera said workers' comp is not likely to cover injuries that occur:

- because of behavior by the employee that's illegal or against an establishment's rules
- during days an employee has extended a business trip for a workcation

- during a trip that's for personal reasons, meaning the trip would've been made regardless of a business assignment, and could be canceled for any reason, or
- after an employee has clearly stepped aside from their role as a representative of the company to attend to personal matters.

Castagnera noted that the last one, the "abandoning employment" exception, is not something all courts agree on.

For example, in the 2020 *Bache v. TIC-Gulf Coast* decision, a North Carolina court ruled in favor of an employer that was sued by a worker

What's your business travel liability if something bad happens when employees go on the road?

assigned to an out-of-state project who became partially paralyzed in a car accident. The court said there was no business purpose involved in the circumstances of the accident.

But Castagnera said the employer dodged a bullet because the crash happened after the worker had visited a potential rental property to live for the duration of the work project. In a different jurisdiction, he said, the outcome could've been different because the injuries wouldn't have happened had there not been a need to find work-related living arrangements.

Business travel liability & 'respondeat superior'

Business travel liability comes into play if a third party comes after you for negligence or bad behavior on the part of an unsupervised employee on the road. The legal term for it is *respondeat superior*, Castagnera said, and it's based on a presumption that the employer is benefitting from the traveling employee and therefore shares the blame.

In a 2017 court case, an employee fell asleep while cooking egg rolls on a stove in his hotel room, which led to a grease fire that caused over \$140,000 in damage. The employer's insurance carrier covered the claim, but then turned around and sued the company.

The employer tried to get the case dismissed on the grounds that the employee was outside the scope of his employment when the fire started. But the judge disagreed, saying: "This determination should be made after a full opportunity to discover the facts surrounding the incident."

"Once you hear the word 'discovery,' you know that you or your insurance carrier is running up some big legal fees," Castagnera commented.

The court considered a previous decision that employees on business travel are actually in continuous employment day and night, and that lodging in a hotel, preparing to eat, and going to or returning from meals can count as activities that are incidental to employment.

Explaining the thinking, Castagnera said, "If you're sending somebody on an extended business trip or an overnight trip, they're going to have to eat. They're going to have to sleep someplace."

On top of this, employees may be engaging in more risky behavior than you think when they're on business trips. Castagnera cited an On Call International survey of 1,000 business travelers that found:

- 27% binge drink while on work-related trips, and
- 11% said they've picked up a stranger at a bar while traveling for their jobs.

You depend on your road warriors to act in a responsible and safe manner. So if you haven't already established a code of conduct or expectations for employees while they're out representing the organization, now's the time to huddle with HR and your CEO to create one, and have your people read and sign it.

Insurance considerations

Your business travel liability can also depend on what your workers'

comp and general liability insurance policies say.

Castagnera offered these tips:

1. Make sure your workers' comp insurance addresses injuries while traveling. Does it address international travel?
2. Know the limits of your workers' comp and general liability coverages. What do they say about outside-of-business activities, such as family workcations?
3. If you allow workcations as a benefit, make sure your general liability coverage addresses family members/companions of employees.

Protecting the company

Castagnera also suggested having a waiver/release for employees and, if applicable, adult family members/companions to sign before leaving town on a business trip (employees would also have to sign on behalf of any accompanying minor children).

They can say something like: "I, on behalf of myself, my heirs and personal representatives, hereby release [your company name] and its directors, officers, employees, successors and agents from any and all claims and causes of action for inconvenience, damage to or loss of property, medical or hospital care, personal illness or injury, or death arising out of my participation in [description of the trip, including dates and destinations]."

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Time-saving Excel navigation shortcuts for less scrolling, clicking

If you're working in an Excel spreadsheet with a large amount of data, you don't have to use the vertical or horizontal scroll bars on the right-hand side of the screen to get to another area of your sheet.

Here are some efficiency-boosting, keyboard-based shortcuts from the [LearnExcelNow](#) workshop "Microsoft Excel: The Basics & Beyond for Today's Top Professionals."

Ctrl G makes a "Go To" box appear and activates a flashing cursor in the "Reference" field. Type the cell where you want to go and press Enter. You can also type the cell reference in the name box to the left of the formula bar and press Enter.

Alt = saves you from having to hunt for Auto Sum (the sigma symbol) in the ribbon when you want to add multiple values across ranges to get a total. Select the cell(s) where you want the sum to appear, then press Alt and =. This adds a SUM function to the cell(s) and it'll automatically select the adjacent cells to use in the SUM function.

Ctrl Home takes you back to A1 if you lose your bearings in the sheet.

Home takes you to the first column in the row you're working on.

Ctrl right arrow/left arrow takes you to the last cell with data in it to the right/left of a blank cell.

Ctrl down arrow/up arrow takes you to the next cell above/below with data in it.

Quick mouse-clickers beware!

Excel has an astronomical number of column (1,048,576) and row (16,384) cells in each spreadsheet, and you could discover that the hard way if you're not watching where you're mousing.

If you hover over a column header letter or a row header number, it highlights green and a black down or right arrow appears. If you accidentally click it, it highlights and carries commands across every single cell of the row or column to the very end of the sheet, even the thousands of empty cells.

You want to avoid this because it'll cause problems with printing your spreadsheet, with the types of formatting in your columns or rows, and possibly your formulas.

When selecting cell ranges to highlight, it's best to keep it as local of an area as possible by using the Shift, click technique. Select the first cell in the range, then press the Shift key and click the last cell in the range.

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

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