

RESOURCEFUL FINANCE PRO

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CFO News Briefs

Stories You Might Have Missed

Keys to convince your customers & vendors to use all-in-one payment solutions

August 10, 2022

All-in-one payment solutions can revolutionize A/P and A/R departments. But many of your peers are still wary of these time-saving solutions, especially smaller B2B firms you may work with on a regular basis.

The benefits outweigh the drawbacks in many ways, as recent research shows. Over 70% of executives say that their small and mid-sized business customers would benefit from an all-in-one payment solution that allows them to both send and receive payments, according to an analysis from PYMNTS and PlastiQ.

[Read more](#) 

Proactive energy-saving steps worth taking a look at

August 11, 2022

Energy use consumes between 30% and 35% of the average commercial facility operating budget.

When you factor in fluctuating oil and natural gas prices, that percentage can change.

[Read more](#) 

Prices continue rising for business travel: Tactics for employers to control costs

August 12, 2022

As COVID restrictions continue to ease, business travel is increasing. Unfortunately, it's also being impacted by the current economic climate – and you should expect prices to keep rising for the remainder of the year and the beginning of 2023.

That's according to the 2023 Global Business Travel Forecast from CWT and the Global Business Travel Association. The new analysis gives a current picture of the business travel landscape, and it also has vital pricing info for execs looking at their travel budgets for next year.

[Read more](#) 

Just getting to work is going to be a bigger challenge for many

August 16, 2022

Don't be surprised if an employee requests a temporary work-at-home arrangement because of a "vehicle situation."

That "situation" may actually mean the person's car just got repossessed by the bank.

Upwards of 15,000 cars and trucks months behind on payments are liable to be repossessed this month. Most of the vehicles headed back to the lenders were bought in 2020 and 2021, many of them with monthly payments of \$1,000 or higher per month (gulp!).

[Read more](#) 

It's tough to find skilled professionals to fill key Finance roles: Next steps

August 17, 2022

If you're having trouble finding new Finance talent, you aren't alone: 88% of managers said it's been challenging to find skilled professionals during the Great Resignation, according to new research from Robert Half.

And the competition's also never been as fierce: 46% of companies are looking to hire permanent staff between now and the end of 2022.

[Read more](#) 

IRS seeks comments on new guidelines for video conferences to resolve tax issues

August 19, 2022

During the pandemic, IRS expanded its options for resolving federal tax disputes to include video conferences for appeals.

Now, it's seeking feedback on permanent video conference guidance for tax appeals and other agency correspondence with taxpayers, which could be important for communicating with IRS about tax issues in the future.

[Read more](#) 

6 ways to make employee accountability more empowering, less like punishment

August 19, 2022

Employee accountability in your organization is crucial when it comes to compliance with company policies and procedures, as well as keeping pace with revenue and performance goals.

However, if you start talking about employee accountability in a meeting, you may see some people cringe because they associate it with assigning blame for not meeting expectations, which can result in someone losing their job.

[Read more](#) 

Overtime pay, FLSA violations land employers in hot water

August 23, 2022

If there are issues with a company's policies for payroll recordkeeping and overtime pay, Dept. of Labor (DOL) Wage and Hour Division investigators could come calling.

Several employers across the country learned this the hard way – and they were fined by the DOL for their errors. Here's what tripped them up.

[Read more](#) 

Proposed DHS rule would allow permanent flexibility for I-9 remote document inspection

August 23, 2022

Good news for employers that may be considering permanent telework options for employees: The Dept. of Homeland Security (DHS) is thinking of implementing additional guidelines that would allow for remote document inspection for Form I-9 purposes.

[Read more](#) 

Penalty relief now available for multiple business tax returns, IRS says

August 24, 2022

IRS just announced widespread penalty relief for many business and individual taxpayers who may have filed certain returns during the COVID-19 pandemic.

Much of the penalty relief was extended due to an unprecedented backlog IRS experienced while attempting to process returns mailed to the agency in the middle of shutdowns and stay-at-home orders.

[Read more](#) 

Time to send an account to collections? Check this data first

August 25, 2022

If you're like most businesses these days, you're either dealing with a customer or two that's stretching payment deadlines as far as possible (or are past due), or you're worried it's about to become a problem and cut into your cash flow.

Business confidence isn't quite as low these days as consumer confidence is, but it's not far off. Companies are focused more than ever on their own profit margins so it's easy to lose sight of their customers' financial health.

[Read more](#) 

Companies struggling with high cloud costs: Best practices to avoid wasting money

August 26, 2022

More organizations like yours are moving various operations to the cloud, including key Finance and HR functions. And while that comes with convenience – and potential security risks – cloud costs can be expensive for companies if the migration process isn't monitored closely.

[Read more](#) 

IRS: Make sure Finance records are secure for National Preparedness Month

August 29, 2022

National Preparedness Month is every September, and IRS is reminding employers to boost their disaster preparedness and ensure their important Finance records are protected.

Between hurricanes, wildfires and other severe weather conditions, it's key for companies to regularly review and update their emergency preparedness plans. Losing key documents due to a disaster can make matters worse during the recovery process.

[Read more](#) 

Automating invoice processing: Important elements Finance leaders need to consider

August 31, 2022

Automation is key for all kinds of Finance workflows, including invoice processing.

Around 60% of finance leaders said they "absolutely" or "strongly" agree that automation saves them time at month end, according to Sage's 2022 Close the Books Survey. And automating invoice processing can help make month end go much smoother for A/P, preventing issues like burnout.

[Read more](#) 

Motivated finance employees means more payments ... but what's the best way to measure success?

September 1, 2022

Finance pros know there's more than one way to motivate staffers to improve their performance. Chances are you've tried incentive programs and training tactics to get your teams to collect.

There's a variety of carrots to dangle based on what staffers care about and your budget will allow. And by the same token, there are all kinds of performance metrics for you to choose to evaluate employees.

[Read more](#) 

4 strategies for effectively controlling costs at your company

September 2, 2022

You know from experience that controlling costs and increasing profits for your organization takes more than just creating a budget, regularly analyzing it for variances in projected vs. actual spending, then making adjustments.

You may have tried shopping around for new suppliers, renegotiating vendor contacts, adjusting production levels, re-evaluating your real estate profile or even eliminating employee overtime.

[Read more](#) 

Is a cloud solution for A/R and other Finance duties the right fit for you?

September 6, 2022

Small- to medium-sized companies are still skittish about moving Finance data and functions such as Accounts Receivable (A/R) to the cloud, for the most part.

That's bound to change soon as larger companies change the landscape and continue to embrace the cloud for Finance in order to save time and money.

[Read more](#) 

Before finalizing your 2023 budget, give these areas one last look

September 6, 2022

Economic unpredictability may be giving senior leadership and shareholders second thoughts about your 2023 budget priorities.

Here's what some experts are saying about the approaches your peers may be taking with their 2023 budgets, which can give you some budgeting insight as well.

[Read more](#) 

How digital transformation of A/P, A/R can help fight inflation

September 7, 2022

To effectively fight inflation right now, optimization of your company's working capital needs to be top of mind.

"You don't want to overlook profits or ignore profits, but it's really all about cash. Cash is something [that] once you spend it, you can't unspend it," said consultant, author and former CFO Carl L. Young during a ResourcefulFinancePro webinar.

[Read more](#) 

Prioritizing employees' mental health is crucial to keeping productivity, profits high

September 7, 2022

While you hope your people are always feeling their best mentally, that's not always the case. And it can be rough for CFOs and other execs at the top, too.

Mental health issues can not only diminish people's quality of life, they can also negatively impact workers' performance and productivity in the office. That's why offering benefits that support employees' mental health is important.

[Read more](#) 

Latest credit & collections data shows which sector is already in recession mode

September 8, 2022

Credit managers are relatively optimistic about the state of the economy these days.

But one critical sector in particular is behaving like it's in a recession – and it's going to have ripple effects on creditors and supply chain partners.

[Read more](#) 

Multiple surveys show most companies will increase salary budgets for 2023: What's next

September 8, 2022

As you're looking at creating salary budgets for next year, you should know what your peers are planning so your company can stay competitive in the war for talent.

New research shows that nearly half of employers plan to increase their salary budgets for 2023, and that's backed up by several surveys and analyses.

[Read more](#) 

What your peers are spending money on right now – and where they're cutting back

September 9, 2022

How are your business expenses compared with those of your peers? Recent benchmarking data from finance automation platform Ramp can help you see the areas where other companies are cutting back and what they're prioritizing to help you make better spending decisions in the current economic climate.

Ramp looked at how companies spent money in Q1 2022, as inflation was just starting to make its mark on the economy.

[Read more](#) 

Change is essential to stay ahead, but not everyone's buying in: 5 steps to success

September 12, 2022

Picture this: You're settling on a new automation program shown to help streamline account data and close payments more effectively.

You're excited about the time it's going to save your team members and the money it's eventually going to save your company.

The one hiccup? One or more staffers who need to be brought up to speed quickly don't share your enthusiasm.

[Read more](#) 

A/P News Briefs

Stories You Might Have Missed

Denver moves to exempt new Colorado delivery fee from sales & use tax

August 12, 2022

Promising news to those who do business in Denver: The City Council has proposed a bill to exempt the state's brand-new retail delivery fee from sales and use tax.

If the bill passes, it would create a sales and use tax exemption for this fee and other government fees.

[Read more](#) 

Latest from IRS on new interest rates for Q4, disaster relief

August 15, 2022

IRS has announced that interest rates will rise for the fourth quarter of 2022 – a decision that should come as no surprise based on the current state of the economy.

Per the agency, the rates will increase for both corporate and individual overpayments and underpayments for the calendar quarter beginning Oct. 1, 2022.

[Read more](#) 

Ghost vendors: Hidden danger A/P must watch for

August 16, 2022

Summer's winding down. And while it's not time for Halloween just yet, your A/P pros should still be on the lookout for ghost vendors.

Ghost vendors are illegitimate vendors that are entered into your A/P system for fraudulent purposes, typically to embezzle money from your company.

[Read more](#) 

Security best practices your A/P staff needs to follow to prevent fraudulent payments

August 22, 2022

Your A/P security best practices probably include a confirmation phone call whenever a vendor emails you that their bank info's changed.

But because fraudsters are becoming more skilled at fooling businesses like yours, it's important to take the time to verify that whoever is requesting the change is, in fact, your vendor and not a criminal impersonating them.

[Read more](#) 

Is one of your employees the next 'Excel world champion'?

August 24, 2022

If you think your Microsoft Excel skills are pretty good, prepare to be inspired by the eight advanced users that went head-to-head in the Excel Esports All-Star Battle.

[Click here](#) to check it out on YouTube. ESPN2 even broadcast a replay of the event's highlights.

The tournament featured timed "case study" challenges that were focused less on Finance and more on logical thinking skills and the ability to quickly build a spreadsheet. The tasks had online slot machine, regatta racing and old-school video game themes.

[Read more](#) 

Best practices for A/P, A/R that your company needs to implement now

August 25, 2022

Forward-thinking companies like yours are always looking for ways to optimize A/P and A/R processes to keep your business's cash flow well-balanced.

But outside of using automation technology to reduce errors, streamline vendor invoice approvals and process customer payments, what else can be done?

[Read more](#) 

Key to sales tax compliance: Assume you have economic nexus everywhere

August 29, 2022

Businesses like yours that expanded into e-commerce markets and digital sales channels have had to be aware of economic nexus ever since the tax compliance landscape changed with the landmark *South Dakota v. Wayfair* Supreme Court decision.

Your Finance team's responsible for collecting and paying sales tax on out-of-state online sales, including to the states you don't have facilities in.

[Read more](#) 

Why your team still needs to safeguard against check theft – even in the age of cybercrime

August 31, 2022

If you're still using paper checks for making vendor payments, be aware: Check theft crime is making a comeback.

According to a cybersecurity research group at Georgia State University that monitors dark web activity, crooks can easily steal a business's bank checks.

[Read more](#) 

2 recent cases show importance of clear policies & procedures for company credit card use

September 2, 2022

Your company credit cards can be a breeding ground for fraud via unauthorized usage, especially if there's only one person in charge of managing charges and transactions.

Lessons learned from two recent cases where companies were scammed out of hundreds of thousands of dollars through improper company credit card usage can help you bolster your own policies.

[Read more](#) 

Upcoming Events

Free Webinars

Tuesday,
September 27th
2022



5 T&E Cost Savings Strategies for Finance, HR, and Operations Leaders

sponsored by  [learn more](#) 

Thursday,
September 29th
2022



5 Meaningful Ways To Cut Costs And Improve Cash Flow In 2022

sponsored by  [learn more](#) 

Thursday,
October 13th
2022



Mitigating Fraud While Scaling Payments

sponsored by  [learn more](#) 

Tuesday,
October 25th
2022



How to Build the Finance Team of the Future

sponsored by   [learn more](#) 

Staffers accused of stealing say they had OK to sell company inventory: What did court say?

Accounting Manager Ken Myers urgently knocked on CFO Bill Keeper's office door.

"Come in," Bill replied.

"Here's the audit report you asked for," said Ken. "My team found a \$90,000 discrepancy between incoming cash flow and inventory shipped."

"That's unacceptable," Bill said as he immediately started skimming the report. "A/R's been hitting its goals, so I know it's not collections that's behind,"

"Well, what can you tell me about Pappas Kolas Enterprises?" Ken asked, pointing to a particular page in the report. "There was a customer inquiry about one of our products, and they attached a PDF of a purchase order for the item – but the PO's from Pappas Kolas and not us. There are a couple of small payments in our system from this company."

Unauthorized re-sale?

"Oh no," Bill groaned. "They're the last names of those two chuckleheads – Terence and Evan – that used to work for us."

"I take it they're not official resellers of our products?" Ken asked.

"No, they must've been running a rogue side business while they were still working here. That's it – I'm calling legal," Bill said.

Bill's company sued the former employees for allegedly selling company merchandise and pocketing \$90,000. The Pappas Kolas financial records were subpoenaed.

But the ex-staffers told the judge they didn't intend to cheat the company. In fact, they had a verbal resale agreement with the top brass at their former employer, which had been actively encouraging the resale of company products. They claimed they were a legitimate business reselling other products from third-party vendors and only owed a fraction of what Bill said they did.

Bill's company disagreed. Was its lawsuit successful?

The decision

Yes. The judge ruled in favor of Bill's company. Damages are pending, and so are other claims in the lawsuit.

Even if the former employees had verbal permission and encouragement to resell products from company inventory, it didn't count as an actual agreement or contract to do



Staffers accused of stealing say they had OK to sell company inventory: What did court say?

business, the court said. There was no evidence the ex-employees ever even intended to tell Bill's company about their side business.

In addition, said the judge, a legitimate resale arrangement requires merchandise to be paid for in full, up front by the reseller, and that wasn't the case in this situation.

Analysis: Keep watchful eye on your inventory


This case goes to show that there is such a thing as waiting too long between periodic inventory audits.

All company merchandise must have some kind of tracking documentation, like a purchase order, before it leaves the building.

Keeping a close eye on the status of your inventory – especially with the help of an enterprise resource planning (ERP) system – ensures your purchasing department isn't duplicating orders or your team isn't going through supplies too quickly. It can also help you identify discrepancies that may indicate theft.

Bottom line: It can save big bucks.

Based on Automation Guarding Systems LLC v. Industrial Steel Guarding LLC, No. 2:21-CV-10221-TGB-APP, US D.C. E.D. Michigan Southern Division, 8/22/22. Dramatized for effect.

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

KEY ELEMENTS TO ADDRESS IF YOUR BUSINESS TRAVELERS ARE **STAYING BEYOND THE WORK PART OF THEIR TRIP**



CFO Policy & Culture

Important business travel considerations – especially if a workcation is involved



by Brian Bingaman

Even if your A/P team's composed of Microsoft Office wizards, they could use some help with recording and reimbursing your employees' business travel expenses accurately, on time and on-policy.

In the *ResourcefulFinancePro* webinar, "Bleisure Travel: How to Avoid Expense Management Headaches, Liabilities and Unnecessary Risk," Dr. Jim Castagnera, an experienced business travel manager in his role as associate provost and legal counsel for the academic affairs department at Rider University in New Jersey, recommended investing in travel management software

tools to centralize and control your organization's T&E budget.

According to Castagnera, any software solution you choose needs to:

- provide a platform for travel booking so you don't have to go through an agent
- integrate with your fintech stack, such as your budgeting or payroll programs
- include expense management features or integrate with your expense management program
- print and/or deposit checks for business travel expenses
- provide expense visibility

between managers and business traveling employees

- allow A/P and managers to run expense reports, and
- be able to keep traveling employees compliant with your specific company travel policies (e.g., capping total expenses, setting budgets per individual or confirming the purpose of a trip).

Expanding on the last point, Castagnera said it's crucial to be able to build in rules to your travel management software, "so as the employee is booking travel, it can (say): 'Uh-uh, you can't go there' or 'You can't use this provider because we've had problems with this

Important business travel considerations – especially if a workcation is involved

provider’ or ‘Wait a minute, you’re booking in business class? Uh-uh, you’re going to go coach.’”

Looking out for your business travelers

In the interest of safety, you may want to consider a travel tracking app like TravelPerk or Polarsteps for employees that have been approved for extending a work trip to include some recreation, entertainment or tourism – especially if they’re traveling with children or an elderly family member.

Castagnera said these services are inexpensive.

But if you choose to use a travel tracking app, a manager needs to let your workcating business travelers know up front that you’re watching where they’re going.

To show that the intent is not to invade their privacy, managers can ask the employee for emergency phone numbers and any important medical information for accompanying family members so that info can be accessed from your travel management software if something bad unexpectedly happens.

Before they book it

If you have a workcation policy, it probably requires employees to cover, or reimburse the company for, airfare for accompanying family members – and the same thing for any difference between multiple and single lodging occupancy.

But before they buy those plane tickets or book that family-size hotel suite, it’s worth exploring whether:

- it’s more cost effective to drive to the destination, or
- the hotel is offering a fixed rate on both single and multiple occupancy rooms in honor of a special event, such as a conference that your employee’s attending.

Fraud prevention guidelines for business travelers

The National Cybersecurity Alliance has several good tips for travelers that you may want to consider passing along to your road warriors:

- **Avoid packing company (and personal) electronic devices you don’t need.** The more laptops, tablets and smartphones you travel with, the greater the risks.
- **Avoid posting pictures on social media that show you’re out of town.** This goes especially for employees that are traveling with their families and having some fun when the work part of the trip is done. Oversharing can let clever fraudsters know someone isn’t in the office, opening the door for a business email compromise or phishing attack or a social engineering scam. It’s not necessary to share memories from that workcation with the entire internet until after you get home.
- **Update your software before hitting the road.** It’s especially important that security features on company devices are up to date and software automatic updates are turned on.

- **Back up important files.** Because losing crucial data can be a disaster, it should get backed up on the cloud, on an external device like a hard drive, or both.

Also, for security’s sake, it might be a good idea to change passwords on company devices when business travelers return from their trip.

Making policy changes?

If you’re just starting to adopt workcation/bleisure travel as an employee perk, an update to your written business travel policy will be in order.

However, Castagnera said to keep in mind that most people will skim that policy, and not read it word for word, even if you provide a copy for all employees. Because of this, it’s smart to:

- Keep the sentences short and the wording simple as possible (in Castagnera’s words: “T&E for Dummies”)
- Break it down by table of contents
- Use bullet points, tables, charts and/or graphs
- Remind your people of the policy (especially helpful for those that only travel once a year, since they might not know about it), and
- If you create a digital version, make it searchable.

[Read this Story Online](#) 

Mandatory Form W-9 policy eliminated

Form 1099 headaches in January

Every January, there would be a year-end frenzy to make sure we got 1099s out on time to the contractors we hired for services in the past year. It wasn't a good time to discover that we had missing documentation on somebody's W-9.

Then, one year, after having to chase down more people than usual because of an incomplete taxpayer identification number (TIN) or an address with a post office box, but no street address, I'd finally had enough.

Before contracting with a business, an engineer, a consultant, a freelancer, etc., we needed to be prepared to file a 1099 regardless of if we expected to pay them \$600 or more during the year.

So I made it a rule in A/P that before any new contractor gets assigned a vendor number in our accounting system and an entry in our master vendor file, we must have a fully completed Form W-9 from them – or else they can't start work.

Dealt with vendor resistance to W-9s

Vendors working with us for the first time were reluctant to fill out a W-9. After all, we're strangers asking them to give us their TIN or Social Security

number, which in the wrong hands can be used to commit fraud.

In those cases, it's important to be completely transparent about why we're asking for a W-9 and that we care about protecting their privacy. So we send them a copy of Form W-9, along with a letter, via email or USPS.

The letter explains:

- that unless they're tax exempt (proof required), we expected our business relationship to result in an IRS-required Form 1099 filing, and we need a properly completed W-9 to do that
- how to fill the form out – particularly if there's a "doing business as" situation or there's possible backup withholding involved
- how we store and use their data, and that we have a secure document management system that allows only necessary employees to access their info, and
- that we need it to be returned by a certain date before any work begins

In the case of the digital W-9, we needed to assure them the document's encrypted to protect their sensitive information.



W-9 double-checking steps

When the completed W-9 form reaches us, the first step is verifying the TIN with IRS' TIN matching service.


It's also essential that a business type box is checked off. Is it a sole proprietor, an LLC (which can be taxed in one of several ways), a partnership (which has specific taxation rules) or a C corporation or S corporation? (In certain circumstances, C corporations and S corporations require 1099 filing.)

Another important detail to check is if the business's physical address and remittance address are different or the same.

If there's anything that's not quite right, we make a follow-up phone call to verify the info.

This process has made year-end a lot easier because there are no longer information gaps when we're 1099 filing.

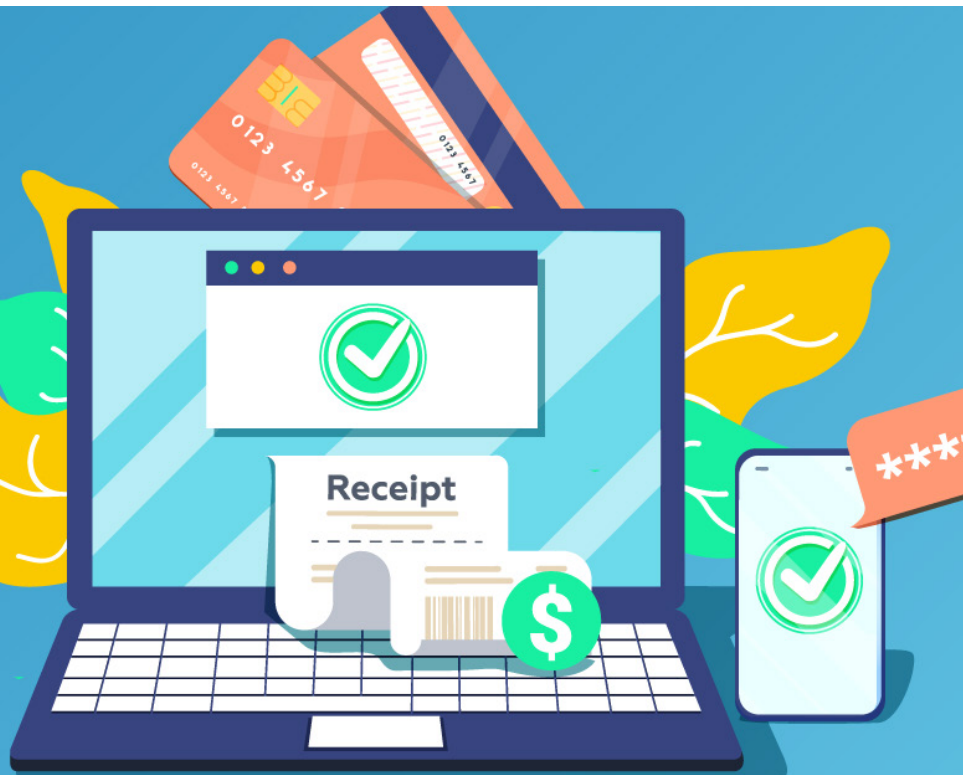
(Jackie Wolfe, A/P Manager, Skanska USA Building Inc., Parsippany, NJ)

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3 challenges threatening B2B cash application and how to overcome them



by Steve Pinado, Finance Expert Contributor



DIGITIZATION AND
AUTOMATING
PAYMENTS PROCESSES
**KEY FOR OVERCOMING
OBSTACLES**

Since the pandemic began in 2020, B2B cash application – the process of matching a payment from a customer to the corresponding invoice being paid – has been slow and inconsistent at times for many supplier companies.

Part of it is caused by supply chain issues, part of it's due to a remote workforce, and sometimes it's due to mail delays.

On top of it, buyers are taking even longer to pay their suppliers. Research from Hackett Group found that large U.S. companies took 58 days on average to pay suppliers during the early quarters of fiscal year 2021 vs. 55 days from the same period in 2020. So it's become even more difficult to settle transactions and recognize revenue.

Here are three top challenges suppliers are having to overcome to speed up B2B cash application and how they can be managed.

1. The rise of A/P portal usage by large payers

While the increased adoption of personalized accounts payable portals – especially among large buyers – is a positive sign of B2B digital transformation, the truth is it's also making more work for accounts receivable teams.

For buyers, adopting vendor portal platforms makes their lives easier, but it creates more manual

3 challenges threatening B2B cash application and how to overcome them

processes for their suppliers. This is because these platforms require A/R teams to manually log in to retrieve remittance data – a time-consuming activity, especially when dealing with large payment volumes.

In fact, in a recent study commissioned by Billtrust, over 350 senior accounting and finance leaders reported “dealing with increasing numbers of customer portals” (38%) as a top concern. This is unsurprising considering the same report also found that the majority of A/R teams now interact with an average of 11 to 20 different A/P portals, which can lead to confusion.

The reality, however, is that A/R teams will have to deal more frequently with these A/P portals going forward, which is why they need to find a way to reduce the need for unnecessary manual processes and go all-in on automation and digitization.

Modern payments networks, for example, connect suppliers to most, if not all, of the different A/P platforms that buyers use to pay, as well as third-party banks and ERPs.

2. Electronic payments with decoupled remittances

The emergence of electronic payments once seemed like the solution for the traditional pains of B2B cash application. After all, electronic payment data doesn't need to be keyed, eliminating labor costs and mistakes associated with converting paper remittance data to electronic data.

Electronic payments, however, often don't travel with electronic remittances. Rather, e-payments

are now most often made with “decoupled remittances,” or remittances that arrive separately. This means that the remittance advice A/R teams need to reconcile payments is also arriving later and separately, slowing things down and adding to workloads.

Despite the expectation that electronic payments would streamline the B2B cash application process, in many respects, the opposite has happened. Inefficiencies are still burdening A/R teams with tedious tasks that require more staff and additional costs.

Automation like “digital lockbox” technology can help them address this issue by taking remittance data from different sources across checks, ACH, direct debit, wire and credit cards and standardizing it for easy cash application. This means that even as payers continue to send decoupled remittances, suppliers can leverage AI to automatically match them to their appropriate payments.

3. Manual B2B cash application

A/R teams are used to the painstaking task of manually processing hundreds of remits and typing remittance data into ERPs. But this tedious and error-prone process is taking their time away from more strategic tasks that can drive business growth.

In addition, the nuances of each customer's invoicing structure can make it difficult for A/R to onboard new hires, which further slows down B2B cash application and your A/R pros' ability to seamlessly do their jobs.

Speeding up B2B cash application

These inefficiencies can have a significant negative impact on an organization's financial health, particularly in today's environment where a business's ability to accelerate cash flow from sales has become especially mission-critical.

A/R pros at businesses like manufacturers, medical equipment suppliers and logistics firms need to be able to fast-track B2B cash application. It's imperative not only for their own organizations' resilience, but for the economy as a whole.

In response, A/R teams have had to supercharge many of their job functions. For instance, many have begun automating invoice delivery and remittance collection, which is making it far easier for them to apply cash, no matter how a payment is received. It's essentially accelerating digital payments by connecting with buyers where they do business.

Much-welcomed predictability can be injected into the financial health of your business by embracing digitization and automating payments processes with B2B payments networks and digital lockboxes.

This technology may be key for lightening the load for your A/R team going forward.

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If your Excel ribbon ever disappears, there are 2 ways to get it back

Having the Clipboard, Font, Alignment, Number, Styles, Cells, Editing and Analysis functions that are in the Excel ribbon at your fingertips is a must for efficiently working in spreadsheets.

But if your Excel ribbon mysteriously vanishes, it means one of two things has happened:

1. You got overzealous and accidentally double-clicked on one of the tabs above the ribbon (File, Home, Insert, Page Layout, Formulas, Data, Review, View or Help). Those only ever need to be clicked once.
2. You accidentally collapsed the ribbon by clicking on the upward arrow point on the right side of the ribbon.

Don't panic – to restore your Excel ribbon:

1. Double-click on any of the tabs at the top of Excel (and try not to double-click them again), or
2. In the upper right corner of Excel is a rectangle with an upward-pointing arrow. That's the ribbon display option control. When you click on it, a menu opens. Click on "Show Tabs and Commands."

Cut down on mouse clicking in Excel

To reduce the chances of collapsing the Excel ribbon by mistake, try using these keyboard shortcuts:

- The Tab key to move the cursor to the right across a row, and Shift and Tab to move to the left across a row
- Hitting Enter to move the cursor down in a column, and Shift and Enter to move up in a column
- Ctrl and "s" to save, instead of clicking on File, then Save, and
- Ctrl and "o" to open a document.

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CFO Accounts Payable

Unclaimed property reporting: Here's help for Finance to prevent issues with compliance



by Jess White

Fall is an important season for unclaimed property reporting. And it's something Finance needs to start thinking about as summer ends.

Many states have unclaimed property reporting deadlines in October and November each year. And compliance is crucial, since issues with reports can lead to pricey fines and time-consuming audits.

That means it's key for Finance pros to have a clear strategy for managing unclaimed property. That way, reporting will have fewer hassles and be more accurate.

In a presentation at the American Payroll Association's Virtual Congress and Expo, Heather Steffens, partner for strategic solutions at MarketSphere Unclaimed Property Specialists, discussed key audit triggers for unclaimed property compliance and how companies can prevent issues with their reporting.

KNOW COMMON AUDIT TRIGGERS AND BEST PRACTICES FOR HANDLING THE REPORTING PROCESS



Red flags for state auditors

State auditors can come calling to review companies' unclaimed property compliance – and they can also recruit third-party firms to audit employers' practices.

In addition, 29 states are currently using the State Targeted Assistance Compliance System, a software solution created by one of

the largest third-party auditors to automatically track who's filing unclaimed property reports and whether filing's being done correctly.

Software like this can help states more efficiently identify audit triggers with an employer's unclaimed property reports, such as:

- Failing to file
- Submitting reports late
- Filing negative reports each year
- Submitting incomplete reports
- Filing reports that aren't in each state's required format
- Failing to report property types that are standard for the company's industry
- Reporting much less unclaimed property than similar organizations

Unclaimed property reporting: Here's help for Finance to prevent issues with compliance

- Filing to the wrong state
- Claiming property incorrectly, and
- Reporting limited property types without filing reports for all unclaimed property.

Mergers and acquisitions can also be an audit trigger, so it's important for Finance to keep an eye on unclaimed property reporting throughout the process, and review the terms of contracts to determine who's obligated to report.

The cost of noncompliance

To make sure Finance correctly handles its unclaimed property reporting responsibilities, it must be clear who's responsible for the task. Both Payroll and A/P may have unclaimed property to manage, most notably uncashed paychecks or other payments.

With that in mind, it's a good idea to create an unclaimed property administrator for the entire company, Steffens said. Preferably, this would be someone who's familiar with the guidelines and knows the inner workings of your Finance department.

This person can serve as a point of contact and work with the rest of the Finance team to develop policies, procedures and documentation related to unclaimed property reporting. The administrator can also spearhead the training of staff on unclaimed property procedures.

In addition, the person can schedule regular reviews of unclaimed property protocol to keep up with any changes in state laws and regulations or new types of property to manage. This

way, procedures can be regularly self-audited so any compliance problems can be addressed ASAP.

Steps to take when reporting

It can be confusing to know where you should submit your unclaimed property reports. The first priority rule is to remit unclaimed property to the state of the property owner's last-known address that's listed in your records.

When that's unknown, the second priority rule says that you must remit to the employer's state of domicile or incorporation.

In a nutshell, employers are required to take the following steps when reporting unclaimed property:

- **Identify all potential sources of property.** This review should cover internal and external sources, including your contracts with any third-party administrators. States take the view that the party that's made the promise to pay is ultimately responsible for unclaimed property reporting. And depending on contract terms, that may be the employer – not the third party.
- **Review supporting records and documentation.** Supporting records and documentation you'll need to review include accounting records, tax returns, HR records, financial reports, legal records and information systems records.
- **Apply the relevant state law dormancy period.** The dormancy period can vary significantly by state. For example, New York has a three-year dormancy period for

both payroll checks and A/P, while Florida has a one-year dormancy period for paychecks and a five-year dormancy period for A/P.

- **Perform statutory due diligence.** In most cases, due diligence is satisfied by a first-class mailing to the owner at the last-known address and/or an electronic contact at the last-known email address, depending on state law.
- **Report and remit the property to the state.** Along with keeping the deadlines in mind for fall and spring unclaimed property reporting, it's key to review each state's requirements for reporting, including the correct format and methods for remittance. Most states are shifting toward online reporting and remittance, especially considering the pandemic.
- **Retain any relevant supporting records for the required length of time.** The length of time you need to keep supporting records on file typically includes the dormancy period plus a certain number of years. Together, they're referred to as "report years." State retention requirements also vary, but often range between seven and 10 report years. Note that supporting records also includes your unclaimed property filings.

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Did employer illegally punish new father who asked for FMLA leave?

A/P Manager Jenn Smith was reviewing her unclaimed property reports when she saw her phone light up out of the corner of her eye.

It was her friend Leann Lyons, an A/P manager at another company, calling.

I know Leann's been having a really hard time at work lately. I'd better get that, Jenn thought.

"Hi, Leann. Things going any better today?" Jenn answered.

"Jenn, I'm nervous," she began. "My company just made some layoffs – including Amir Khan, the one from my department who made a big deal out of taking leave because his wife had a baby."

"As in FMLA leave?" Jenn replied.

"That's what he asked for," said Leann. "I do feel bad because back when Amir said he was leaving, it was going to put me in a tough spot. So I told him that men who work here usually don't take time off for the birth of a child."

"Probably not the best thing to say," Jenn said. "But did you bring in HR to talk to him about parental leave and help you come up with a plan for what you were going to do in his absence?"

FMLA leave interference?

"Yes," said Leann. "HR helped me convince Amir to continuing to work part-time and remotely. He took a pay cut, but kept his job and had the freedom to take intermittent leave. But he was still a little upset and said that we wouldn't treat a woman who just had a child this way."

Eventually, the former staffer at Leann's company sued the company for gender discrimination and Family and Medical Leave Act (FMLA) interference and retaliation. The company tried to get the case dismissed. Was it successful?

The decision

No. Although the company dodged a bullet because the employee's discrimination complaint was dismissed on a statute of limitations technicality, the FMLA case was allowed to proceed.

The court said discouraging Amir from taking FMLA leave to spend time with his child was improper because the:

- employee was eligible for FMLA leave
- employer was covered by FMLA
- employee was entitled to the leave



Did employer illegally punish new father who asked for FMLA leave?

- employee gave notice of the leave, and
- employer denied him the 12 weeks of leave he was entitled to take.

Plus, due to the timing of his termination, it could be considered an adverse action against him for making an FMLA leave request.

Analysis: Know the rules for FMLA leave requests

FMLA prohibits employers from taking adverse actions against employees for requesting family or medical leave, including for the birth of a child.

Besides termination, some other examples of adverse actions include:

- reduction of work hours or rate of pay
- changing someone's shifts, or
- giving someone a demotion.

When an FMLA-eligible employee requests leave, employers have a duty to fully and accurately inform the employee of their rights and not interfere with them using the leave.

To minimize the risk of FMLA violations at your organization, it

may be wise to train supervisors on how to handle these situations.

It's also crucial to document what you do when employees request FMLA leave. In the event of a legal dispute, courts will want to see that your company followed the law to the letter.

Based on Eissa v. Ledvance LLC. This case was fictionalized for dramatic effect.

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

Preventing fraud through authentication: Latest developments for Finance

Prepare for stricter requirements, new tech to confirm identity for tax purposes



by Jess White

One of the largest fraud schemes that's impacted employers during the age of COVID is unemployment insurance fraud. Often, these schemes occur as part of a larger employer identity theft scheme that can have costly consequences for both companies and employees.

In a recent presentation at the American Payroll Association's 2022 Virtual Congress and Expo, Thomas Crowley, the director of government affairs at ADP, and Stephanie Salavejus, CPP, the vice president and COO of PenSoft, discussed the rise of unemployment fraud schemes and the steps being taken to stop them – including the use of better authentication procedures.

Here's what you and your Finance team need to know.

Increase in false unemployment claims

Unemployment insurance fraud schemes have been on the rise due to COVID-related relief payments. Traditionally, they take several forms. Most commonly, scammers will create fake companies or impersonate real companies, saying that they haven't filed wage reports in a few years. Then, they'll file fraudulent reports – and false unemployment insurance claims from "employees" follow soon after.

Often, the scammers will use the names and Social Security numbers

of real employees at your company. So, you may get notification that a claim's been filed for unemployment payments on their behalf.

This can get more complicated for companies that actually have experienced layoffs or furloughs due to the pandemic. It can be time consuming for your Finance team to uncover fake unemployment claims while also validating legitimate ones. It's also tough for affected employees, who may have to jump through hoops to confirm their identity to state unemployment insurance agencies.

Much of the info scammers use for these schemes comes from data breaches, which are increasingly common at companies of all types. With this explosion of unauthorized access, authentication needs to be on the minds of company leaders, including CFOs, Salavejus said.

Additional authentication requirements

Right now, security procedures are changing to decrease the likelihood of unemployment fraud and business identity theft, especially with payroll service providers and software developers. Before working with employers, they're adding in steps such as validating a company's federal Employer Identification Number (EIN) right away. And tax agencies are also tightening their security requirements before they accept returns.

These added steps can make Finance processes a bit more

Preventing fraud through authentication: Latest developments for Finance

burdensome for your team, particularly if extra signatures and verification are involved. But they're essential to protect the sensitive info your team deals with every day.

Properly authenticating the identity of the key players on your team that deal with tax filing needs to be at the top of your priority list. Not only can the proper authentication prevent issues with unemployment insurance, it can also stop other kinds of business identity theft.

Authentication can take various forms. Traditionally, it's done with a password. But there's various technology both tax agencies and software providers are using to verify the identity of authorized representatives from companies, including cryptographic keys and biometric technology.

And while it may create more red tape for employers, it'll soon be the norm for Finance pros. So, it's smart to stay aware of recent developments and know what tax agencies will expect from employers.

While you may not be required to authenticate the identity of all professionals in Finance just yet, it's soon likely that every individual who has any role in reporting to IRS, including the person who signs off on your Form 941, will be required to go through an authentication process before doing so.

IRS is already requiring e-Services users to validate their identities using multifactor authentication via ID.me. IRS and state tax agencies are also working on:

- improved authentication and validation of the info submitted on tax returns

- better information sharing to root out and prevent fraud, and
- more advanced methods to assess security threats and develop strategies to address them.

Importance of training

Finance needs to be prepared for these developments. And it starts with the right training.

Training your team on current fraud threats and authentication methods is crucial. This helps prevent data breaches and keeps everyone on the same page with current security protocols. Make sure everyone in Finance is educated on the security requirements they must follow, and their specific role in preventing compromise of key data.

For the best results, security measures can't be siloed, Salavejus said. Boosting data security must be a companywide effort, with company leaders and IT at the helm of any training and educational initiatives.

Areas to improve right now

Many elements will go into authenticating users' identity in the future. Software developers, payroll service providers and tax agencies will use IP addresses, browsers and geotracking physical locations to determine whether any unauthorized parties are using your info to commit fraud.

To be compatible with this technology, your in-house systems and computers will have to meet

specific security and authentication criteria to access online accounts for various agencies. That means you'll need to invest in the IT infrastructure to make that happen. You might want to consider what security upgrades your hardware and systems may need when creating future IT budgets.

As further protection against fraud, you'll also have to look at your agreements with third parties that have access to confidential employee data, making sure there are strict provisions in place to keep this info secure and limit the vendor's access to only the data that's necessary.

Record retention oversight will be important as well. Make sure you aren't keeping employees' records on file for too long – otherwise, it's a significant security risk. With that in mind, make sure that any records or documentation you're storing on site is secure, and that you're disposing of old records regularly after retention requirements have passed.

Ultimately, Salavejus said, it's on employers to "authenticate, authorize and know who has access to information, [and] move beyond basic password protection for protecting data and databases, [since it's] no longer secure enough."

Your authentication and security procedures must be in a "constant state of continuous improvement," said Salavejus. This will help you keep unemployment fraud and other schemes at bay – and avoid costly damage control after the fact.

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Can we use electronic tracking tools to monitor remote workers?

Q: It's important to know that our employees aren't goofing off when they're working from home. I understand that there are tracking tools that can monitor voicemails, email, instant messages and internet usage. But could we get in any legal trouble for using productivity software to monitor remote employees?

A: When it comes to workplace privacy and federal and state laws, the main compliance key, according to Ian Carleton Schaefer, Jessica Lee, Eyvonne Mallett, Bianca Lewis and Lauren Richards of the New York law firm Loeb & Loeb LLP, is that employees are provided with adequate notice that their electronic device activity is being monitored or could be monitored.

A post on the firm's website mentions:

The Electronic Communications

Privacy Act. This federal law prohibits employers from "intentionally intercepting oral, wire and electronic communications of employees, unless the monitoring is done for a legitimate business reason or the employer obtained the employee's consent." What can satisfy the consent requirement is a disclaimer in your employee handbook or electronic communications policy that explicitly tells employees that they have no expectation of privacy when they use company communications systems and that the company

reserves the right to monitor employee communications.

Connecticut law: Connecticut employers must provide prior written notice to employees about the specific types of electronic monitoring that may occur. Affirmative acknowledgment by the employee isn't required.

Delaware law: Employers in the First State have to provide prior written notice about monitoring phone transmissions, email and internet access or usage. Employers have the option to either provide:

- daily notice when the employee accesses the employer-provided systems or internet, or
- a one-time written or electronic notice to the employee with employee acknowledgment.

The New York Civil Rights Law. As of May 7, 2022, an amendment requires employers to secure employees' consent to monitor "any electronic device or system." Employers in New York State must provide written notice upon hiring that "any and all telephone conversations or transmissions, electronic mail or transmissions, or internet access or usage by an employee ... may be subject to monitoring at any and all times" and to obtain written acknowledgment from



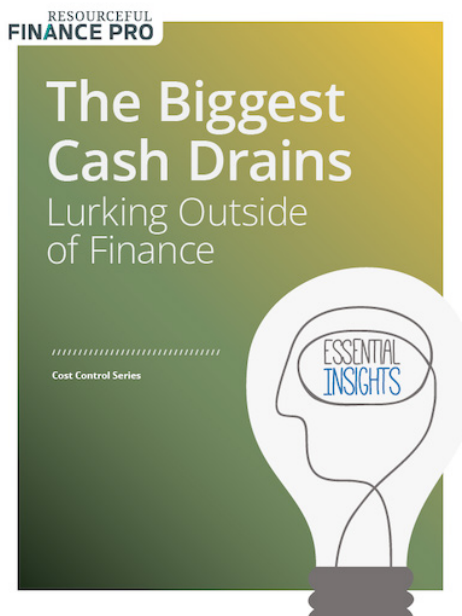
Can we use electronic tracking tools to monitor remote workers?

new hires. Employers also must post a notice in a “conspicuous place which is readily available for viewing.”

The authors recommend:

- reviewing whether your use of tracking tools is covered by applicable local or state laws
- huddling with your legal team to conduct bias audits of tracking tools, or ensuring that the third-party vendor is conducting analyses, to protect your organization from accusations of discrimination
- notifying employees about the use of tracking tools and obtaining consent (if required by applicable law) in a format that can be stored and produced as evidence of compliance, and
- seeking out assistance with risk assessment, policy development and training to ensure compliance.

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



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

Identifying these exposures is a start, but far from enough to stop wasteful spending and cash from quietly leaking out of your organization’s bank account.

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](#)

The top employee benefits trends for 2023



**HEALTH CARE,
INCLUSIVE BENEFITS AND
PERKS ARE TOP OF MIND**

 by Brian Bingaman

As you make strategic decisions in the coming days on what employee benefits your company is going to present at open enrollment, a package appealing enough to retain employees has to be just as top of mind as controlling costs.

An employer health and benefits strategies survey by Mercer indicates that 70% of your peers at large companies and 53% of small business leaders said they're planning employee benefits program enhancements for 2023. And here's what they have their eye on.

Healthcare affordability

Workers who believe their employer cares about their health are less likely to leave their jobs. Paying for

health care is a concern for many employees, particularly low-wage earners and those coping with chronic medical conditions.

Believe it or not, low-deductible (and even no-deductible) health plans – such as a copay-based

plan – are gaining in popularity with businesses like yours. According to the survey, 41% have one in place and 11% are considering it. Forty-five percent of surveyed small businesses have a low- or no-deductible plan.

Also, in the name of lower employee cost-sharing, nearly a quarter (24%) of respondents are either planning or considering leveraging a narrow/high-performance network plan.

Another interesting trend is salary-based contributions for making health plan premiums more affordable to lower-paid employees.

Currently, 17% of employers use salary-based contributions, where people who make less money contribute less to their premiums, with the amount rising for those who make more. And nearly as many (15%) are considering it, the survey said.

But it's important to be aware of the risk of turnover and recruitment difficulties among higher-paying job roles when employees or job candidates discover they're paying more for their health insurance based on their pay.

The widespread use of telemedicine since 2020 has helped to lower healthcare costs, while also making health care more accessible. This has led to the expansion of the virtual care solutions market, and it's piqued the interest of your peers.

The top employee benefits trends for 2023

Over half (52%) of employers will offer virtual behavioral health care in 2023, and 40% will offer a virtual primary care physician network or service. Virtual specialty care is being offered by 21%, according to the survey.

Behavioral/well-being health care

The more open discussions about mental health that began in 2020 got your peers thinking about the return on investment (ROI) from employees that are more productive and engaged because they're emotionally, socially and financially healthy.

Support resources that surveyed employers are planning or considering offering in 2023 include:

- Employee assistance program services, 67%
- Online resources like apps, classes or articles, 62%
- Providing manager training in recognizing employee behavioral health issues and steering them to appropriate resources, 35%
- Providing employee training in recognizing peer behavioral health issues and steering them to appropriate resources, 26%, and
- Conducting a behavioral health anti-stigma communications campaign, 25%.

Enhanced support for women's reproductive health

There are signs employers are paying closer attention to the

special needs of women. Specialized benefits either being offered next year or being considered are:

- High-risk pregnancy support, 27%
- Lactation support, 22%
- Preconception family planning, 19%
- Postpartum support, 14%
- Pregnancy loss support, 13%, and
- Menopause support, 4%.

It should be noted that the Mercer survey was conducted just before word got out about the Supreme Court Dobbs v. Jackson Women's Health Organization initial draft majority opinion that abortion isn't a constitutional right.

Employee benefits that may depend on demographics

Huddling with HR to get a general idea of your workforce's diverse lifestyles and stages of life can provide key strategic information for selecting perks that truly add value for your people.

Here are some noteworthy employee benefits that survey participants indicated they were offering next year or were considering:

- Tuition reimbursement, 75%
- Supplemental life/individual disability insurance, 63%
- Personal identity/password protection programs, 31% (since individuals also need fraud protection)
- A stipend for home office

supplies, 23%

- Free or subsidized meals at work, 22%
- Student loan financing assistance, 14% (which could be particularly appealing to younger workers like Gen Z and Millennials), and
- Employer-paid legal services, 14%.

Employee benefits that stand out

A report by [HRMorning.com](https://www.hr-morning.com) compiled some thoughtful and outside-the-box ideas for employee benefits that might be worth asking your head of HR to survey your staffers about. A few of the highlights:

- Expanding PTO to include an extra day off to go to the doctor, a paid holiday that doesn't count against vacation time for an employee celebrating his or her birthday, time off to attend their children's events or a winter break, such as Dec. 24-Jan. 1
- An employer-funded "lifestyle account" that gives employees a certain amount each year to spend on a variety of wellness and health expenses
- Employer contributions to a dependent care FSA or discount agreements with childcare facilities (Ask any parents at your company with young children, and they're likely to tell you that the cost of child care takes a big chunk out of their household budget.), and
- In-office massages to fend off stress and burnout.

[Read this Story Online](#) 

My 5-step strategy for cleaning up the biggest messes in Payroll and Finance

It's unfortunately inevitable: Messes of all types happen for Payroll and Finance pros.

Whether it's a small mistake in one person's paycheck or a big issue impacting every employee's pay, I wanted to mitigate the damage that can happen in these situations, cleaning up the messes swiftly while taking steps to make sure they don't happen again.

Keys to being a reliable 'cleaner'

Over time, I developed a clear strategy I use to tackle Finance messes – and became an expert people at my company came to in tough situations. Here's how I'd rally my team to clean up messes.

- 1. Focus on the people.** The people I worked with were my No. 1 resource. I put effort into cultivating positive relationships across my team and across different divisions and departments. Because people trusted me and knew that I supported their work and their decisions, they were more likely to step up and pitch in when a fire broke out in Finance.
- 2. Share your vision as a leader.** I was always clear about my goals and expectations. This made people

more likely to give me buy-in when I was trying to put a plan into place to correct a problem. Also remember: You don't have to be a manager to be a leader. I always led by example, and that made people more willing to help me when I needed it the most.

- 3. Focus on the messes to clean.** I was specific about the type of help I needed to make things right. And I asked myself questions to figure it out. Did I need a numbers person to double-check deductions? Should I rally HR to make sure you have the correct data on file for employees? Did I need help from the top brass to put new policies and procedures in place for paying employees? This helped me have a clear strategy ready to go, including the resources necessary to fix things and why I needed them. Using this line of thinking also helped me create a contingency plan in case my initial efforts went awry.
- 4. Give everyone opportunities to grow.** While I developed my plan and looked for volunteers to help, I'd allow everyone on the team a chance to demonstrate how their skills could be beneficial – even if a task on the list was outside their normal duties. It was a chance to give people a new set of responsibilities based on their personal or professional strengths.



My 5-step strategy for cleaning up the biggest messes in Payroll and Finance

People always appreciated the faith I had in them, and I usually found that they'd rise to the challenge to grow their skillsets.

- 5. Make it happen.** Once everything was ready to go, I'd proceed full steam ahead with my plan, addressing any potential setbacks as they came while keeping the end goal in mind. I was transparent throughout the process, communicating my progress and any setbacks I encountered to the team and the higher ups so I could keep the process moving forward and overcome issues ASAP.

After this approach became my go-to plan for correcting problems in Payroll and Finance, I found that I could resolve issues much faster – and it's helped strengthen my reputation as a person who can be relied on to clean up the most difficult messes and handle the toughest situations.

(Adapted from "Miss Clean's Mission Impossible: Clean Your Way to Success" presented by Lori Brown, CPP, at the 2022 American Payroll Association Virtual Congress and Expo)

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Is earned wage access right for your company? Latest research for employers



 by Jess White

Earned wage access, also known as on-demand pay, has been a hot topic in the Payroll space recently.

While it may not be on your radar right now, many employers are using it as a key retention tool – and it’s becoming more popular with employees, as well.

New research from payroll provider ADP shows just how common earned wage access is becoming with companies, along with why you may want to consider giving the benefit a closer look.

The data was highlighted in a recent presentation by George Mavrantzas, vice president of strategy and thought leadership at Wisely Pay by ADP, at the American Payroll Association’s Virtual Congress & Expo.

Popularity of earned wage access

Overall, interest in earned wage access is on the rise. In the past,

earned wage access was typically thought of as solely a blue-collar product for hourly workers, but that’s not the case today.

Some may think that earned wage access is a pay advance or a loan. However, that’s not how on-demand pay works. Unearned wages don’t qualify – it’s pay that employees have already earned. Wages accrue and are calculated based on hours employees have worked. The balance available is based on these wages, and employees can withdraw as much as they need from this balance between paydays.

Right now, there is broad interest in on-demand pay from each generation in the workforce, regardless of whether they’re blue-collar workers or white-collar employees.

More than three-quarters of workers surveyed by ADP across all age groups, income levels and educational levels said it’s important for their employers to offer earned

wage access to employees. And almost 70% said they’re likely to request their wages early at least once within the next 12 months.

When looking at specific age groups, Millennials (ages 25-44) and Gen Z (ages 18-24) workers are more likely to want earned wage access from their employers. Millennials specifically see on-demand pay as a workplace benefit (82%). They’d prioritize a job offer from a company that offered it (75%) – and they’d even consider leaving a job that didn’t offer it to employees (60%).

Millennials and Gen Z workers also believe that they should have more of a say in deciding when they should have access to their pay than their employers do, which is something to consider if your workforce skews younger.

But on-demand pay could be a key addition to your benefits offerings regardless of the age of your workforce. After earned wage access is implemented, employees use it more often than they initially

Is earned wage access right for your company? Latest research for employers

expect. Nearly 80% of workers have used earned wage access at least once when their companies gave them the option.

Before being offered early wage access, many employees don't believe they'll use it very often. Only 20% of workers said they'd use it every pay period or every other pay period, and a quarter said they'd use it one to six times a year. Meanwhile, 37% said they'd only use it when a specific need arises, while 18% weren't sure when they'd use it.

When looking at employees who have access to on-demand pay, however, it's a different story. Close to two-thirds (62%) ended up using the benefit every pay period or every other pay period, while 31% used it between one and six times a year. Only 7% used it when a specific need occurred.

So, the demand for earned wage access exists, and employers that offer it will likely see many workers take advantage of the benefit – and value it.

The employer viewpoint

With employers, 90% of them have some awareness about flexible pay options that are available for their employees. If they would consider offering earned wage access, 95% said it's important to use a reliable name, and 89% would work with their current payroll provider to provide the service.

Currently, 55% of employers surveyed offer their employees earned wage access in some form. There may be a disconnect between whether employees are aware this benefit is available, though – only 40% of workers surveyed said their company offers them earned wage access. That means that outreach

is important if you offer this benefit and aren't seeing employees take advantage of it. Making sure employees are aware it's available is key, just as it is for any other benefits you offer.

In addition, almost all employers (92%) believed that there should be a limit on the amount of earned wage access transactions allowed per employee, with one to two per pay period being the preferred frequency. The same percentage believes that only a portion of workers' wages should be available early, somewhere between 25% and 75% of earned wages.

Most employees that use earned wage access (71% of those surveyed) do end up withdrawing between 25% and 75% of their pay from their earned balance, so this may be a good limit to set for the benefit when establishing it.

Employers that offer earned wage access to employees overwhelmingly say their employees like using it (96%) and that it improves workers' sense of financial security (96%).

Earned wage access also helps employers with two key areas: 96% of those who offer it say it helps them attract new talent, and 93% say it helps with retaining current employees.

3 potential challenges to consider

While most employers surveyed (82%) are interested in offering earned wage access, those that aren't cite the following three reasons why they aren't interested:

- **Compliance.** The legal landscape is currently murky about on-demand pay and whether it changes tax

obligations for employers and employees. IRS has promised to provide further guidance on this issue down the line. The Treasury Dept. has already announced some changes it'd like to see added to the practice.

- **Costs & implementation.** It could be expensive for employers to implement an earned wage access program, especially if incremental costs are involved. Here, it may be helpful to weigh any added costs against the company's current cost of turnover, since on-demand pay could pay off in better retention rates.
- **Complexity.** Many employers worry that earned wage access will make their payroll processes more complicated. However, many solutions that allow for on-demand pay have minimal impact on the payroll process and are simple to execute.

Working closely with your potential on-demand pay provider can help alleviate these concerns. It may also help to poll your employees about whether there's any existing demand for earned wage access before diving in.

But given constantly shifting attitudes, and workers' growing financial needs in an unstable economy, it's likely that more people may be interested in on-demand pay, and you could make yourself stand out in the crowd by offering this benefit to current and potential employees.

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We got an IRS Notice CP134B: Now what?

Q: I'm concerned because we got this IRS notice that says: "This balance due notice alerts you there is a discrepancy in the amount of federal tax deposits credited to your account from the amount reported on your tax return, and to make payment by the pay-by-date listed on the notice." What's the best approach to handling this?

A: Step one is don't panic if you receive a Notice CP134B. Read the notice all the way through. According to Vicki Lambert, CPP, if it's just regarding a simple math error on your Form 941, the IRS will sometimes fix it for you. (They'll tell you in the notice if that's what they did.)

Step two: Don't put it off if there's another issue. In the Premier Learning Solutions online workshop "IRS & DOL Audits: Spot Red Flags Before the Agencies Do," Lambert cautioned that you only have so many days to respond to the IRS in writing before it automatically generates another notice.

Step three: Don't assume that it's a mistake on the Service's end and ignore it. If you double-checked your

return, confirmed the deposit was sent and still found nothing wrong on your end, there are three things that may have happened:

1. The deposit was credited to the wrong quarter
2. The deposit was made, but not applied, or
3. The deposit was misapplied or put into the wrong account.

In either case, you still have to write a letter to IRS explaining which of these things happened. Lambert said that your letter must:

- be brief, concise and clear (Keep it to one page.)
- be courteous and polite (The Taxpayer Advocate won't help anybody that sends IRS a nasty message.)
- state the problem, any information you'd like the Service to send you (e.g., a printout of your account) and the solution
- make note of any enclosures (e.g., "I have enclosed with this letter a copy



We got an IRS Notice CP134B: Now what?

of ____”), but avoid stapling them to your letter, and

- ask that all penalties and interest be suspended until you receive the info you requested (if applicable).

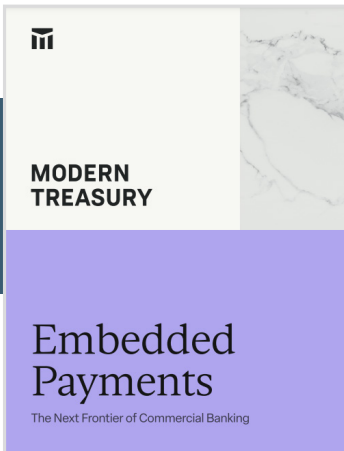
And finally, if the error’s on your end, take care of it right away by:

- paying the money that’s owed, including penalties and interest, via EFT, and

- sending a letter to IRS detailing when the money was deposited and the confirmation number.

You can ask for an abatement, Lambert said, but keep in mind you still might be on the hook for any interest that accrues.

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



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KEYS FOR EMPLOYERS OF ALL SIZES TO BOOST THEIR CASH FLOW IN AN UNCERTAIN ECONOMY



CFO Cost Control

Small businesses struggling with cash flow right now: How to manage issues at your company



by Jess White

The state of small businesses can give companies of all sizes insight into how to weather the economy right now, particularly the challenges caused by inflation.

Specifically, cash flow is a significant concern for small businesses. Nearly 40% would have to cease operations in just two months if their cash flow dried up today, according to the Fundbox U.S. Small Business Trends Survey 2022, which polled decision makers at small businesses about their thoughts on the economy.

A big part of small business' current struggle can be tied to inflation, with over two-thirds of survey respondents saying that it's already

harmed their business. Many have had to tap additional sources of cash flow, including personal bank accounts and loans, to stay afloat.

The ongoing COVID-19 pandemic is also affecting the bottom line: 60% of those surveyed said the pandemic is continuing to negatively impact their operations.

Additionally, small businesses are struggling with rising gas prices (61%) and hiring concerns (66%).

Hope for small businesses

However, decision makers see the light at the end of the tunnel: 82% of

them have a positive outlook on the coming year, and 63% are expecting their revenue to increase.

Separate research from the National Federation of Independent Business (NFIB) also indicates that small business owners are slowly gaining confidence in the economy and their cash flow. The organization's Small Business Optimism Index rose to 89.9 in July 2022 – 0.4 points higher than the month before.

Plus, 52% of small business owners said they expected better business conditions over the next six months. And only 37% of businesses planned to raise their prices in August 2022.

However, in a press release, NFIB notes that the optimism index is

still below the average of 98, and it's been below this number for six months straight in 2022.

Top concerns for decision makers

Per Fundbox's survey, some of the biggest challenges small businesses are currently facing include issues with:

- Securing capital
- Supply chain delays
- Increased debt and lack of savings from COVID, and
- The rising cost of capital.

Supply chain delays also came up as a big concern for small businesses in NFIB's research. Supply chain disruptions had a significant impact on the business of 32% of owners. Over a third (36%) said supply chain disruptions had a moderate impact on their business, and 23% said they had a moderate impact on business.

In addition, NFIB's research showed that 21% of business owners see labor quality as their top business problem, edging out inflation for the No. 1 spot. Labor costs were cited as the top concern of 9% of owners.

Despite this, nearly 50% of business owners have raised compensation for employees, and another 25% plan to do so in the next three months. This is likely a strategic decision to help them stand out in the war for talent.

Where the money's going

One way that small businesses plan to boost the bottom line and improve efficiency is to digitize key

processes, including those critical to finance and HR. In fact, 90% of those surveyed by Fundbox said that integrating new tech into their business is having a positive impact.

But 74% of those surveyed said they've had cash flow issues in the last year that would hinder their tech investments.

Small businesses have focused on spending in other areas, per NFIB. In the last six months, 51% of business owners spent capital on various business assets, including:

- New equipment (36%)
- Vehicles (21%)
- Improved or expanded facilities (14%)
- New fixtures and furniture (9%), and
- New buildings or land for expansion (5%).

Another 22% of business owners surveyed will be investing capital in their business over the next few months.

Tactics to boost cash flow

Between necessary investments and increased labor costs, small businesses are feeling the crunch right now. Businesses of all sizes are feeling the same pressures.

While many are hoping for an economic bounce-back in the next six months, experts say there are steps you can take right now to boost your cash flow and improve your bottom line, such as:

- **Have customers pay quickly.** The faster you receive payments from clients and customers, the more cash you'll have on hand. Make payment deadlines as soon as possible. Instead

of waiting until a particular day or time of the month to invoice clients, send invoices right away. Offering clients flexibility like allowing them to make partial deposits before the full payment's due can also generate cash fast. In addition, you can get customers to pay quickly by offering discounts and incentives if invoices are paid before the due date.

- **Negotiate with your vendors.** Along with offering your clients early-payment discounts, double-check that A/P's spoken with your vendors to see if you can take advantage of similar discounts. If you're not able to manage early payment, see if A/P can negotiate longer payment terms to help you make up for temporary cash shortfalls.
- **Perform regular cash flow analysis and forecasting.** Make sure someone in Finance is keeping close watch on how much cash is going in and out of your business over a set period of time (such as the week, the month or the quarter). Investing in software to help you and your team take a deep dive into this data can make the process easier and less time-consuming than manual reconciliations. This software can quickly pay for itself by highlighting areas where you're overspending.

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