

RESOURCEFUL FINANCE PRO

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January 2024



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CFO News Briefs

Stories You Might Have Missed

How did this billion-dollar company not notice a finance staffer was robbing it blind?

December 11, 2023

The most common reason companies get ripped off by dishonest employees? Lack of oversight.

The Jacksonville Jaguars football franchise is just the latest example. The Jags made Amit Patel its manager of financial planning and analysis in 2018.

One of Patel's core duties was overseeing the club's virtual credit card (VCC). According to a media report, Patel served as the VCC administrator. He oversaw all transactions on the card which only a few club employees were allowed to use.

Apparently Patel loved gambling the day he started working for the Jags. His compulsion only grew worse as he now could access billionaire owner Shahid Khan's credit. Patel bet on sports and fantasy leagues daily.

The Jags' VCC covered many of his purchase and gambling losses for the next four years. Patel charged all of the following items to the card:

- a condominium in Ponte Vedra Beach, FL
- personal travel for himself and friends including chartered private jets and luxury hotels
- a new Tesla Model 3 sedan
- a Nissan pickup truck
- a personal trainer
- a retainer with a criminal defense law firm
- cryptocurrency and non-fungible tokens
- a country club membership
- concert and sporting event tickets, and
- a Patek Phillipe wrist watch that cost six figures.

Total price tag: \$22 million!

No one spotted the red flags

Patel lived the high life a lot longer than he should've. At many companies, an accounts payable employee

with a pulse would've noticed the expenses and started asking questions within a month or two at the longest.

No one caught on to Patel's shenanigans or blew the whistle for years. Patel doctored accounts for the monthly charges to justify the expenses. Khan and others trusted Patel, which was their fatal mistake.

All of the lies and fraud came crashing down on Patel. In late 2022, the club learned of an ongoing FBI investigation of him. The Jags cooperated with the feds as they built a case against him.

When confronted with the evidence, Patel admitted what he'd done. The Jags fired him in early 2023. The U.S. Attorney's office in Jacksonville is charging Patel with one count of wire fraud and one count of illegal monetary transactions.

Patel is expected to plead guilty. His lawyer says he regrets his actions and blames it on a gambling addiction.

Trump policy advisor is making companies re-evaluate their DEI hiring policies

December 13, 2023

Senior political advisor Stephen Miller is busier than ever since the leaving the Trump administration. Miller is squaring his sights on companies that hire and promote based on factors like race and gender.

The result? Some companies are scaling back their diversity, equity and inclusion (DEI) programs. Others are looking to scrap DEI programs altogether.

Miller's organization, America First Legal (AFL), has filed complaints with the U.S. Equal Employment Opportunity Commission (EEOC) against some of the biggest companies that focus on hiring more women and minorities at the expense of white men (and women, to a lesser degree). The firms facing discrimination complaints from AFL are some of the biggest in America – McDonald's, Macy's and Salesforce.

The Los Angeles Times notes how some businesses are walking back DEI policies in the wake of the Supreme Court's ruling in *Students for Fair Admissions v. President and Fellows of Harvard College* earlier this year. While the case focused on higher education, many legal analysts warn the decision sets a new precedent for businesses too.

In recent months, "law firms Morrison & Foerster and Perkins Coie have eliminated their diversity requirements for fellowship programs, a common tool for recruiting from underrepresented groups ... [and] pharmaceutical giant Pfizer removed race-related requirements from a similar fellowship program [even though] a suit challenging it had been dismissed," according to the Times.

Hiring managers being told not to accept white job candidates

The DEI movement has prompted many companies to cast aside white male and female job candidates. About one in six HR professionals admit they've been explicitly told not to hire whites, according to a ResumeBuilder survey.

Hiring managers need to keep in mind this type of practice amounts to reverse discrimination, defined as "unfair treatment of members of the majority group in a workplace based on race, gender, national origin, etc." It's illegal under Title VII of the Civil Rights Act of 1964 and other federal and state laws.

Motivating employees will always be an uphill battle if leaders don't understand these 2 truths

December 19, 2023

Motivating people is a common problem for business leaders. Workers who need reminders about meeting deadlines and always striving to give their best effort can be a detriment to the team.

Before you deal with problem employees, it's essential to understand the limitations of motivating other people. You'll waste less time and expend less energy if you're realistic about motivation.

Here are the two most common "myths" about motivation:

1. 'Leaders motivate people'

This just isn't the case. Motivation, drive, the "inner fire" – that comes from within the individual.

Of course, an inspired speech at the right time can help. But external motivation has its limits. Over time, you can't be the one pushing people to succeed.

People have to motivate themselves to work hard and solve problems every day on the job. Often it's a grind to do that every single day.

What you as a leader can do is help create a positive environment where staffers feel appreciated and empowered. Some key tactics that work in any environment:

- give verbal and written praise for a job well done
- be willing to let staffers solve problems on their own and lead projects, and
- pitch in on unpopular jobs when you can.

This last point is one many managers don't understand (or don't care about). Employees appreciate managers who'll roll up their sleeves and help out with the grunt work when things are piling up.

Reason: You send the message that daily tasks are important, honorable and not beneath you.

2. 'Money is always the No. 1 motivator'

Study after study shows that a person's salary or weekly pay rate is not a day-to-day motivator. That's because most folks rate their pay as "about right." They might think their profession as a whole is underpaid, but they're less likely to think their employer is underpaying them based on their profession and skills.

One caveat: Pay increases and bonuses do affect a person's motivation. They make an impact at performance review time. And dissatisfaction over not getting a bonus can make someone stew about it and look for their next job.

But again, money is not a primary day-to-day motivator. This might partly explain why worker dissatisfaction is on the rise despite the fact that many companies are paying more to keep talent on board.

Is there a right time to reassess a customer's credit limit? Almost two-thirds of industry pros say ...

December 26, 2023

Tight lending limits by the banks and high interest rates will continue putting a financial strain on companies in 2024. Customers will look to extend their credit limits with their suppliers and vendors to stay competitive.

The majority of credit & collections professionals still prefer to review existing customer credit limits on an annual basis, according to a recent poll by the National Association of Credit Management (NACM). Sixty-four percent of creditors like a full year to assess a customer and how it pays before opting to raise its limit.

Twenty-three percent of NACM survey respondents reassess every six months, 10% do so every two years and 4% review credit terms of customers after 18 months. How often these businesses review their credit limits depends on a number of factors:

- Does the customer stretch payments? If so, how often?
- Did a credit professional have to email or call a customer and remind it about a bill?
- Has the customer ever failed to respond promptly to a message?
- What do the customer's financial statements look like? (It's never a bad idea to check.)

Lending risks only going up in 2024

Credit pros shared their thoughts on setting credit limits and collecting from customers in the current economic climate on NACM's Extra Credit podcast. Several noted the importance of being flexible and adjusting credit limits based on new info.

Barry Hickman, senior director of credit at Dal-Tile, stresses that, in the end, every decision is different and depends on the type of customer you're dealing with. "I might get a call from a rep about a customer that keeps bumping up against its credit limit," says Hickman. "We look at the entire portfolio. [Maybe] the business is still growing, expanding. We'll run a few reports, look at its pay history ... and we might bump that credit limit a bit to accommodate the customer."

On the flip side, other credit pros say when it's time to freeze or cut back a customer's credit line, don't wait and don't apologize. Credit & collections pro Tim Keane analyzes customers' financial histories before his company's spring and fall shipping seasons.

If he sees a cash flow problem with a customer, Keane huddles with sales to reassess what can be done. "We may make a change to the terms or change up their order" to preserve the sales relationship but at a lower risk for the company.

IRS tax bracket changes will increase take-home pay for a lot of workers

January 2, 2024

Don't be surprised if employees are smiling a bit more after their first paychecks of 2024 come in. Many workers will see a bump in their take-home pay as a result of revised IRS tax brackets.

The Service raised limits for tiers in the federal tax bracket as well as standard deductions. The changes will help a lot of folks struggling to pay for nearly everything that costs more. Inflation's leveled off in recent weeks but we're a long ways away from seeing a return to early 2020 price levels for food, fuel, you name it.

The IRS periodically adjusts limits to prevent "bracket creep" for millions of taxpayers close to the limits. These changes for tax year 2024 are designed to reduce the effects of inflation on workers and households.

Employees can put their extra cash to use in a variety of ways. Benefits and Payroll pros can remind people about the short-term (but substantial) advantage of putting money into a health savings account. Using pre-tax money for healthcare adds up to nearly a one-third total dollar savings. That's money the tax man can't touch.

For the long term, increasing how much a person's putting into his/her 401(k) plan helps boost retirement savings. Workers can adjust their 401(k) withholding rate if the plan doesn't include automatic annual 1% increases.

Not all workers are aware of the tax bracket changes

The IRS announced 2024 tax brackets in early November. Here's the breakdown:

- 37% for individual single taxpayers with income greater than \$609,350 (\$731,200 for married couples filing jointly)
- 35% – \$243,725 (\$487,450)
- 32% – \$191,950 (\$383,900)
- 24% – \$100,525 (\$201,050)
- 22% – \$47,150 (\$94,300)
- 12% – \$11,600 (\$23,200), and
- 10% – \$11,600 or less (\$23,200).

Most taxpayers claim the standard deduction to minimize the amount of taxable income. Good news: The standard deduction rate for married couples filing jointly jumps from \$27,700 to \$29,200 (a 5.4% increase). For individuals, the maximum deduction increases from \$13,850 to \$14,600.

In other tax news: The IRS provided employers new withholding tables a couple of weeks before Christmas, and also made modest increases to 401(k) and Individual Retirement Account contribution limits for employees.

Data breaches galore! Hacked firms risk SEC fines if they don't report the damage ASAP

January 3, 2024

Federal agencies issue hundreds, if not thousands, of regulations that businesses and customers could easily do without. There are exceptions, however: Like the data breach disclosure rule that went into effect this past fall.

The U.S. Securities and Exchange Commission (SEC) and its chair Lina Khan aren't getting much love from corporations, Wall Street and the like these days. But the SEC's new requirement that companies must report a significant data breach impacting customers and the public is well overdue, in our opinion.

Consider the number of very rich companies that experienced major data breaches in 2023 and how

some of them handled the messes. One could argue the firms' responses – waiting days to inform clients and customers and in some cases going months without giving a full account – are even worse than the mistake of letting crucial data fall into the wrong hands.

For example, Samsung didn't get around to letting British customers who bought Galaxy phones or other electronic devices in 2019 and 2020 know that their personal information may have been stolen until March of last year! To make matters worse, "the tech giant [has] refused to answer further questions about the incident, such as how many customers were affected or how hackers were able to gain access to its internal systems," according to TechCrunch.

Another example: Ransomware pirates attacked MGM Resorts in Las Vegas a few months back. The attack made guests' room keys inoperable and made it impossible to use cards to play slot machines, the bread and butter of any casino. MGM waited a month to file a report acknowledging customers' data was compromised.

One more: Comcast is taking it on the chin following a breach. Hackers gained access to more than 35 million customers' Social Security numbers. Class-action lawsuits are pending. Comcast has yet to file a formal report to the SEC, which could lead to a fine.

SEC disclosure rule is good news for 'exposed' customers

To be fair to Comcast, it tried to fix a software glitch that its cloud vendor Cisco warned about in October. The data breach occurred while Comcast techies were working on a patch that same month. Too late to stop the theft in this case.

The cybersecurity experts are right: Any company in any industry, no matter the size, is a target. Companies can lessen the risks by investing in encryption tools, and insisting that their employees create long, impossible-to-break passwords and replace them periodically.

The SEC disclosure rule requires publicly traded companies to report "material cybersecurity incidents they experience and to disclose on an annual basis material information regarding their cybersecurity risk management, strategy and governance." A data breach that requires IT/IS staffers to respond immediately and spend hours or days repairing would qualify as a reportable event.

Inspire creative ideas & solutions from employees: Stick to these 5 rules

January 4, 2024

Brainstorming can be a great way to generate lots of potential solutions for a specific problem.

And there's no better group to brainstorm with than your own staffers who handle finance, accounting, benefits and payroll issues all the time.

To spur the creation of innovative ideas, keep these five rules in mind:

1. Suspend judgment (for now)

A brainstorming session or departmental meeting isn't the time to criticize or compliment ideas that employees may suggest. A simple response like "Interesting. I'll think about it. We'll talk [whenever]."

If participants start going off on a critical tangent, rein them in obviously. But urge folks to speak their minds about a problem they'd like to tackle.

2. Encourage 'wild' ideas

It's easier to tame a wild idea than it is to build on a weak one. Companies innovate and thrive in many cases when they try something their competitors aren't doing.

Same goes for great moments in history. No doubt some of Orville and Wilbur Wright's friends thought they were off their rockers too.

3. Aim for quantity

Quickly capture the essence of ideas – the goal is to have the most ideas possible by the end of the brainstorming session.

Later on, you can winnow out the truly crazy suggestions and the ones that just won't work.

4. Build on others' ideas

Good listening is key. Someone may pinpoint a problem, but be on the wrong track with a solution. That's where another participant can jump in and say, "Wait. Maybe this is the way to go."

Participants must work to evolve the ideas of others and that starts with being interested and really listening to what everyone says.

5. Promote participation

If possible, have staffers write down their ideas before the brainstorming session. That way, you can develop some ideas faster as a group.

As people start talking, you may get better ideas than what you started with. But coming in with written ideas gets the creative juices flowing.

Corporate & income tax cuts make these states more attractive

January 10, 2024

States are always looking for ways to attract new businesses and prevent existing ones from pulling up stakes. Lowering corporate taxes is one way to do it. So is reducing income taxes for workers.

2024 will see a bevy of changes to tax rates that finance pros will want to know about. Seventeen states are cutting either the corporate or individual income tax, and in some cases both, according to the Tax Foundation.

Arkansas, Iowa, Kansas, Nebraska, New Jersey and Pennsylvania legislatures reduced corporate income tax rates and/or other business taxes. New Jersey's rate drops from a staggering 11.5% to 9% for 2024. Whether that'll help improve the Garden State's dead-last ranking for business climate, we'll see.

Corporate tax rates are dropping from 5.3% to 4.8% in Arkansas, 8.4% to 7.1% in Iowa, 7% to 6.5% in Kansas, 7.25% to 5.84% in Nebraska and 8.99% to 8.49% in Pennsylvania. (Arkansas, Iowa and Nebraska also reduced their individual income tax levels.)

Here are some significant changes to business taxes for 2024:

- Florida business taxpayers will enjoy paying less on rent.
- Fewer Texas entrepreneurs will be liable for business taxes. Lawmakers doubled the "no tax due" threshold for the Lone Star State's franchise tax.
- Same goes for businesses in Ohio, where the commercial activity tax gross receipts threshold was raised.

Where will workers catch a break?

The states lowering their individual income tax rates are:

- Arkansas – down from 4.9% to 4.4%
- Georgia – 5.75% to 5.49%

- Indiana – 3.15% to 3.05%
- Iowa – 6% to 5.7%
- Kentucky – 4.5% to 4%
- Mississippi – 5% to 4.7%
- Missouri – 4.95% to 4.8%
- Montana – 6.75% to 5.9%
- Nebraska – 6.64% to 5.84%
- New Hampshire – 4% to 3%
- North Carolina – 4.75% to 4.5%
- Ohio – 3.99% to 3.50%, and
- South Carolina – 6.5% to 6.4%.

Two of these states – Montana and Ohio – also increased their minimum wage rates. Upwards of 10 million low-income workers in 22 states will see minimum wage increases in 2024.

And finally, some tough news for California and Michigan employees. Both of those states are raising the individual income tax rate to pay for budget shortfalls. The Golden State's rate is increasing from 13.3% to 14.4% while the Wolverine State's rate inches up from 4.05% to 4.25%.

CPA route is too expensive and not worth the time for young talent: AI to the rescue?

January 10, 2024

Companies seeking accountants to replace or reinforce their workforces will continue to find themselves stuck between a rock and a hard place. The human reinforcements aren't coming in sufficient numbers.

Fact: The number of candidates sitting for the certified public accountant (CPA) exam dropped by 33% from 2016 to 2021. 2022 saw the fewest number of CPA test takers since 2006, according to the American Institute of Certified Public Accountants (AICPA) and the Chartered Institute of Management Accountants (CIMA).

Don't expect those numbers to improve anytime soon. Potential CPAs say they can't afford to pay for the courses and sitting fees on their own, according to

a new survey by the Pennsylvania Institute of CPAs. Students who were considering the CPA route said their No. 1 concern was lack of financial support such as scholarships. Their additional concerns were "exam preparation support, a mentor or coach, assistance navigating the licensure process, help finding an internship and understanding the variety of careers available to CPAs."

Previous surveys by the AICPA and CIMA found up to three-quarters of students with the aptitude and desire to become accountants say it's too expensive. The 150 credit hours needed to sit for the exam is also a major turnoff.

Salaries for entry-level CPAs vary by state but top out at about \$90K per year. Graduates currently average \$37K in student loan debt.

AI tools can fill many gaps – but oversight is needed

The good news is AI is making it easier – and cheaper – to fulfill companies' accounting needs. Software tools geared toward specific tasks like bookkeeping may be the answer for some.

The top-selling programs can help finance pros manage their companies' invoices, sales records, accounts receivable and payable, you name it. We expect AI will be utilized increasingly to automate tasks like fraud detection, investment management, risk assessment and tax compliance checks.

As always, the latest and greatest technologies like AI need savvy people steering the ship. AI provides a wealth of advantages but it's not perfect. For example, law firms are learning that using AI tools to write briefs can lead to liability headaches, like witnesses' names and addresses not being redacted! AI systems like the popular ChatGPT can make up sources and facts if they're asked to do too much.

Case in point: The American Accounting Association compared how accounting students answered more than 28,000 questions on accounting assessments and textbook tests with ChatGPT. The contest wasn't much of a contest: ChatGPT scored a 56 while the students earned a 76.

Even worse, testing showed ChatGPT made up facts. "For instance, when providing a reference, it generates a real-looking reference that is completely fabricated ... the work, and sometimes authors, don't even exist."

A/P News Briefs

Stories You Might Have Missed

Great resolution for 2024: Speed up your invoice processing time

December 11, 2023

The success of Finance depends on an accurate and efficient A/P department. That includes every step of invoice processing – receiving, validating, capturing and coding data, matching to purchase orders and receipts, routing through approval workflows, etc.

In today's business environment, if it takes a company a week or two to get an invoice from data capture to approval, it means there are bottlenecks in the A/P process causing cash-draining late fees, increased labor costs, invoice exception costs and missed early payment discounts.

That's why businesses are reducing both manual tasks and paper invoices by turning to A/P automation technology. It's a priority for almost 70% of companies, according to Ardent Partners.

Meanwhile, Gartner believes that by 2025, 50% of all B2B invoices will be processed and paid without being touched by human hands

Tech solutions for faster invoice processing

By leveraging the interactive, immersive dashboards and advanced, drill-down analytics tools of today's fintech, finance pros can gain actionable insights into their invoice management process. For instance, wouldn't it be great to know within a matter of seconds the average number of days it takes for an invoice to be entered or approved?

The ability to measure invoice processing time not only provides valuable transparency into the efficiency of your A/P department, it can help identify where improvements are needed. Pinpointing the bottlenecks in your invoice approval process can empower your team to take proactive steps to mitigate delays.

Analysis and a deeper understanding of your invoice processing time can lead to improved vendor relationships as well. Knowing precisely how long it takes an invoice to go through each stage of processing enables A/P to set realistic payment timeline expectations to avoid disputes or delayed payments. And that saves both you and your vendors time and resources.

Faster payments and clear communication improve vendor satisfaction, which can be leveraged for better pricing and payment terms.

Assign team members to more strategic tasks

Businesses with a clear understanding of their invoice processing timeline can improve their overall financial performance, while also unlocking insights that drive better resource allocation decision making.

You'll often read on *ResourcefulFinancePro* that automation solutions free up A/P staffers to work on other projects. A/P software provider AvidXchange polled your peers about what their teams were spending more time on after adopting automation technology:

- Analyzing data to make more informed decisions (50%)
- Identifying opportunities to grow the business (37%)
- Catching and reducing errors (35%), and
- Identifying new opportunities to save money (30%).

Survey: Even with A/P automation on the rise, payables pros confident about their job security

December 22, 2023

The emergence of A/P automation software in recent years has been the catalyst of significant transformation of the accounts payable function at many companies.

With workdays less consumed by mundane, manual data entry and processing of paper invoices, finance team members in A/P have evolved into tech-savvy, data-driven and strategic thinkers who play a crucial role in their organizations' financial health, according to A/P automation solutions provider AvidXchange.

The company and IOFM teamed up to survey more than 450 A/P professionals and found that folks at companies with full A/P automation are 11 times

more likely to be working daily on strategic initiatives – preparing for “what-if” scenarios. That’s music to the ears of CFOs!

Also, in an environment where companies are increasingly dependent on financial data and analytics, the real-time access to data and advanced reporting capabilities of A/P automation platforms on the market are empowering A/P pros to improve spend management and drive stronger bottom-line results.

Most A/P pros with full A/P automation (76%) “agree” or “strongly agree” they have access to the tools and tech they need to build effective reports, compared to only 17% of those with manual systems.

Other noteworthy numbers

Even with daily speculation about recession and initial fears about being replaced by technology, A/P pros are generally optimistic about their job security and the stability of their organizations. More than three out of four respondents (78%) said they aren’t worried about layoffs impacting their department and 71% are confident about the future of their companies.

Seventy-eight percent of A/P pros said they welcome the use of modern technology in financial operations because it will allow their team to work more efficiently.

The survey report concluded that A/P automation actually leads to career satisfaction. Seventy-one percent of all A/P pros surveyed feel automation has the potential to positively impact their current job.

And despite workplace trends like quiet quitting and “Bare Minimum Mondays,” more than half of A/P pros (51%) are either “very” or “extremely” satisfied with their current role, while another 35% described themselves as “moderately” satisfied.

Two out of every three survey respondents who work at businesses with full A/P automation reported feeling “extremely” connected to the mission or purpose of their organization because they’re delivering greater value.

Payroll News Briefs

Stories You Might Have Missed

Penalty amounts climbing for errors related to Form W-2, IRS says

December 1, 2023

How much will employers have to pay for any penalties related to tax year 2023 forms, including W-2s and other information returns?

We'll review those numbers and also take a look at the numbers IRS recently released for tax year 2024 forms, as found in Revenue Procedure 2023-34.

Here are the situations that can lead to penalties, along with the per-return penalty amounts and maximums that can be assessed per year, for TY 2023 and 2024, respectively.

The cost of W-2 mistakes

*Situation #1 – You have gross receipts **over \$5M**, you fail to file or furnish a correct information return and a general penalty is assessed:*

- \$310, with a max of \$3,783,000
- \$330, with a max of \$3,987,000

*Situation #2 – You have gross receipts **over \$5M**, you fail to file or furnish a correct information return and you fix the error on or before 30 days after the required filing date:*

- \$60, with a max of \$630,500
- \$60, with a max of \$664,500

*Situation #3 – You have gross receipts **over \$5M**, you fail to file or furnish a correct information return and you fix the error after the 30th day but on or before August 1:*

- \$120, with a max of \$1,891,500
- \$130, with a max of \$1,993,500

*Situation #4 – You have gross receipts of **\$5M or less**, you fail to file or furnish a correct information return and a general penalty is assessed:*

- \$310, with a max of \$1,261,000
- \$330, with a max of \$1,329,000

*Situation #5 – You have gross receipts of **\$5M or less**, you fail to file or furnish a correct information return*

and you fix the error on or before 30 days after the required filing date:

- \$60, with a max of \$220,500
- \$60, with a max of \$232,500

*Situation #6 – You have gross receipts of **\$5M or less**, you fail to file or furnish a correct information return and you fix the error after the 30th day but on or before August 1:*

- \$120, with a max of \$630,500
- \$130, with a max of \$664,500

Of course, the sooner you can correct Form W-2 errors, the better. That way, you can keep penalties as low as possible.

IRS makes withholding tables available for 2024

December 12, 2023

The 2024 tables for federal income tax withholding are now available, IRS said during a recent Payroll Industry Call.

The Service posted the draft version of Publication 15-T, *Federal Income Tax Withholding Methods*, on November 20, 2023, and included the 2024 tables as an Excel attachment.

The Excel format is only temporary – the tables will be integrated into the final version of Publication 15-T. Nonetheless, the tables can be relied on now, IRS explained during the call.

Making the tables available in an early, alternative format gives the industry as much time as possible for programming and updating payroll systems, IRS shared.

(Technical note: If you don't see the Excel attachment in the draft version of Publication 15-T, you may need to try a different web browser.)

As expected, you'll find seven withholding methods in Publication 15-T.

They are:

1. Percentage Method Tables for Automated Payroll Systems and Withholding on Periodic Payments of Pensions and Annuities
2. Wage Bracket Method Tables for Manual Payroll Systems With Forms W-4 From 2020 or Later
3. Wage Bracket Method Tables for Manual Payroll Systems With Forms W-4 From 2019 or Earlier
4. Percentage Method Tables for Manual Payroll Systems With Forms W-4 From 2020 or Later
5. Percentage Method Tables for Manual Payroll Systems With Forms W-4 From 2019 or Earlier
6. Alternative Methods for Figuring Withholding, and
7. Tables for Withholding on Distributions of Indian Gaming Profits to Tribal Members.

Withholding based on Form W-4

IRS also released a draft version of the 2024 Form W-4. That was posted on September 29, 2023.

The final version of the W-4, which is expected soon, shouldn't differ significantly from the draft version, IRS noted during the call.

Reminder: If you're asking employees to fill out Form W-4 electronically, IRS has specific requirements that must be met for electronic substitute versions of the form.

UPDATE: IRS released final versions of Publication 15-T and Form W-4 during mid-December.

Retirement plan law needs some technical corrections, Congress says

December 21, 2023

The Secure 2.0 Act of 2022 brought big retirement plan changes. But in spots, the wording wasn't clear, leading to uncertainty among plan sponsors and others.

So, Congress is in the process of making some technical corrections.

After first sending a letter to the Secretary of the Treasury and the Commissioner of the IRS to explain the law's errors, legislators drafted a bill to provide the necessary fixes.

A so-called discussion draft – i.e., the Secure 2.0 Technical Corrections Act of 2023 – was released by Congress on December 6, 2023.

Here's a section-by-section recap of what's been proposed:

Impacting your retirement plan

Section 102: This section deals with the credit for small employer pension plans. In the Secure 2.0 Act, it's unclear that the credit for employer contributions is in addition to the start-up credit. The bill makes that plain.

Section 107: The 2022 law raised the age at which required minimum distributions (RMDs) from retirement plans must begin. At the time of the law's passage, the age for RMDs was 72. As instituted by the law, the age increased to 73 for individuals who reached age 72 after the cutoff date of December 31, 2022. That much was clear in the Secure 2.0 Act. Now, details about the subsequent age increase have been reworded to avoid potential confusion. The corrections bill specifies that the age for RMDs will increase to 75 for individuals who reach age 73 after the cutoff date of December 31, 2032.

Section 601: A technical correction was made regarding contributions to SIMPLE IRA and Simplified Employee Pension plans, as provided for in the Secure 2.0 Act. That is, contributions to those plans shouldn't be taken into account for purposes of the otherwise applicable Roth IRA contribution limit.

Section 603: Catch-up contributions to retirement plans can be made by employees who've reached the established age, but the Secure 2.0 Act of 2022 omitted that obvious statement when explaining that catch-up contributions for high-wage earners would need to be made on a Roth basis starting in 2024. The corrections bill sets the record straight. Note: The changes involving catch-up contributions will now take effect in 2026, due to IRS guidance released in 2023.

Mileage rates, FMV info and other vehicle-related updates you need for 2024

December 22, 2023

If you have employees on the road, driving personal vehicles for work or employer-provided vehicles, check out these IRS updates for 2024.

First, IRS said in a recent notice that the business standard mileage rate for 2024 is 67 cents per mile.

That's a 1.5-cent increase over the 2023 mileage rate of 65.5 cents per mile.

Reminder: If you're relying on the business standard mileage rate, details can get blurred at the end of one year and the beginning of the next. Use the rate in effect when the employee was on the road, not when the expense report was submitted.

In its December 14, 2023, notice, IRS also released the portion of the business standard mileage rate treated as depreciation. That'll be 30 cents per mile, up from 28 cents per mile.

As for two other types of rates, IRS announced a decrease from 22 to 21 cents per mile. That's for travel related to:

- receiving medical care, and
- moving (until 2026, this is for qualified active-duty members of the Armed Forces only).

As usual, the rate for miles driven in service to charitable organizations remains 14 cents per mile. This rate is set by statute.

Next, in 2024 when computing the allowance under a fixed and variable rate plan, the standard automobile cost can't exceed \$62,000, up from \$60,800. That's important for any employers that use such a plan to reimburse employees.

A higher fair market value

Notice 2024-08 also includes updates that apply to employers using the vehicle cents-per-mile valuation rule or the fleet-average valuation rule to calculate the cost of personal use of an employer-provided vehicle.

Specifically, IRS changed the maximum fair market value (FMV) info needed for those valuation methods. The maximum FMV of vehicles on the date they're first made available to employees increased from \$60,800 in 2023 to \$62,000 in 2024.

If the FMV of such vehicles exceeds that amount, you'll need to use another valuation method to make sure you're correctly withholding any income and employment taxes.

Providing more in transportation benefits

In an earlier announcement, Revenue Procedure 2023-34, IRS released new numbers for employers that make transportation benefits available to employees.

IRS said in 2024, you can exclude up to \$315 per month from an employee's income if you provide:

- rides in a commuter highway vehicle between that person's home and workplace
- transit passes, and/or
- qualified parking.

That's up from \$300 per month in 2023.

Of course, it's never "cruise-control mode" when it comes to fringe benefits.

For example, if you offer payments for rides in a commuter highway vehicle, double-check whether at least 80% of the vehicle's mileage is for transporting employees back and forth between their homes and workplaces. Another requirement, based on your reasonable expectations, is that employees should occupy at least half of the vehicle's seats (but don't count the driver).

NEW YEAR COULD BRING STABILIZATION OF INFLATION, INTEREST RATES



CFO Finance Technology

Top business finance trends to watch in 2024: AI, digitization, real-time payments and more



by Brian Bingaman

What experts are saying the top business finance trends will be for the upcoming year may sound familiar.

They're worth highlighting because companies that are able to adapt to these finance trends are most likely to be well-positioned for success in the years to come.

Finance trend #1: Digital transformation and automation

Naturally, managing cash flow and cost analysis and reduction will be top priorities for CFOs

in the coming year. But so will adopting new technologies and digital transformation, Tipalti Vice President of Finance Alex Cedro said during a recent IOFM webinar.

"CFOs are really keyed in on those areas that can really sustain and drive the business, going forward. And in (order) to do that, you need automation. ... (Finance teams need) those capabilities to be able to have visibility into where the cash is going, where the spend is, and to be able to forecast quarters out, months out," he said.

Technology will continue to streamline the repetitive tasks in Finance – including consolidating entities and closing the books –

freeing up team members for higher-level moves like financial modeling and strategic data analysis.

An investment in training and development may be necessary to help staffers become skilled in financial modeling and strategic data analysis. Nearly half of finance leaders (49%) told AvidXchange that digital upskilling and reskilling were part of their plans.

Look for cloud-based financial management systems to increase in popularity, enabling collaboration across teams and providing real-time access to data. A key reason to be doing more on the cloud: Survey data from MineralTree's eighth

annual State of A/P Report indicates that 72% of all A/P departments will be either fully remote or working a hybrid schedule a year from now.

"A/P automation will not only allow remote or hybrid teams to be more efficient, but will also allow the business to scale without having to add additional headcount," said MineralTree Vice President of Sales Sera Chowdhury during the on-demand *ResourcefulFinancePro* webinar "2023 State of A/P: Key Learnings for 2024."

Less face-to-face contact with remote and hybrid workforces also means it'll be essential to have tech tools for tracking employee spending and ensuring compliance with company policies to prevent maverick spend.

Finance trend #2: The coming of age for AI

This could be the year that AI makes such a difference across more sectors and companies that it's impossible to ignore. Your finance pros may need upskilling or reskilling to keep up.

Cloud financial management software provider Sage foresees AI-powered financial planning and analysis tools becoming integrated into accounting automation platforms, linked with more business applications, and playing a crucial role in managing risks and modeling scenarios in 2024.

"If you just come in with one plan, and without any sort of contingency or 'what-ifs,' that may be hard ... as you're going through the quarter and you start seeing things that may not be coming out as projected," Cedro commented.

In addition, look for AI to be deployed more often to automate

tasks like fraud detection, investment management, risk assessment and tax compliance checks.

Generative AI's star is rising because of its potential to supercharge productivity in Finance and beyond. Generative AI tools can expedite tasks like writing financial reports, refining marketing materials, generating legal documents and more.

Deloitte reportedly is using it to prevent layoffs by evaluating existing staffers' skills and mapping out possible career paths.

The downside of AI, however, is crooks will also try to use it to steal from your company. The potential for AI-driven phishing attacks is a threat that may necessitate an increased investment in protective measures and insurance against cybercrime.

Finance trend #3: Breakout year for real-time payments

Another prediction Chowdhury has for 2024: "There will be a large shift toward digital payments with the goal of improved vendor relationships."

Notably, this includes more real-time payments, which are transforming the financial industry and traditional banking models by enabling immediate transaction processing and settlement. Eighty-one percent of AvidXchange survey respondents said they've seen an increase in requests from vendors for real-time payments.

"They want to get paid quicker. They want to ensure that, for their offering, they're able to control their costs as well," Chowdhury commented.

In addition, banks with a spirit of innovation may start exploring services built on top of instant payment systems, such as account-to-account payments, real-time bill payments and request to pay functionality. These services can provide companies with more efficient and convenient ways to manage their finances.

Finance trend #4: Inflation back under control?

There are signs that inflation will stabilize in 2024 and as we reported, interest rates are expected to come back down.

If this rings true, capital expenditures that had been on hold could finally get moved off the back burner.

Finance trend #5: Renewed chatter about blockchain and crypto

We'll see more cryptocurrency regulation in 2024, according to Sage, but crypto will remain outside the mainstream of investing until regulatory measures are perceived as effective and firmly in place.

Meanwhile, the security, transparency and recordkeeping advantages of blockchain technology will gain traction as it's utilized in contract management, supply chain financing and fraud prevention software applications. For example, imagine a "smart contract" that automatically enforces agreements.

[Read this Story Online](#) 

Top 10 Finance Stories of 2023

 by Scott Ball

REGULATORY CHANGES, CASH FLOW STRATEGIES TOPPED CFOS' MINDS



As 2023 rings to a close, let's take a look back at the stories finance professionals wanted to know about the most.

These are the most clicked-on, read and shared *ResourcefulFinancePro* stories of the past year. We hope you enjoy taking a look back with us!

CFOs want a heads-up on any moves being made by the IRS, SSA

[2024 taxable wage base projection: How much could you owe in Social Security tax?](#)

Finance pros love to get useful info as far out as possible. For once, the Social Security Administration was months early with tax accounting figures for the following year. CFOs and payroll managers appreciated the early heads-up and how we broke down all of the changes, making this our top story of 2023.

[How to strike a balance between protecting mental health and prioritizing productivity](#)

"Investing resources in improving mental health can't wait because productivity is directly linked to employee well-being. The question is no longer 'Should employee mental health be prioritized?' It's 'How can we make it happen?' Protecting and supporting mental health is crucial to business success."

[DEI hiring gone awry: The top companies are shutting out white job candidates](#)

Some companies are losing sight of hiring the best person for the job regardless of race, ethnicity and gender. Reminder: Reverse discrimination is still discrimination.

[IRS makes withholding tables available for 2024](#)

The Service released an early Excel sheet so businesses could update their payroll systems a couple of weeks before the Christmas holiday.

[Deadline nears to complete 2022 Economic Census: Here's what's new](#)

The Census Bureau requires businesses to complete the Economic Census to report on years ending in 2 and 7.

We reminded you with a couple of months to spare.

And here are the rest of the stories that rounded out the bottom of our Top 10 list:

[Supercharging cash flow with FedNow instant payments: A/R software's next evolutionary step](#)

[2024 Social Security taxable wage base, other updates from SSA](#)

[IRS bumps up 401\(k\), IRA contribution limits employees can make in 2024](#)

[Employee Retention Credit scams that promise big tax savings: What you need to know](#)

[IRS releases regs on long-term part-time employees' eligibility for retirement plans](#)

[Read this Story Online](#) 

Can intangible assets be counted as taxable business income by a state?

A text message came in from CFO Bill Keeper's business owner friend, Ben Hackett. "Got a minute to talk about a tax problem?" it read.

Bill decided that he had a minute and called.

Ben answered and asked, "In general, don't states only tax tangible property?"

"If you're talking about sales and use tax, that's not a hard, fast rule anymore. A lot of states tax digital products," Bill replied.

"Sorry, I meant as taxable business income," Ben said. "A while ago, I sold my out-of-state S corporation and asked my accountant about how to report it in the two states where the corporation did business. It's a taxable business income apportionment situation."

"I follow you so far," Bill said.

"This one state revenue commissioner has been coming at me, saying I owe his state \$400,000 because I didn't include the gain on 'the sale of goodwill' as income on my return," said Ben. "I don't get that. Things like brand name, reputation and customer base aren't tangible property. That should be non-apportionable."

Are goodwill sale proceeds taxable business income?

"Did they fine you too?" Bill asked.

"The penalty was \$86,000. But I appealed and they dropped it," Ben said. "I still think I'm going to have to fight this out in court, though. Under their state law, nonbusiness income of a trade or business isn't subject to tax apportionment so I shouldn't have to pay anything."

Ben's argument that the sale of his company's goodwill isn't taxable business income under state law went before the state supreme court. Was he successful in getting the tax assessment overturned?

The decision

No. The majority ruled in favor of the state revenue department.

While goodwill isn't a physical asset, the court said, the sale of goodwill in this case was a transaction integral to the taxpayer's business, and therefore is taxable business income, according to state law.

This case suggests that income from the sale of assets – even intangible business assets of a nonresident – can be considered taxable.

Know the tax code where you do business

Doing business in multiple states is essential for substantial business



Can intangible assets be counted as taxable business income by a state?

growth. However, because tax laws vary so much from state to state, compliance can become an expensive pitfall for companies.

Although getting a fine vacated was a good outcome for Ben, he still has an unanticipated big tax bill, despite due diligence in getting accounting and legal advice.

It's vital to understand your specific tax responsibilities in the states where you do business - for instance, regs that involve tax apportionment to more than one state.

Based on Cities Mgmt. v. Comm'r of Revenue, No. A23-0222, S.C. Minnesota, 11/22/23. Dramatized for effect.



Ask the Auditor

When do we have to re-report beneficial ownership of our company to FinCEN?

Q: We have a handle on what we need to do under the new federal Corporate Transparency Act (CTA) beneficial ownership reporting requirement and we should be able to get that done by the January 1, 2025 deadline. Under what circumstances would our organization have to file another beneficial ownership report with the Department of Treasury's Financial Crimes Enforcement Network (FinCEN)?

A: Depending on what kind of business you're running, you're probably correct to assume that the CTA beneficial ownership report isn't a one-and-done compliance filing.

An amended beneficial ownership report needs to be filed:

- if you later discover an error in the report that you filed

- any time there are ownership structure or executive leadership changes
- whenever a business owner moves to a new residence
- if the business changes location, or
- if the company expands and there's another business entity as a result.

"If a business operating in a second state has created an entity in that state, they must report on that entity and any others they've formed, even for the same business. All entities are considered separate reporting obligations for the CTA," said George May, vice president and segment leader of small business for CT Corporation, a Wolters Kluwer business.

Important 2024 state law updates in CA, IL and NY that companies need to know



by Brian Bingaman

POTENTIAL IMPACT TO OPERATING EXPENSES, LEAVE TRACKING



With a new year comes new state laws with compliance challenges that could disrupt business as usual.

In addition to the minimum wage hikes that we recently reported on, there are other rules in effect, or about to go into effect, that could either impact you or your partner businesses in the following ways:

Payroll costs: Some employers will have new expenses as a result, and CFOs will need to factor them into their budgets and forecasts.

Decreased productivity: New employee leave laws on the books may lead to an improvement in employee morale and reduced turnover. However, productivity could drop off because there are fewer people at work. Staffing levels will need to be adjusted accordingly.

Compliance updates: Employers will need to update their policies and procedures, and in some cases may have to create new leave tracking systems.

Illinois Paid Leave for All Workers (PLAW) Act

Effective January 1, 2024, this state law declares full- and part-time employees who work in the Prairie State – but not most independent contractors – eligible to earn up to a minimum of 40 hours of paid leave in a 12-month period (or a prorated number of hours for proportionally smaller periods

Important 2024 state law updates in CA, IL and NY that companies need to know

of time). This leave can be used for any purpose and employees are not required to disclose the reason.

Employers have the option to frontload the time at the beginning of the benefit period – e.g., work anniversary, calendar year, fiscal year – and must continue using that period unless they give adequate notice of a change. Also, employers can make employees wait 90 days before allowing them to take PLAW leave.

There's also the option to use an accrual method. Employees must be allowed to accrue one hour of paid leave for every 40 hours worked, up to a maximum of 40 hours per year.

A heads up for Payroll:

- Employees can take leave in increments of as little as one hour. Employers can require seven days' notice for planned, foreseeable leave.
- Unused leave can be carried over to the next 12-month period, up to a maximum of 80 hours. Employers can limit the total use of PLAW leave in a year to 40 hours.

Note that certain types of employers and employees are exempt from PLAW and that the Illinois Department of Labor is still finalizing related proposed rules.

To get the 2024 state labor law poster for your workplace, which includes the essentials of PLAW, [click here](#).

Big state law changes in California

Employers in the Golden State are pivoting like crazy because of new requirements that include:

Paid Sick Leave Law: As of Jan. 1, most California employees now earn one hour of paid sick leave for every 30 hours worked, up to 40 hours per year. Employers have the option to frontload or accrue the leave. Unused leave can be carried over to the next year, with a maximum of 80 hours.

Reproductive loss leave: Effective Jan. 1, employers with five or more employees must provide up to five days of unpaid time off for a reproductive loss event, including miscarriage, failed surrogacy, stillbirth, unsuccessful artificial insemination or embryo transfer, or failed adoption. An employee is eligible to take the leave if they've worked for the employer for at least 30 days and if they would've been a parent had the loss not occurred. It's unclear whether employers will be permitted to request documentation from employees supporting the need for leave.

Workplace Violence Law: With a few exceptions, California employers must have a comprehensive workplace violence prevention plan in place by July 1, 2024. If your safety manager isn't already working on it, the plan must identify who is responsible for implementing the plan and include procedures for identifying, evaluating and correcting workplace violence hazards, in addition to a response plan for reports of workplace violence. Employers are also required to maintain workplace violence incident logs, conduct annual training on your workplace violence prevention program, and perform periodic reviews of the plan.

To get the new California labor law poster for your workplace, which includes updated info on the Paid Sick Leave Law, discrimination and harassment state law and

mandatory workplace safety and health protections, [click here](#).

New state laws in New York

The statute of limitations on discrimination complaints under the New York State Human Rights Law will soon be extended. Effective February 15, 2024, a claim of discrimination can be made within three years from the date of the alleged illegal practice. Compare that to Title VII of the Civil Rights Act, which covers incidents no more than 300 days old.

And companies in the Empire State will need to give their contracts a once-over. On May 20, 2024, an amendment to state law goes into effect which provides wage and job protections for freelance workers hired for at least \$800 as independent contractors.

The law requires companies that engage freelancers covered under the state law to enter into written agreements, which must include:

- the name and mailing address of both payer and payee
- an itemization of services to be provided
- the value of the services
- the rate and method of compensation
- the date on which payment must be made, and
- the date by which a contractor must submit a list of all services rendered in order to meet payment processing deadlines.

[Read this Story Online](#) 

Minimum wage hikes for millions of workers are going into effect in 22 states

 by Scott Ball

SEVERAL STATES PAYING \$15 HOURLY OR HIGHER



Upwards of 10 million workers will see a bump in their paychecks in 2024. Twenty-two states hiked their minimum wage rates to help low-income employees make ends meet.

The most generous state is Hawaii. The Aloha State is increasing its minimum wage by two bucks to \$14 per hour. Michigan's is the smallest – a 23-cents-per-hour increase to \$10.33. But a pending lawsuit in the Wolverine State could ramp up the hourly rate to \$12 if thousands of low-income workers win their case in front of the Michigan supreme court.

Maryland, New Jersey and upstate New York low-income workers' wage rate will top \$15 an hour starting this January 1. They join California (\$15.50), Connecticut, Massachusetts, Washington state and the remainder of New York offering \$15 per hour or higher.

The 22 states increasing their minimum wage rates in 2024 are Alaska, Arizona, California, Colorado, Connecticut, Delaware, Hawaii, Illinois, Maine, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, New Jersey, New York, Ohio, Rhode Island, South Dakota, Vermont and Washington state.

The federal minimum wage remains \$7.25 per hour, set by the Department of Labor. States can use that as the default rate or they can institute a higher wage rate. Neighboring states may offer vastly different rates, which can give employers in the higher-wage state a leg up. For example, the Illinois (not including Chicago) minimum wage is now \$14 an hour compared to next-door Indiana at \$7.25.

Employers to use technology to replace workers

Some employers will, of course, try to replace entry-level workers with technology such as Artificial Intelligence and robots. The food industry in particular is expected to lay off workers by the droves.

Just before the California wage hike went into effect, Pizza Hut announced it would lay off more than 1,200 delivery drivers. A wage hike just for fast food workers, from \$16 to \$20 per hour in the Golden State, is liable to spur other restaurant chains to let people go.

About 17 million workers are minimum wagers. Nearly 58% are women.

[Read this Story Online](#) 

Learned important unwritten rules for IRS communication

We had one particularly challenging quarter for filing Form 941 with IRS.

When we received a notice that the agency hadn't received the form, I sent it to them again. Then, we got yet another notice.

After drilling down into the problem and speaking to an agent, I realized that what they were actually missing was Schedule B, the report of our semiweekly deposits of federal payroll taxes.

Key lesson learned: The IRS doesn't always do a good job of articulating what it wants in written correspondence. When talking to an agent, make sure they spell out exactly what it is IRS doesn't have, and what they still need from you.

Agents removed attachments

When a notice came in the mail that the agency hadn't received the Schedule B I re-sent to them, I got on the phone and asked the agent if the paper Form 941 had holes in the top-left corner that would've been made by my stapler where I attached the corresponding Schedule B. Yes, there were stapler holes, indicating someone removed the attachment.

So it was in their office somewhere, but its whereabouts were unknown. I ended up faxing the Schedule B document.

Key lesson learned: Because there are people at the IRS in charge of removing attachments, when corresponding with the agency, tell them when you're sending attachments and say what they are.

Other IRS correspondence best practices

Here are some other lessons learned from experience:

- We designated a point person for communicating and corresponding with IRS. For example, unless Form 941 Section 4 is filled out, naming an authorized person, the agency will only talk to whoever signed a letter to them.
- We communicate with IRS in writing wherever possible, because then there's a clear audit trail.
- For each letter we send the agency, we get a USPS Return Receipt because it provides evidence of delivery, to whom it was delivered and the date of delivery.
- We try to keep correspondence to one letter per issue because the IRS's computers can, and do, generate notices before someone sees our letter. If it looks like a notice and a letter crossed paths in the mail, we'll reprint the letter with the words "second notice" and a note that this



Learned important unwritten rules for IRS communication

is the same letter we sent and we're sending it again.

Any Form 941 issues we've experienced since the big hassle have been minor hiccups.

(Vicki Lambert, CPP, President and Academic Director, The Payroll Advisor, as presented in the Premier Learning Solutions workshop "IRS & DOL Audits: Spot Red Flags Before Agencies Do")



Excel Tips

2 time-savers you may have missed: Excel Camera and Show Formulas

Excel Camera isn't a camera in the literal sense, but it can be a helpful tool that saves you excessive mouse clicking back and forth between sheet tabs, or setting up special views so you can see related sheets side by side.

"If you're ever doing Excel dashboards, this is a really, really good tool to do that with," commented presenter Mitzi Katz in the LearnExcelNow on-demand workshop "Excel Updates: New Formulas You Need to Know."

But first, if you don't already have the Excel Camera icon on the left side of your green Quick Access Toolbar at the top of your screen, here's how to add it:

1. Click on the little white drop down arrow on the Quick Access Toolbar and a "Customize Quick Access Toolbar" menu appears

2. Select "More Commands," which takes you to the Excel Options menu.
3. Select "Quick Access Toolbar" among the options in the left column.
4. In the "Choose commands from" window, where it probably says "Popular Commands," click on the down arrow and change it to "All commands."
5. Scroll down the commands menu until you come to "Camera," select it and click OK.

So what's Excel Camera for?

One of the best examples of when it comes in handy is when you need to keep an eye on a year-to-date summary table while you're also working on another sheet that's connected to it by a formula:



2 time-savers you may have missed: Excel Camera and Show Formulas

1. Highlight the summary table data that you want to capture and look at it in the other sheet. Perhaps it's just the totals you want to see.
2. Click on the camera icon in the Quick Access Toolbar and you'll see the "marching ants" around your selected range. It's copied to a clipboard.
3. Switch to the tab you need to work on and click on your sheet. A "picture" of the range you copied appears in a window and you'll see the year-to-date numbers change as you enter data in the related sheet.

Figures look wrong? Use the formula-checking shortcut

Spreadsheets with common access are ripe for unchecked errors. "Frequently in Excel, we're doing 'what-if' kinds of reporting and budget planning. ... You need to watch out for other people who've been doing that," Katz said.

Instead of clicking all over the sheet looking for formula errors, click the Formulas tab in the ribbon, go to the Formula Auditing functions section and select "Show Formulas."

"It spreads all of your columns way out automatically (and) it shows where formulas have been written anywhere in your whole spreadsheet at once," she said.

When you're done, click Show Formulas again to return to the normal view.

The China-U.S. trade war is about to get a lot warmer in the new year

 by Scott Ball

Joe Biden and China's Xi Jinping are prepared to punish each other's manufacturing sectors as diplomatic relations grow more tense. The Chinese are going to cut off a vital link in the U.S. supply chain and drive up costs for the tech sector.

China is banning all exports of rare earth mineral extraction technologies as well as rare earth magnet technology. Western countries are years behind the Chinese in mining for critical metals like cobalt, lithium, manganese and other metals used in semiconductor and battery manufacturing.

China will no longer export rare earth minerals germanium and gallium to the U.S. and allies. Both are considered "critical" minerals for military semiconductors. China produces well over half of these minerals so the Pentagon will need to seek exports from other countries.

Also: So-called "global heavy" rare earth minerals like dysprosium won't be exported by the Chinese. Global heavy minerals are used in permanent magnet motors. China produces more than 99% of these metals, according to consultants Benchmark Mineral Intelligence.

Bottom line: Companies should expect to pay higher costs for the next two years, perhaps longer, for new tech products. American mining companies are hamstrung by federal regulations



and restrictions imposed by the Biden administration.

Biden goes to bat for U.S. EV makers

To help even the scales, the White House is weighing higher tariffs on Chinese-made electric vehicles (EVs) and other products. The Trump administration previously raised export taxes on more than \$300 billion worth of Chinese goods. The biggest beneficiary of the Trump tariff increases was arguably the steelmaking industry.

Chinese EVs coming into the country are already taxed at 25%. Raising the tariff further might give automakers like Tesla, General Motors and Rivian a shot in the arm. Such a move would likely hurt Chinese EV makers more since

the Chinese people are reportedly huge fans of Teslas (not to mention Apple's iPhones).

We'll see if China's rare earth minerals ban prompts the White House to move forward and raise tariffs, or perhaps seek to improve relations. Xi warned Biden that China will eventually take back Taiwan and intends to do so without sending in the navy and army to take the island.

The Chinese premier declined to give the White House more details or any kind of a timeline on when reunification might occur. China absorbing Taiwan would upend the semiconductor sector in favor of the East for a long time.

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Meet Our Editors



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Scott 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*.



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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.

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