

May 2022



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# Finance execs reveal top focus areas for 2022: Do your priorities match?





# RESOURCEFUL FINANCE PRO

May 2022

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# CFO News Briefs

Stories You Might Have Missed

## What CFOs need to know about low-code tech

April 29, 2022

COVID showed how important it is to use technology, such as “low-code” software development, to help your teams adapt to challenges.

What if employees who aren’t coding experts could get involved in creating apps that boost productivity? Tech tools and platforms labeled as low-code can help. Both IT and non-IT folks can use them to build a variety of applications or solutions and even add custom features.

[Read more](#) 

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## Will inflation impact employee benefit costs?

April 26, 2022

Inflation hasn’t been this high in decades, and you may be wondering how it’ll affect company benefit costs.

You’re not alone. In a recent Mercer survey, most CFOs (68%) said controlling employee health benefit costs is a significant/very significant concern.

[Read more](#) 

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## CFO stress: Are manual processes the cause?

April 25, 2022

A new study says a lot of CFOs (83%) are feeling stressed out. And outdated systems may be to blame.

According to DataRails, a financial planning and analysis platform for Excel users, 81% of CFOs say their daily workflows are more manually intensive than any of their fellow C-suite pros.

[Read more](#) 

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## I-9 flexibility guidelines extended again: What you need to know

April 29, 2022

There’s good news for Payroll and HR if you’re still hiring employees remotely. The Department of Homeland Security (DHS) and U.S. Immigration and Customs Enforcement (ICE) have extended Form I-9 flexibility guidelines until Oct. 31, 2022.

And there’s a chance this flexibility could become permanent down the line.

[Read more](#) 

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## Paychecks allegedly shorted: Avoid 1 company’s mistakes

April 25, 2022

Any employee complaints about missing or inaccurate pay should be taken seriously. Even if you think the worker’s crying wolf, putting their paycheck concerns on the back burner could land you in the middle of a costly fight with the feds.

This happened to a staffing agency based in New Jersey: Advantix Logistics Corp.

[Read more](#) 

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## Keys to boosting your post-COVID cash flow

May 6, 2022

As the pandemic subsides and you look to grow your business, positive cash flow will be essential.

But if your cash flow could be better, here are moves you can make right now for a healthier bottom line, according to the experts at business financing services provider [Nav.com](#).

[Read more](#) 

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# A/P News Briefs

Stories You Might Have Missed

## Tax Court: 'Tax-free' fringe benefit is taxable

May 3, 2022

Fringe benefits can be tricky when tax time comes around. Keeping complete records helps you avoid legal hassles.

Here's a recent case where an employer's excellent recordkeeping and reporting kept it out of trouble with the Service.

[Read more](#) 

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## False invoice billing scheme with vendor costs employer \$20M

April 22, 2022

It's important to have a process in place to review purchase orders and invoices. And it's key to double-check that payments seem appropriate for the supplies you're receiving.

One fraudster took advantage of his company's lack of checks and balances to steal more than \$20 million.

[Read more](#) 

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## Judge reinstates DOL's independent contractor final rule: What's next

April 21, 2022

Compliance just got trickier with paying your firm's independent contractors.

Here's why: A federal judge in Texas has just reinstated the Dept. of Labor's (DOL's) economic reality test rule.

[Read more](#) 

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## Taxability update for virtual learning, training for employees in Connecticut

May 2, 2022

CONNECTICUT – Companies offering virtual learning or online training to their employees will welcome the latest sales tax ruling from the Connecticut Dept. of Revenue.

Bottom line: Online learning plans don't count as digital taxable goods under state tax law, according to Ruling No. 2022-2.

[Read more](#) 

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## 2 sales tax holidays announced for supplies related to disaster preparedness, skilled trades in Florida

May 6, 2022

FLORIDA – The Sunshine State has just announced sweeping sales tax exemptions for a slew of products your company may need that are related to disaster preparedness and certain skilled trades.

The exemptions are part of a significant tax package signed into law by the governor on May 6, 2022. Here's what you need to know.

[Read more](#) 

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## Third-party services for online account access taxable in Washington

May 6, 2022

WASHINGTON – If you pay a third-party to help you provide online account access to your customers or clients, the cost of the service is taxable, said the Dept. of Revenue in a recent decision.

A company providing these services to credit unions claimed its services weren't taxable since various features it offered customers were considered data processing services, which are exempt under state tax laws. However, the services provided actually fell under the category of taxable digital automated services, according to Det. No. 19-0284R, 41 WTD 118.

[Read more](#) 

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## Sales tax must be paid on credit card surcharge in Minnesota

May 5, 2022

MINNESOTA – Be aware: Fees that vendors charge you for credit card transactions are also subject to sales tax, according to a decision from the Minnesota Tax Court.

A business entity that offered vacation and travel rentals said the card processing fees should be tax exempt because the surcharge was listed separately from the cost of the reservation.

[Read more](#) 

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# Upcoming Events

## Free Webinars

Thursday,  
May 26th  
2022



### Workiva FinTalk: Tales from the Crypt – The Horror of Month-End Close

Learn Proven Ways to Avoid Month-End  
Close Nightmares

sponsored by [workiva](#) ..... [learn more](#)

## Premium Webinars

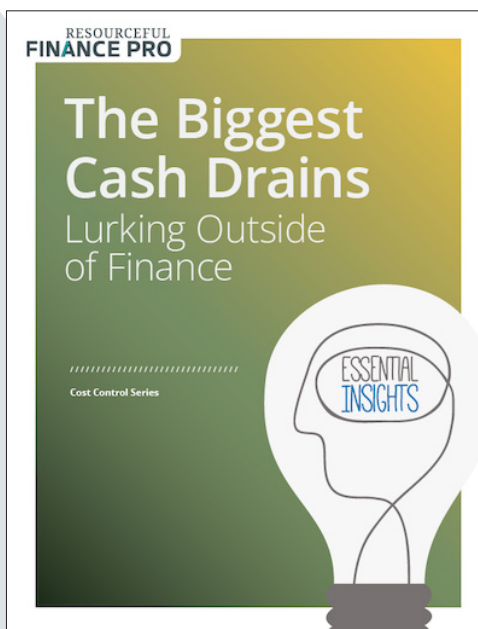
Wednesday,  
June 1st  
2022



### FLSA Compliance Update: Avoid Wage Nightmares & Penalties

In this compliance-based, 60-minute program  
you will learn guidelines to ensure compliance  
with the latest Fair Labor Standards  
Act (FLSA) requirements. ....

[learn more](#)



### Exclusive Finance Pro Guide

#### The Biggest Cash Drains Lurking Outside of Finance Part of the Cost Control Series

In a recent survey Finance execs agree, the 6 biggest  
sources of unnecessary spending across their  
organizations were:

- Sales and Marketing
- Customer Service
- Administrative Services
- Facilities Management
- Supply Chain
- Inventory

You need to identify where money is being lost, why  
and how much. Only then can Finance implement  
policies and procedures to tune, tighten and stop  
inefficiencies and change spending habits.

[get the guide](#)

# Created game plan for missing payments

It made me concerned when a payee would notify us about a missing payment – especially vendors who would resend their invoices to me in an email to refresh my memory.

The last thing I wanted was to have that accidentally trigger a duplicate payment.

But at the same time, it's my responsibility to make sure everybody gets paid in a timely manner and nothing falls through the cracks. Few things hurt vendor relationships more than delayed or missed payments.

## Is the payment really missing?

Like a lot of organizations, we use several different payment methods, including:

- bank ACH
- ACH via a vendor's website
- wire transfer, and
- paper checks.

So when somebody lets us know they didn't get their money, the first step is to go into our accounting system. That's where I verify what type of payment it is and whether it's actually past due (since payment terms can vary).

If it's an ACH or wire payment, I'll log into our organization's online bank account to confirm if the payment officially cleared.

Then, I get back to the vendor and tell them what I found out. If the bank says the funds were released, the problem's

probably an accounting error on the vendor's end.

One time, a vendor told us it hadn't received a payment. But when I called them back with the date and time the payment was sent, they said, "Oh, it got hung up somewhere in our conversion to a new system."

## Missing checks

If something's supposed to be marked as paid, but doesn't show up in the online bank ledger, it's most likely a check.

I keep a record of when all checks are mailed out. If it's been five to 10 days since a check was sent, I'll reassure the vendor, "It's on its way. If you don't get it by this date, call me."

In a worst-case scenario, we'd stop payment on the check and reissue another one. That's usually the best time to start a conversation about switching to electronic payments.

I also attach copies of emails or summaries of phone calls related to missing payments to my records to document my communication with vendors.

Missing payments don't happen frequently. But when they do, following this tracking system usually resolves any issues.

*Deb Turner, Staff Accountant, Peabody Retirement Community, North Manchester, IN*

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

## Employee fired for increasing healthcare costs?

CFO Bill Keeper's cell phone rang as he got into his car to head home.

It's Nick Heilman. *Good – not related to work*, Bill thought.

He started the car and answered the phone via Bluetooth. "Hey Nick, did that company you interviewed with make you an offer yet?" Bill asked.

"Sure did," Nick replied. "I start my new VP of sales job next week. So glad to be getting a fresh start after getting the shaft at my old company."

"Refresh my memory on what happened," Bill said.

"They claimed they were eliminating my position," Nick said. "But I'm not so sure. I think it has something to do with the surgery I had coming up. It was pretty expensive, and I don't think the CFO was a fan of that since the company has a self-funded health plan."

### Was firing retaliation?

"You can't get fired just for using your health benefits," Bill said. "It would bother me if I noticed we had a staffer singlehandedly driving up our healthcare costs, but I wouldn't fire them for it."

"There's no other reason it could've been," Nick said. "I wasn't in trouble for anything, and I was hitting my sales goals."

When Nick found out his former employer hired someone else for a job that had many of the duties of his old position, he sued.

Nick accused the company of retaliation for using his protected health benefits under the Employee Retirement Income Security Act (ERISA).

In court, the employer argued that Nick was let go because it decided to eliminate his position. Was the judge convinced?

### The decision

No, the court ruled in favor of the employee. The judge said employment reinstatement wasn't appropriate in this case. So he awarded the employee his lost wages, plus attorney costs.

The employer's argument that Nick was terminated since his position was eliminated wasn't convincing, the judge said, because:

- it hired someone else to do almost the same job, and
- company leadership knew about the impact Nick's surgeries had on its healthcare costs.



## Employee fired for increasing healthcare costs?

### Analysis: Be careful if you self-fund health care

It's crucial to avoid taking any action that a court might see as discriminatory against an employee, including anyone having health problems. Make sure there's documentation to support any layoffs or terminations to prevent legal issues.

If you're considering a self-funded employee health plan to save money, it's important to assess all risks and

discuss them honestly with potential plan administrators. How will costs be impacted if several employees start having significant health issues? If you're not satisfied with the answer from the plan administrator, it may be best to explore another solution.

*Based on Kairys v. Southern Pines Trucking Inc., No. 2:19-CV-1031-NR, US D.C. W.D. Pennsylvania, 3/31/2022. Dramatized for effect.*

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

## Excel Tips

### Changing 3 Excel settings will save you time

Some of Excel's default settings aren't as helpful as they could be for getting your work done.

Changing a few of your preferences can save you time when working in Excel. To get started, click on the File tab, then Options:

- 1 Turn off the start-up screen.** In the Excel Options menu, select General, scroll down to the bottom and uncheck "Show the Start screen when this application starts." Click OK.
- 2 Improve spellchecking efficiency.** In the Options menu, select Proofing, then uncheck "Ignore words in UPPERCASE." Click OK.
- 3 Bypass the extra screen when saving.** In the Options menu, select Save and check the box that says, "Don't show the Backstage when opening or saving files with keyboard shortcuts."

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

# Speed up the cash flow from sales



## CFO Finance Technology

# Automation may be the key to A/R challenges



by Brian Bingaman

**Y**our peers and your A/R team are concerned about delayed and re-negotiated B2B payments.

Research from The Hackett Group found that many companies took even longer to pay suppliers during the first half of 2021 than they did at the start of the pandemic in 2020.

And last year, The Wall Street Journal reported that big organizations like Macy's and Mondelez International were postponing the due dates on their bills to free up cash on their balance sheets.

But stretched out payment cycles isn't the only thing you and

your A/R department should be concerned about, said Steve Pinado, the president of Billtrust, an A/R automation solutions provider based in Lawrence Township, NJ.

Streamlining pressing cash application issues is essential to accelerate cash flow from sales, Pinado said in a Zoom interview.

### A/R and vendor portals

The good news about electronic payment data is it doesn't have to be keyed in. That reduces labor costs and data entry mistakes.

But the bad news is if there's a large volume of payments, the

corresponding remittance usually arrives separately.

More work gets created for A/R when they have to match the money with what it's being used to pay for.

"To recognize revenue, you have to kill the line-item detail in your invoices to know that (a specific) product, among the thousands of items that may be on that invoice, is paid for," Pinado said.

### Relief for A/R

Digital processes intended to make B2B transactions easier can still hinder A/R teams. It's because they still have to manually process

## Automation may be the key to A/R challenges

remittances and type data into ERPs.

Many companies have automated invoice delivery and remittance collection. But to truly optimize A/R workflows, it may take going all-in on automation and digitization in Finance.

In a survey by [PYMNTS.com](https://www.pymnts.com), almost 50% of businesses said automating their A/R collections process lowered delinquency rates.

On its website, U.S. Bank said A/R automation supported by artificial intelligence and machine learning is a wise investment because it:

- reduces the need to research exceptions

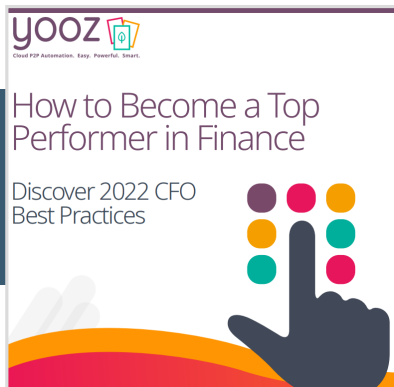
- extracts ACH, direct debit, wire and credit card data from emails, attachments, electronic data interchange and payer web portals
- matches payments to open receivables using enriched remittance data, and
- creates receivables posting files that you can upload to your ERP.

“We had one client who discovered they had nearly half of their customers taking unearned prompt-pay discounts, costing their company almost \$2 million a year,” U.S. Bank Working Capital Consultant John Melvin said online.

“The problem was the company’s A/R clerks were focused exclusively on manually applying every invoice. Their job was to key data – not to red-flag when a customer was 20 days late and taking a 2% discount.”

Besides workforce optimization, improvements to customer experience, security and audit tracking are other reasons to consider A/R automation, Pinado said.

[Read this Story Online](#) 



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## How to Become a Top Performer in Finance

### Discover 2022 Best Practices for Your Business

The rules have changed and the field of finance is moving at the speed of light. These best practices will help you keep up — and stand out — in 2022.

All industries experience changes over time — it’s inevitable. But the changes happening within the finance industry right now aren’t your run-of-the-mill tweaks and updates.

**Download this free eBook to learn ways to reinvent yourself and your organization to keep up, then excel, in 2022.**

[get the white paper](#) 



# Question: Does FMLA cover staffers out due to COVID?

**Q:** We're aware our employees or their loved ones could still get sick with COVID. But what if it sends an employee or a family member to the hospital? Does the Family and Medical Leave Act (FMLA) protect the time they miss work?

**A:** COVID-19 meets the definition of a "serious illness" under the FMLA, said lawyer and business law consultant Max Muller during the Premier Learning Solutions webinar "ADA and FMLA Updates: Navigating Overlapping Regulations."

So if there's an inpatient hospitalization for COVID lasting more than 24 hours, they can take FMLA leave even without giving a 30-day notice.

If someone leaves work to go see a doctor because the virus caused a health condition requiring ongoing treatment – or what's known as "long COVID" – that also qualifies as FMLA-eligible.

Remember, employees can take up to 12 workweeks of unpaid leave during any 12-month period, as long as:

- the employee worked for you for at least 12 months
- the employee worked at least 1,250 hours over the past 12 months, and
- you have at least 50 employees within a 75-mile radius.

It's the employer's duty to confirm with the employee that they're officially claiming FMLA, and that the leave qualifies, Muller said.

It's also smart to track how much time the employee is taking against their allotted 12 weeks of FMLA leave.

Note that several states have passed laws providing additional family and medical leave protections for workers. So it's a good idea to look up whether your state labor laws have stricter requirements.

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

# Why you need to start paying attention to ESG

 by Brian Bingaman

## POLICIES CAN POSITIVELY IMPACT BOTTOM LINE



**B**eyond your mission statement, are there any environment, social or corporate governance (ESG) values that leadership cares about?

And what impact could making those values an active part of your policy and culture have on the bottom line?

### What it stands for

Ways to show your firm cares about the “E” in ESG can include:

- working to slow climate change
- protecting natural resources

- reducing pollution and waste, or
- investing in ecology (e.g., cleaner energy sources).

“S” is for positive social change. For example:

- responsible supply chain sourcing (e.g., partnering with a supplier committed to shrinking its carbon footprint)
- increasing product safety and liability
- supporting quality education (e.g., sponsoring an afterschool reading program), or
- gender equality initiatives.

The “G” for governance addresses matters such as:

- accounting oversight practices
- establishing an audit committee
- a corporate code of ethics to prevent internal fraud
- tax transparency, and
- transparency for company political activities (e.g., lobbying, campaign contributions).

### Why it matters

Defining ESG values isn’t just for nonprofits anymore. With climate change, social injustice and questionable business practices in

## Why you need to start paying attention to ESG

the news, many firms have felt the need to tell their strategic partners what they're doing about these issues.

According to Diane Wasser, managing partner of regions for Eisner Advisory Group, 90% of S&P 500 index companies have published sustainability or responsibility reports.

And in many cases, it's feedback from current and future investors and customers that's driving businesses to take stock of the standards they hold for themselves, said Danielle Barrs, director of ESG and sustainability solutions for consulting firm EisnerAmper.

Because these key stakeholders have access to a lot of info and data online, they're asking questions. "That comes with increased public scrutiny," she said. "That's absolutely reasonable and valid to want honesty from the companies that (they're) buying from and the companies whose services that (they're) using."

A survey from FINRA Investor Education Foundation and NORC at the University of Chicago found that more than half (57%) of retail investors feel that investing can be a way to make a positive change in the world. And most (77%) respondents said that if they made a "socially responsible" investment, they'd assume the company would at least somewhat share their personal values.

### ESG and compliance

Fines for violating the Clean Air Act or Clean Water Act can be a blow to the bottom line. But it isn't just the Environmental Protection Agency that's watching how your business operations impact the planet.

An executive order from President Biden instructed federal agencies to review any regs that may be out of sync with the administration's climate change and environmental goals.

As a result, the U.S. Securities and Exchange Commission has released a proposed rule that would require publicly traded companies to disclose climate-related info in their annual 10-K filings, namely:

1. management of climate-related risks, such as greenhouse gas emissions, and
2. how climate risks (e.g., severe weather events) could impact business operations or financial conditions.

So if you haven't been paying attention to ESG's "E," you could be required to in the future. Stay tuned for developments at [www.sec.gov](http://www.sec.gov).

### Key impact areas

An ESG portfolio that demonstrates what your company's doing to help make a difference can be a tool for attracting and retaining top talent.

Millennial and Gen Z workers are making career decisions based on what they perceive an employer's philosophy to be. If your corporate values don't align with their personal values, it could result in turnover or losing talent to the competition. Both are costly.

Also, showing that you care about ESG issues can help you retain vendors and suppliers seeking "greener" partnerships.

### What to do next

A good first step is getting a feel for what your company's already doing for ESG, then creating

a risk profile and a strategy with reasonable goals.

"Find out what your baseline emissions are ... what your current sustainability initiatives are ... what your current policies are. You'd be surprised how many companies are doing things that you don't realize count as ESG," Barrs said.

When creating an ESG policy, environmental lawyer William "Buddy" Cox III of the Birmingham, AL, firm Bradley Arant Boult Cummings LLP said some good places to get ideas are:

- the U.N. Global Compact, and
- asking your employees what issues are important to them.

From there, finding something that a lot of employees are willing to support – fighting hunger, for example – is a good way to get the ball rolling.

"What does that support look like? Does it look like writing a check? Does it look like getting buy-in from the employees to do food drives?" Cox said.

In addition, it's important to be able to present data and metrics that show you're acting on the things you say you care about.

Cox advised appointing a sustainability officer to oversee your ESG practices and portfolio. That includes ensuring that company investments follow that policy.

But remember, "reporting and disclosing are the baseline. The end goal isn't to report. The end goal is to improve – to have a more positive impact on the environment and the community," Barrs said.

[Read this Story Online](#) 

# Learned from direct deposit with ACH switch

When something's working well in one area of Finance, it makes sense to see if we can expand the process into other functions of our organization.

That's what we learned recently.

And the catalyst for our expansion effort was the pandemic.

We'd paid employees using direct deposit for years. So when we, like many other organizations, suddenly found ourselves working remotely, we didn't need a Plan B for getting paychecks to people – they still received their pay as usual thanks to ACH.

But sending and receiving payments from vendors was a different story.

## 4 steps we took

That's when we launched our "make the switch to ACH" effort with vendors and clients. That meant:

- getting the entire team up to speed
- sending an informational mailing to vendors and clients (we used

colored paper to grab their attention)

- flagging the effort during our interactions, personally encouraging clients to switch to ACH, and
- providing info with all invoices.

Before the pandemic, our organization paid 10% of its vendors via ACH.

Now, we're at 95%.

*Nicole Cornish, CEO, Subject Matter, adapted from "An ACH Success Story: Creative Advocacy Firm Encourages Making the Switch to ACH" on Nacha.org*

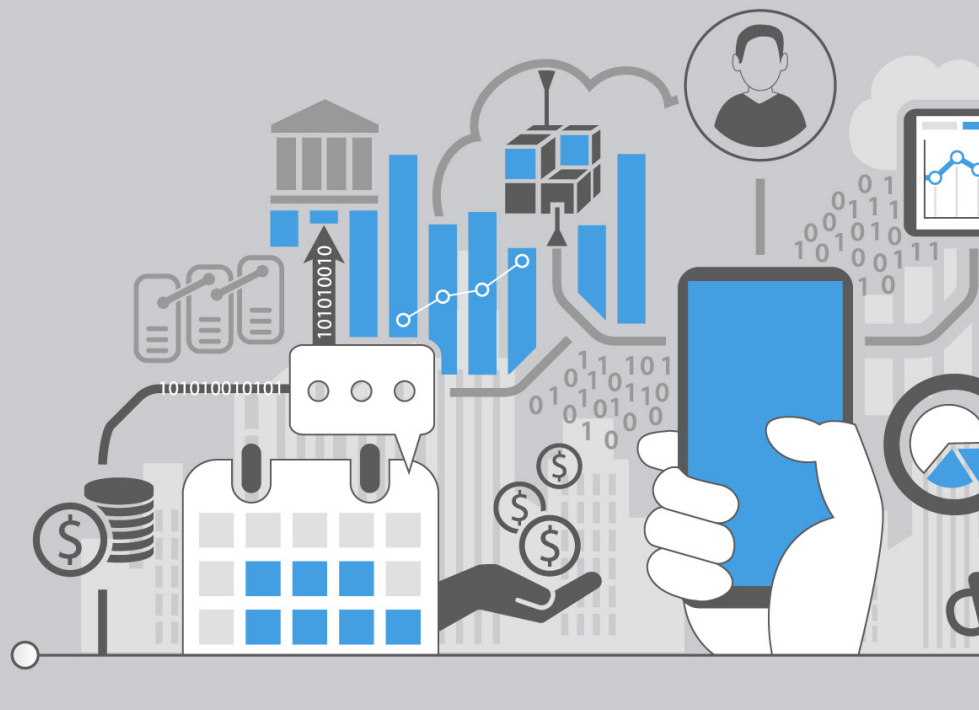
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# Finance execs reveal top focus areas for 2022: Do your priorities match?



by Jess White

BIGGEST CONCERNS INVOLVE  
**DIGITIZATION, EMPLOYEE RETENTION AND AGILITY IN FINANCE**



**A**re your top priorities for this year the same as your peers in Finance?

The Hackett Group surveyed Finance execs to find out which issues are shaping their agenda for 2022 and beyond.

## Top 10 priorities

From the survey data, 10 key issues emerged as the biggest priorities Finance is concerned with right now. The top 10 priorities are:

1. Invest in and speed up **digital transformation** in Finance.
2. Serve as a **strategic advisor** to the company.
3. Obtain **financial data** and turn it into **business insights**.
4. **Retain talent and grow employees' skillsets** during the Great Resignation.
5. Cultivate **more agility** in Finance.
6. **Control and reduce costs** while boosting and maintaining value.
7. Optimize **working capital**.
8. Boost **diversity and inclusion** in Finance.
9. Incorporate **remote/hybrid work arrangements** into Finance's workflow.

## Finance execs reveal top focus areas for 2022: Do your priorities match?

### 10. Tighten controls and improve compliance.

Out of these 10 areas, your peers are most concerned with their abilities to meet their company's expectations when it comes to digitization, employee retention and agility.

### Importance of digital automation

Automating Finance operations with digital tools became essential during the pandemic. And it's only becoming more important to the future of Finance. Making processes more automated not only saves your team time, it's also essential to decision-making in the current economic climate.

Most of your peers are in the midst of initiatives designed to improve Finance's capabilities for analysis, modeling and reporting.

Data analytics has become more necessary for Finance functions such as budgeting and forecasting. Better data gives you better insight into the steps you need to take to boost the bottom line.

New Finance technologies are also a key part of companies' digital transformation priorities this year. Self-service tech is on the agenda for about half of your peers, while two-thirds are focusing on process automation.

### Types of tech initiatives

The most common new technology your peers in Finance are working to adopt this year falls into the following categories:

- Advanced data analytics (with 87% planning pilot projects/small deployments and 10% doing large-scale deployments)
- Data visualization tools (with 52% planning pilot projects/small deployments and 38% doing large-scale deployments)
- Business process management/workflow tools (with 63% planning pilot projects/small deployments and 23% doing large-scale deployments)
- Digital workforce enablement tools (with 55% planning pilot projects/small deployments and 29% doing large-scale deployments), and
- Cloud-based core finance application software (with 45% planning pilot projects/small deployments and 36% doing large-scale deployments).

The cloud is becoming more important to Finance as digitization initiatives move forward. With all the applications and software solutions needed to conduct business nowadays, it's become more difficult to host tech on-premise due to the storage and processing capabilities required.

Because the cloud offers unlimited storage and unprecedented processing power, coupled with increased security measures in response to breaches over the years, companies are currently moving Finance tools and applications to the cloud at an accelerated pace.

To make sure these initiatives scale appropriately and are as cost-effective as possible, CFOs need to work closely with CIOs and their IT departments to make sure digitization efforts are as seamless

as possible – and that any new tools and software enhance your Finance team's performance instead of being a hindrance.

### Retaining Finance employees

Even with the latest and greatest in tech at your disposal, your biggest asset is still your people. That's why so many Finance pros are so focused on growing and developing their teams to combat the Great Resignation.

The only way that Finance can play a strategic role in the business is if there are talented people ready to interpret data and crunch numbers to figure out the smartest ways to proceed.

To achieve this goal, close to half of your peers surveyed plan to acquire and develop new skills and talent this year, whether it's by recruiting new hires or investing in training for the current workforce.

One significant area related to talent management that Finance is trying to navigate is remote work. More companies are resuming operations in their offices this year. And while execs are mostly eager to get back, many employees aren't as excited. So, as a compromise to keep teams happy and motivated, hybrid work arrangements will likely become the norm by the end of the year.

Allowing hybrid work and other flexible arrangements may be a key part of your retention strategy in Finance this year. The Great Resignation shows no signs of slowing just yet, and managing its effects is a big priority for your peers this year.

## Finance execs reveal top focus areas for 2022: Do your priorities match?

To make sure your company doesn't lose top Finance employees for better pastures, you'll need to work with HR to develop retention strategies specific to your company, industry and department. This may include any combination of training, succession planning, employee development initiatives, pay-scale evaluations and reviews of your benefits package.

### Elements of agile Finance teams

When looking at improving Finance's agility and adaptability to business

changes, it can be tough to know where to place your focus.

Along with working to quickly implement digital initiatives, The Hackett Group said creating a more agile Finance team involves:

- Reducing complexity in processes
- Strengthening partnerships with other departments
- Providing better insight into vital business areas with Finance data
- Defining the top skills Finance needs for the future, and

- Planning to develop and cultivate those skills in your people.

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## How to Become the Next CFO

### A Practical Guide to Taking the Next Step in Your Career

Download this guide and make your next job title CFO.

If you have ambitions to move into the C-suite, there's no time like the present to start thinking about your next steps.

In fact, the demand for CFOs is expected to grow in the coming years. Wondering where to start? You've come to the right place.

**Ready to get started? Download this free eBook to prep for your journey towards being a great CFO.**

[get the white paper](#) 

## Workers' comp for freelancing staffer?

CFO Jeff Rizzo was carrying his open laptop when he walked up to A/P Manager Jenn Smith's office. "It's been a rough morning, Jenn. I've been in one meeting after another with legal," he said.

"Better you than me," she said, laughing.

"Lara Alden's one of our A/P clerks, right?" Jeff asked.

"Right," Jenn replied.

"Then why was she in here cleaning the office?" he asked.

"Lara needed some extra money, and you OK'd it because she charges a lower rate than the cleaning service we used before," Jenn said.

"OK, now I remember," said Jeff. "Well, she fell and hurt her leg a few nights ago and is trying to claim workers' comp. But because she wasn't doing something related to her full-time job, doesn't that technically make her an independent contractor?"

### Workers' comp depends on classification

"You could be right," Jenn said. "I did have her sign one of our contractor agreements for the office cleaning."

"She's going to be disappointed then. State law says independent contractors don't get workers' comp," Jeff said.

"Even though she's one of our employees?" Jenn asked to clarify.

Lara's work comp claim was rejected. So she sued the company, claiming that because she signed an agreement with a specific hourly pay rate for the cleaning work, she was still officially acting as a company employee.

Jenn's company asked a judge to dismiss the case because the worker was working as an independent contractor. The company wasn't supervising her at the time, and she was using her own cleaning supplies, it said.

Did the company successfully convince the judge?

### The decision

Yes. The court said that at the time Lara fell, she was an independent contractor and not an employee, making her ineligible for workers' comp under these circumstances.

Even though she was employed by the company, the judge said, her status changed to independent contractor because:

- the work wasn't being directly supervised by an employer
- supplies weren't provided by the company, and
- the work being done wasn't part of company business.



## Workers' comp for freelancing staffer?

### **Analysis: Employee v. contractor**

Had the worker's injury in this case been related to her full-time job, the outcome of this case would've been different.

It can be tough to tell the difference between independent contractors and employees sometimes. But it's important to understand what separates one from the other to classify them correctly.

It's especially crucial for tax time so you'll know whether to issue the worker a W-2 or a 1099.

*Based on Guzman v. Industrial Commission of Arizona. This case was fictionalized for dramatic effect.*

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# Cybercrooks take new approach to BEC: Ways to stay safe



by Jennifer Weiss

## 4 STEPS to reducing risk

**L**ast year, the U.S. saw an “unprecedented” increase in malicious cyber activity, such as business email compromise (BEC). Crooks tried to gain access to W-2 info and other valuable data that employers possess. That’s according to the latest info from the FBI.

In 2021, the FBI’s Internet Crime Complaint Center (IC3) received 847,376 complaints – a 7% increase from 2020. Potential losses to businesses and the general public reached nearly \$7 billion.

Once again, BEC was one of the top incidents reported to IC3.

But now, scammers have come up with some new and convincing ways to get your money, as revealed in the 2021 FBI Internet Crime Report.

### **New videoconferencing method**

During the COVID-19 pandemic, in-person meetings got shut

down, and telework and virtual communication skyrocketed. Cyber adversaries seized on that opportunity for business email compromise. Here’s how:

First, they compromised a CFO or CEO email and then used the email to request that employees participate in virtual meeting platforms. Next, the fraudsters inserted a still picture of the CFO or CEO with no audio or a “deep fake” audio. They’d claim the audio or video wasn’t working properly.

## Cybercrooks take new approach to BEC: Ways to stay safe

Finally, over the virtual meeting platform, the cyberthieves would give verbal instructions for employees to initiate wire transfers, or they'd communicate the request through the compromised email.

### 4 steps you can take

So, how can you protect your company from BEC schemes

like this, so you don't fall victim to cyberattacks?

1. Contact your bank as soon as you find fraud. Request a recall or reversal. Ask for a Hold Harmless Letter or Letter of Indemnity.
2. File a detailed complaint with IC3.
3. Visit [www.ic3.gov](http://www.ic3.gov) for public service announcements on new schemes.

4. Don't make any payment changes without verifying with the intended recipient first. Plus, double-check that email addresses are accurate, especially when using cell phones or other mobile devices.

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FREE GUIDE FROM **EISNERAMPER**

## 2022 Tax Law Changes Important Info You'll Need To Know

The new 2022 tax law changes might make things extremely difficult. It'll cause a change in systems and budgets, forcing finance departments to adapt.

*There are pages upon pages with information you can't afford to miss.*

**That's why our friends at EisnerAmper made a quick guide to help you find which laws will impact your business.**

[get the white paper](#) 



## A closer look has us saving 15% on bank fees

Our monthly banking fees had gone up steadily over the last few years. They seemed to have gotten awfully high.

So we went through each fee to make sure that we had all the right services in place.

Right off the bat, we noticed that we were still paying fees every month for something we didn't even need anymore – authorization for our old payroll company to make debits on our account.

We had switched payroll companies a few years back, and canceling the authorization fee had slipped through the cracks.

That discovery had us suspecting there were likely more places we were overpaying.

### Passing on paper


That's when we noticed just how much the monthly paper statement fees had gone up since we last took a serious look. We had online access for our bank and rarely used the paper statements that came in the mail anymore, so that was something we certainly didn't need anymore.

By eliminating paper statements, we saved 60% on that bank fee alone.

Overall, a closer eye saved 15% on our monthly banking fees.

*Paul Caponigri, VP, finance and administration, Diversified CPC International, Channahon, IL*

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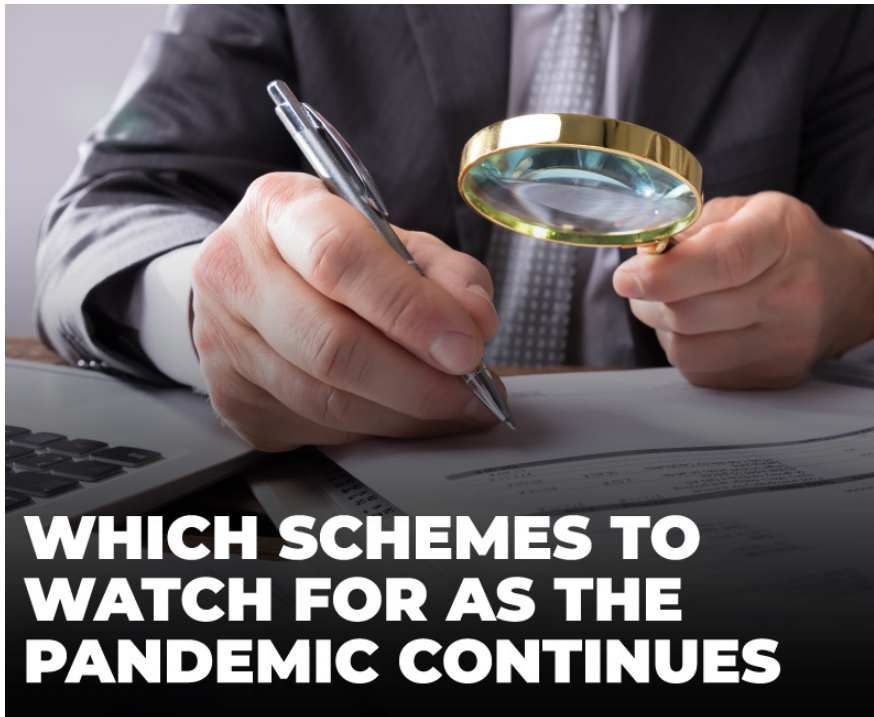
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## CFO Fraud

# Payment fraud in Finance: Latest stats & steps to prevent issues



by Jess White



**M**any Finance departments are still operating remotely, at least in some capacity. That can be a big fraud risk for many reasons. But there's good news: While it's becoming more challenging to avoid payment fraud, it's not due to telework.

Almost half of finance pros (47%) said working remotely isn't to blame for any increases in payment fraud at their firm, according to the 2022 Association for Financial Professionals (AFP) Payments Fraud Survey. Only 32% of those surveyed said they believed payment fraud increased because of remote work.

So even though the rise in remote work may make it more difficult to verify payments and transactions, it's not making it impossible – and it's not hurting security as much as some may think.

### Status of payment fraud during COVID

Payment fraud actually declined slightly during the pandemic overall. Before COVID, over 80% of companies were affected by payments fraud. In 2021, however, 71% of businesses were victims of payments fraud.

A big source of payment fraud is business email compromise scams, where crooks convince Finance pros to click on suspicious links or download unfamiliar attachments with fraudulent email addresses.

More good news: Email fraud is also declining. Scammers targeted 68% of companies with business email compromise fraud schemes in 2021. This is the lowest figure since 2015. Much of this has to do with employers' investments in technology and training for employees on how to recognize and avoid scams.

To continue to prevent payment fraud, you need to know what's causing it right now. Telework isn't necessarily affecting payment fraud – but the method you're using for payments is.

### Common types of payment fraud

Check fraud is the top type of payment fraud that impacts companies, per the AFP survey. Two-thirds of employers experienced check fraud last year.

Many companies are moving away from using paper checks. But they're still the most popular payment method used for businesses. So it's key to be as safe as possible when issuing them. Working with banks and using tools such as positive pay to make sure all checks issued by

## Payment fraud in Finance: Latest stats & steps to prevent issues

your company are legitimate can help fight check fraud.

The second most popular payment method crooks are currently targeting is ACH debits. ACH debits have finally replaced wire payments on the list. Tools like ACH filters and blocks can help prevent this type of fraud from impacting your company. And it's also key to know what kinds of safeguards your banks and vendors have in place to keep ACH fraud at bay.

Other types of payment fraud that are rising at companies right now include

- Corporate/commercial credit cards (26% of payment fraud attempts), and
- ACH credits (24% of payment fraud attempts).

### Top fraud target at companies

Out of all of Finance, A/P is most likely to experience a fraud attempt. Nearly 60% of companies said their A/P department was targeted by a business email compromise scam in 2021. Criminals typically imitate trusted vendors or finance execs to try and get A/P to send payment information or other sensitive personnel data.

A/P can avoid falling victim to payment fraud by:

- Using all appropriate fraud prevention tools available from banks, vendors and IT
- Reconciling payments on a daily basis
- Regularly conducting internal audits to ensure payment procedures are fraud-proof, and
- Reviewing payment policies and procedures for fraud-prevention controls.

It's also helpful to validate payment beneficiary info with an outside source or through banks and vendors – a tactic taken by two-thirds of companies.

Per the AFP survey, Finance pros are using multiple strategies to verify payments. They're verbally validating large transactions, speaking directly with their vendors before initiating payments and verifying any change requests (e.g., new account info for payments).

Because A/P is a big target for payment fraud, it's important for staff to verify any unexpected payment requests directly with the source, especially if they're received via email. The tactics used by scammers are getting more and more sophisticated. Some are even committing identity theft, posing

as a higher-up via info stolen from LinkedIn or an employer's website to fool unsuspecting Finance pros.

Hackers are also initiating video conferences with A/P staff via email. In these "meetings," they're pretending to be the CFO, claiming the video or audio connection is bad and asking for payment info. Finance should be aware of these schemes.

If a request like this comes through, be sure to double-check the email address it comes from first. And it never hurts to verify the meeting is legit by giving the exec a call.

### Fraud prevention

Ultimately, Finance pros (especially A/P staff) must be proactive and keep up to date with the latest technology and how it can be used to commit payment fraud.

Criminals are taking advantage of tech developments in their fraud schemes, so it's essential for you to remain one step ahead. Regularly check in with IT to see what steps you can take to boost payment security and nip payment fraud in the bud – whether you're working at home or in the office.

[Read this Story Online](#) 

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# How should we be managing use tax?

**Q:** Because of the number of states we have nexus in, we're concerned about getting audited. What can we do to be proactive about managing use tax?

**A:** CPA and former California State Tax Auditor Steven Cabrera told [Avalara.com](https://www.avalara.com) that A/P needs to review purchase invoices to check if the goods you ordered are subject to tax. If that's the case, either have the supplier collect the tax or self-report the use tax.

It's good to be aware of what might put you on the hook for collecting or self-remitting use tax to a state. Common triggers include:

- inventory transfers
- fixed assets purchasing where tax wasn't collected by the vendor, and
- withdraw inventory for internal research and development (doesn't apply in all states).

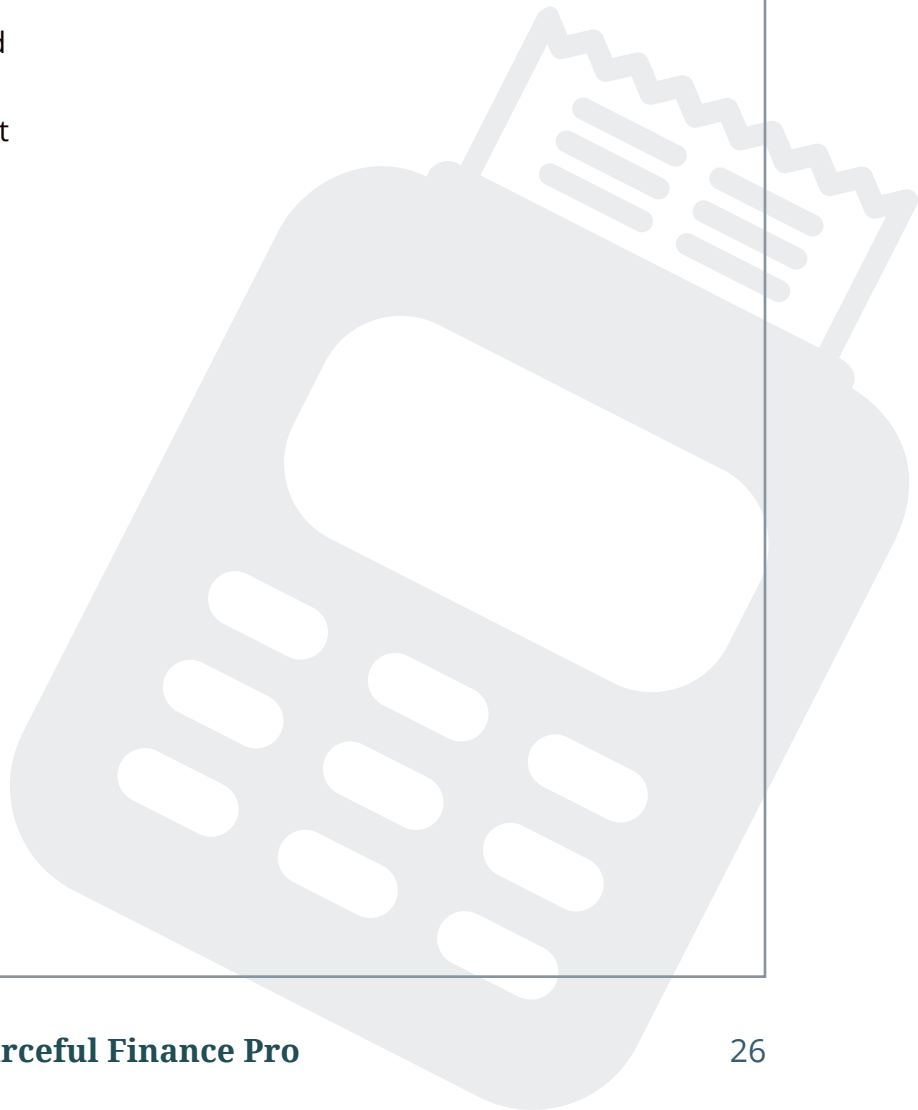
If these items were intended for resale, and you didn't pay sales tax at the time of purchase, you have to pay use tax.

Also, if you bought equipment or furniture for your office, moved to another location, and the tax rate is higher there, then you may owe the difference in use tax.

Keep in mind certain industries like manufacturing, construction and hospitality have their own set of complex tax rules that may vary from state to state.

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

## Meet Our Editors



### Brian Bingaman

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



### Jess White

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



### Jennifer Weiss

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

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