



# Keep up to date on **ACCOUNTS PAYABLE™**

Inside information on how leading companies are managing cash and payments, in a fast-read format, twice a month.

May 1, 2020

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## CFO DAILY NEWS

CFO Daily News, part of the Catalyst Media Network, provides the latest finance and employment law news for finance professionals in the trenches of small-to-medium-sized businesses. Rather than simply regurgitating the day's headlines, CFO Daily News delivers actionable insights, helping finance execs understand what finance trends mean to their business.

## Payments post-pandemic: 3 concerns to address now

### ■ *The lasting effects and process changes to expect*

Your A/P department has really been put to the test lately.

Due to a worldwide pandemic, it's had to jump into action, often go remote and chug on amid uncertainty.

And though things will eventually get back on track, you know they'll never be the same as they were before.

#### A wake-up call

For A/P, B2B payments will see some major changes post-coronavirus, say the experts from OnPay Solutions.

Inefficient processes that were before looked at as long-term goals or projects have proven to be huge liabilities and

high-level concerns.

The recent months have raised new questions, like "How can we process manual invoices and checks if we're not in the office?" and "What happens if the post office closes or puts off our nonessential mail?"

In the aftermath of the pandemic, when you get back to the office, your department will likely have to do some big-picture thinking.

#### Focus on these 3 areas

Though it's unclear exactly what your payments process will look like

*(Please see Payments ... on Page 2)*

## Congress addresses sales tax issues and burdens

### ■ *Accountants and businesses call for a more uniform process*

Paying sales tax could get a little easier for A/P in the future.

In March 2020, a U.S. House committee held a hearing to discuss the tax burden that resulted from the *South Dakota v. Wayfair* ruling.

Those that testified included the AICPA and three small businesses.

#### Recommendations offered

As you know, the *Wayfair* ruling gave states the go-ahead to add their own legislation for taxing online sales. That made tax compliance way more

complicated for A/P and A/R.

At the hearing, the AICPA and select businesses offered recommendations to ease the sales tax burden, such as:

- one set sales tax rate per state
- nationwide economic nexus thresholds to determine whether sales tax must be collected, and
- the ability for taxpayers to sue states for aggressive audit practices.

We'll let you know if and when the feds act on these recommendations.

*Info: [bit.ly/house515](http://bit.ly/house515)*

# The Future of B2B Payments

## Payments ...

(continued from Page 1)

once A/P's back in the office, you can expect to see changes right off the bat.

Here are three major payment concerns you'll want to address, courtesy of OnPay Solutions:

**1. Backup plans.** The pandemic proved why it's dangerous for A/P to put all of its eggs in one basket.

Recently, many companies that normally handle things in house had to quickly enlist off-site check printing and invoice handling services.

Once back in the office, you may want to present the idea of having a more permanent partner for backup check printing and invoice processing in the future. That way, if A/P finds itself in a bind again, your payment process can continue without delay.

**2. Automation.** Up until now, some companies have put automating A/P on the back burner as something they'll get to eventually.

But COVID-19 made companies open their eyes and realize just how necessary upgrades are.

The key is to act quickly before the moment passes. Use this experience as evidence for leadership of why A/P automation should be a top budgetary priority in the near future.

And make sure you detail not just how it'll help in the event of another unexpected crisis, but how it'll spur

more savings and process efficiency in everyday operations.

**3. Electronic payments.** Could the coronavirus pandemic be the catalyst that *finally* makes companies ditch paper checks? Experts say "yes."

Before COVID-19, OnPay predicted that paper checks would be bygones by 2030. Now, it expects that to happen much sooner, believing many

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**Inefficient processes have proven to be huge liabilities.**

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companies will immediately make the move to ditch paper checks for electronic payments.

You could start reaching out to vendors that you still send checks to and pushing for alternative payment methods. Perhaps you even want to draft a statement or memo explaining the manual issues encountered during COVID-19 and why you'd like them to switch to electronic payments.

Providing several options (e.g., ACH, wire, card) will show your willingness to work with them and find what's best for both sides.

*Info: [bit.ly/payments515](https://bit.ly/payments515)*

## Sharpen your judgment

*This feature provides a framework for decision making that helps keep you and your company out of trouble. It describes a recent legal conflict and lets you judge the outcome.*

### ■ A/P staffer fired for fighting: Was discrimination involved?

"I know our job can be stressful," A/P Manager Jenn Smith said on her coffee break with Payroll Manager Glenn Tracy. "But I never expected one of my own staffers to get into a heated argument with a co-worker."

"What happened?" Glenn asked.

"My staffer, Lana, and a purchaser, Paige, had never gotten along," Jenn explained. "They worked with a lot of the same vendors and were always blaming each other for things.

"Last week, Paige stormed in and pointed a finger right in Lana's face. There was some yelling, and Lana pushed Paige's finger away."

### Zero tolerance for fighting

"And they both got fired afterward?" Glenn asked.

Jenn nodded. "Our company has a zero-tolerance policy for fighting. We felt they were equally at fault."

"You seem hesitant," Glenn said.

Jenn sighed. "Well, Lana has filed a few internal discrimination complaints and an EEOC complaint about a year ago. Nothing ever came of her accusations ... but now she's saying her firing was retaliation for filing the EEOC complaint."

Glenn frowned. "I can see how she could argue that – like our company was looking for a way to get rid of her and this fight provided it."

Jenn nodded. "I have a feeling Lana might take this to court."

When Lana sued for retaliation, Jenn's company argued that she was rightfully fired for violating their zero-tolerance policy on fighting.

Did the company win?

■ *Make your decision, then please turn to Page 6 for the court's ruling.*



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**ACCOUNTS PAYABLE™**

EDITOR-IN-CHIEF: ALYSSA EVANS

[aevans@pbp.com](mailto:aevans@pbp.com)

MANAGING EDITOR: JENN AZARA

PRODUCTION EDITOR: AMY JACOBY

EDITORIAL DIRECTOR: CURT BROWN

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# Networking with Other A/P Pros

Our subscribers come from a broad range of companies, both large and small. In this regular section, three of them share success stories you can adapt to your own unique situation.

## 1 **Set clear expectations for unclaimed property**

Using third-party administrators (TPAs) can be a big help in A/P.

After all, if they handle some of the more technical processes, A/P staffers can focus on other value-added work.

Our company had TPAs issuing checks for us. And it was great – until we noticed some gaps when evaluating our unclaimed property process.

We discovered our TPAs weren't doing their duty and following up on outstanding checks, or at least communicating with us about them. It was a huge compliance risk.

We'd brought on these TPAs to make our jobs easier, not harder. So, we had to take a stand.

### Modified terms

After explaining the situation and the compliance problems we were facing when they didn't do their duty, we added a new escheatment clause to our TPA policies.

The clause essentially said that it's the TPA's responsibility to follow up on any outstanding checks that they issue on our behalf.

With that clause set in stone, TPAs are now keeping track of any

unclaimed property obligations.

It was a good reminder that we need to regularly assess our unclaimed property process because, ultimately, our company is responsible for our compliance, no matter who else is involved in the process.

Also, we can't assume everyone we work with is being proactive and thinking like we do. Sometimes, we have to set expectations and adjust terms along the way.

*(Lynn Cirrincione, Director of Cash and Banking Operations, Allstate Insurance, as presented at the A/P P2P Conference & Expo, Orlando, FL)*

## IMPROVING YOUR OWN A/P PROCESS

## 2 **New system cut down our processing times**

Our vendors and customers expect a quick turnaround. But that hinges on other employees getting paperwork completed on time.

Delayed or erroneous paperwork can do a real number on our business, and we needed a better system to help us stay organized and on track.

### Sorting for success

That's why we created a visual management system that would

make paperwork more organized and easily accessible for everyone.

We took a large cabinet with slots and labeled each slot with an employee's name. It looks a bit like a mail sorter.

Each slot contains "open" paperwork (i.e., items that are still being processed) and a folder. If there's paperwork that needs to be prioritized or expedited, it's placed in the folder.

We put the cabinet in a central location so that employees pass by it regularly, and they can see at a

glance whether they have paperwork that must be completed ASAP.

Then they just have to pull the folder and take it with them. They can put it back later.

Also: In the top slot, we have a red folder for paperwork that has errors and must be handled by a manager.

Thanks to this system, we've been able to reduce our processing times and our workload is better distributed.

*(Amber Ansari, CEO, Precision Management Consulting LLC, Amarillo, TX)*

## 3 **My approach for disengaged staffers**

I've found A/P reaches its greatest successes when staffers are actively engaged in learning and growth.

In turn, I focus on developing staffers' skills with fun, interactive programs and events.

But I've encountered resistance to this management style. Some staffers can be cynical or seem uninterested.

So, I try to include these staffers in a more "tongue in cheek" way than those who are initially fully engaged.

I discuss these staffers' development more frankly one on one to hear their thoughts and understand.

### Being open, honest

In one instance, I had a staffer who was distant during team events. When we talked, I discovered this person was actually just very introverted.

The staffer enjoyed my approach but wasn't confident in partaking in some of the team games and challenges. This was something I could work on.

In another instance, I made light of

myself and my management style by playing the fool a bit.

My silliness makes people laugh – even those who aren't overly receptive to my style. It made me seem more human and approachable, and then we could talk more seriously.

Of course, sometimes there are just people who don't settle in with a certain team. But overall, I've seen that the best approach to boosting engagement is openness and honesty.

*(Samantha Ryan, A/P Specialist, IPL Ltd., West Yorkshire, UK)*

# T&E Spotlight

T&E comprises 8%-12% of the average organization's total budget – and it's also one of the areas where A/P can make the most impact. This regular feature showcases the latest ways you can save time and money on processing travelers' expense reports and reimbursements.

## COVID-19 EXPENSES

Due to the coronavirus pandemic, A/P has undoubtedly received some expenses that weren't necessarily accounted for in your budget, like remote office supplies.

To help you understand and develop an approach for coronavirus-related expense claims, T&E software provider AppZen shared data on what companies are expensing during the crisis.

## Worldwide data analysis

In its first data analysis (of expense data through early March), AppZen confirmed that coronavirus-related expenses have surged. The number of expenses jumped nearly 100% and the dollar value of expenses increased more than 100%.

Employees' expense claims during this time were mainly related to:

- trip cancellation (about 55%)
- remote work (about 15%)
- masks (11%), and
- cleaning/disinfectant supplies and services (about 10%).

Its second data analysis (continuing

through March) found that these expenses didn't slow down. In fact, they doubled from March 7-14.

Trip cancellations and remote work expenses still made up the majority, with remote work expenses – items for remote setup like printers, ink and cables – rising 3.5 times in one week.

## Leveraging your own data

AppZen expects that remote work expenses will continue to climb in the coming weeks. And since employees need those items ASAP to do their jobs efficiently, Finance may have to act and comply faster than normal.

How can A/P maintain a sense of control amid the urgency?

Some companies are creating specific expense types or categories just for purchases related to the coronavirus, AppZen explains.

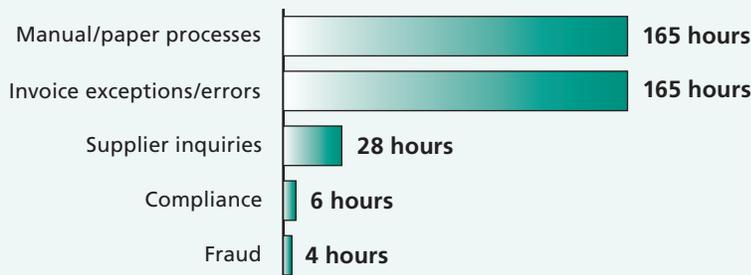
With set categories, employees can compliantly and quickly make necessary purchases, and A/P can continue to closely monitor and track COVID-19 spending.

*Info: See AppZen's data analyses at [bit.ly/data1515](http://bit.ly/data1515) and [bit.ly/data2515](http://bit.ly/data2515)*

## Problems in Purchase-to-Pay

### How many hours each week are spent on P2P issues?

Note: Based on the company as a whole.



Source: Tungsten Network, [tungsten-network.com](http://tungsten-network.com)

On a larger scale, manual processes (i.e., paper invoices and checks) take up about 8,580 hours each year, per the Tungsten Network. That's approximately four full-time A/P staffers. If your team could use extra help, consider whether automated processes would be more cost-effective than upping your headcount.

## TEST YOUR KNOWLEDGE

### How to avoid distractions in any work environment

Whether you're in the office or working from home, even the best staffers are bound to get distracted during a long day.

Answer *True* or *False* to the following questions to see if you know the best ways to deal with distractions and stay productive:

1. Changing your environment by building a physical barrier can deter distractions.
2. You find yourself mindlessly scrolling through social media or funny articles instead of doing work ... and realize you need a break. You should let yourself finish looking at that site or article, then get back to work.
3. There's one co-worker who's always distracting you – popping by your desk, bombarding you with messages remotely. Experts say it's best to acknowledge that these people exist and deal with each situation as it comes.

## ANSWERS

1. *True.* Yes, "cocooning" can deter distractions, confirms professional organizer Julie Morgenstern. She advises creating barriers (e.g., stack books, set up plants) that keep your eyes on your work and make you seem less accessible to others. 2. *False.* A mindless activity usually does mean you need a break. But if you just stare at a screen, you're still stimulating the same part of your brain, Morgenstern explains. Find a way to disconnect and recharge, like a short stroll. 3. *False.* If there's one person who frequently distracts you, have a one-on-one chat to discuss your differing work styles and come up with a plan you both like. Morgenstern recommends. *Cite: [bit.ly/distractions515](http://bit.ly/distractions515)*

Answers to the quiz:

# Performance Boosters

To help our readers improve payables operations, KAP selects the best ideas from a variety of sources and presents them in a quick-read format.

## What are the top triggers for backup withholding?

With IRS always watching, you don't want your team to feel unsure of when it should backup withhold.

As a refresher for your staff, share these backup withholding triggers offered by tax pro Marianne Couch:

- There's no payee TIN, or the TIN wasn't certified when required (e.g., at the account opening or prior to making a reportable payment).
- Payee didn't appropriately and timely respond to B Notice letters.
- A/P got C Notices for interest and dividend payments.
- Payee crossed out the line on its W-9, telling A/P to backup withhold on payments of interest and dividends.

*Info: [bit.ly/backup515](https://bit.ly/backup515)*

## Critiquing others: 5 questions to customize your message

What can help make a negative conversation a little less painful?

Tailor your approach to fit the person, says Dana Brownlee, founder of Professionalism Matters. She asks:

1. What is my relationship with the person? How familiar are we?
2. What is the person's temperament (i.e., mood, personality)?
3. How important is the issue?
4. Is it a one-time thing or a pattern?
5. What's the impact of the issue?

Then you can frame your message to the person and the situation.

*Info: [bit.ly/customize515](https://bit.ly/customize515)*

## How to handle state and local sales tax nuances

Certain purchases may be exempt by the state but not the locality.

How can you stay on top of these tricky situations – ensuring vendors charge and you pay the right amount?

Spell it out on the exemption certificate, advises tax expert Diane Yetter. ("This is exempt by the state, but charge me the local sales tax.")

With documentation, there's clear understanding and less risk of errors.

*Info: As presented at the A/P P2P Conference & Expo, Las Vegas*

## Seeking opportunities and embracing change in A/P

A/P isn't a static role, and you're constantly focused on improvement.

Help your staff think the same way by encouraging them to look for new opportunities every day. Here's how:

- **Infuse it in regular conversations.** Pose questions like, "What are our vendors talking about now?" or "What new trends will affect us?"
- **Experiment.** When an opportunity arises, give staffers the autonomy to explore it first in low-risk ways.
- **Promote successes.** Share staffers' achievements with other leaders. Recognition can motivate staffers to keep reaching for more.

*Info: [bit.ly/change515](https://bit.ly/change515)*

## SOFTWARE SKILL BOOSTER

### Test before you print!

Not sure if your printer is properly connected and ready to go?

You can print a test page to verify that it's working correctly *before* you start sending lots of docs to it:

1. Open the Control Panel.
2. Under Hardware and Sound, click *View Devices and Printers*.
3. Right-click the printer you want, then click *Printer properties*.
4. Click *Print Test Page*.

*Info: [bit.ly/print515](https://bit.ly/print515)*

*If you have a story idea or comment to share, contact the editor at [aevans@cfodailynews.com](mailto:aevans@cfodailynews.com)*

## PAYABLES NEWS

### ■ IRS creates new hub for coronavirus tax relief info

Amid COVID-19 concerns, the Taxman is providing some guidance for finance professionals.

IRS published a new web page for the coronavirus ([irs.gov/coronavirus](https://irs.gov/coronavirus)) with news releases, a Q&A on tax payment and filing deadlines, tax relief guidance and more.

Make sure others in Finance have seen it and that your team's checking back regularly for new updates from IRS.

### ■ Cell phone taxes and fees spike to new high

If your company foots the bill for employee phones or other wireless devices, you should take a second look at how much you're paying.

Taxes, fees and governmental surcharges on wireless charges jumped last year from an average of 19.1% to 21.7% of the total bill, found the Tax Foundation. That's the highest rate ever.

A/P can reference its historical data and see how your company's rates have changed year over year. Then Finance may be able to talk to your wireless provider and make a case for lower rates.

*Info: [bit.ly/fees515](https://bit.ly/fees515)*

### ■ Report: The future of A/P includes work from home

Whether your company's used remote work for years or is just testing it out amid COVID-19, A/P should know that it's only going to become more commonplace.

In fact, it's predicted that 73% of all teams will have remote workers by 2028, per a report from UpWork.

Some teams are more cut out for remote work than others. But with A/P digitizing, it's more equipped for remote work, too. As your processes change, consciously think about how they work both with in-office and remote arrangements.

*Info: [bit.ly/remot515](https://bit.ly/remot515)*

## 4 essential components for your dynamic discounting program

■ *The more flexible way to continually save*

In these precarious and uncertain times, many companies have taken a financial hit.

As a result, A/P has to look for more opportunities to save money – like capturing early payment discounts.

But your CFO may have cash flow concerns and not want to pay vendors as early as usual. That makes dynamic discounting a more viable option.

### A program that pays off

Since dynamic discounting works on a sliding scale, A/P has more flexibility. The earlier you pay, the bigger the discount. But even if you pay closer to the due date, you can still capture a smaller discount.

Here are four key steps from Direct Commerce to maintain a solid dynamic discounting program:

**1. Negotiate with vendors.** First, if certain vendors are already used to setting traditional discount terms with A/P, it's your job to actively encourage them to consider dynamic discounting.

Tip: Some dynamic discounting solutions providers will help you with

outreach – making calls and urging vendors to enhance their default terms.

**2. Provide user-friendly tools.** You know the easier something is, the higher participation will be.

A/P can develop a short script or a one-page outline that shows vendors just how simple your program is (e.g., how they can modify terms based on when they want payment, the discount size they're willing to give, which invoices they want to discount).

**3. Integrate it in your corporate culture.** Vendors aren't the only ones A/P has to get on board. Employees approving invoices also must understand how it works, so they get items back to A/P at the optimal time.

You can demonstrate how crucial their role is with program training, info sessions, email reminders, etc.

**4. Monitor your program's success.** What isn't tracked can't be improved. Make sure A/P runs regular reports to track and analyze your dynamic discount capture. Then you'll be able to make smarter decisions and plans to maximize savings in the future.

Info: [bit.ly/dynamic515](http://bit.ly/dynamic515)

If just Lana had been fired, it might have been different. But the company had fired both employees, showing that its zero-tolerance policy was equally enforced.

### Analysis: Equal treatment is key

In A/P, you manage and deal with employees of differing backgrounds, personalities and skills.

And this case demonstrates how crucial it is to treat everyone equally. Avoiding even hints of favoritism and tiny inklings of bias will bode well for your company in situations like this.

Based on Ciulla-Noto v. Xerox.  
Fictionalized for dramatic effect.

## MISTAKES THAT COST

*This regular feature shows how companies and individuals have run afoul of state or federal laws. See how others got off track so you can avoid similar problems.*

### Stole \$300K to furnish an extravagant lifestyle

**Individual:** Dorlisa Hackney, former bookkeeper for a company in Greenville County, SC.

**Violation:** After her \$300,000 fraud was uncovered, Hackney was convicted of breach of trust with fraudulent intent.

**Penalty:** A judge sentenced her to serve 20 years in the South Carolina Department of Corrections.

**Note:** While acting as bookkeeper, Hackney set up a fake business bank account using her company's name and funneled money to it. Next, she transferred money from that account to her own personal account. Hackney used the money to support her "excessively lavish and extravagant lifestyle."

Cite: [bit.ly/hackney515](http://bit.ly/hackney515)

### Fake vendor brought on for 6-figure scheme

**Individual:** Aishia Bell, former employee for a nonprofit organization in Twin Cities, MN.

**Violation:** Bell pleaded guilty to one count of conspiracy to commit wire fraud for her role in a scheme to defraud the nonprofit.

**Penalty:** She will be sentenced at a later time.

**Note:** In the scheme, Bell brought on an individual to pretend to be a legitimate vendor and had that person send a phony W-9 and fake check requests. Then Bell submitted the check requests and supporting documentation to the nonprofit's unsuspecting A/P department, which issued payments. In all, Bell sent 69 fraudulent requests for checks totaling around \$166,785.

Cite: [bit.ly/bell515](http://bit.ly/bell515)

## Sharpen your judgment THE DECISION

(See case on Page 2)

Yes, the company won when the court dismissed the staffer's suit.

The staffer, Lana, claimed she had been fired in retaliation for filing an EEOC complaint. Meanwhile, the company held that she had been fired for violating its no-fighting policy.

The court said that to win a retaliation suit, Lana would've had to prove concretely that the company had used this fight as a reason to punish her – which Lana didn't do.

# Making Technology Work for You

## Is technology actually hurting communication? 3 solutions

### ■ Don't let 'remote rudeness' hinder A/P

Technology is supposed to make your job easier, but that's not always the case with communication.

Emails get ignored. Personal text messages disrupt normal operations. Long email chains prolong problems.

But with so many people working remotely nowadays, talking in person isn't always an option. And technology usage at work is only going to grow.

### 3 common problems

You don't want poor communication and "remote rudeness," as career coach Marie McIntyre calls it, to derail A/P's productivity. Here are three prime examples and how to handle them:

**1. Hidden Helens.** Because they lack the confidence to share their feelings directly, these employees express anger or frustration via email or chat. They feel "safer" behind a computer.

*Solution:* If they won't initiate a

real talk, you can! When you sense negative emotions in their text, ask if you can give them a call, so you can hash things out more efficiently.

**2. Distracted Dads.** These employees are always using technology ... at the wrong time. They browse their computer or look down at their phone during video calls.

*Solution:* Lead by example. During chats or calls, stay totally focused on the conversation. If employees don't take the hint, try "phone-free meetings" to send a more clear message.

**3. Silent Sams.** For one reason or another, these employees rarely answer messages. Then you have to waste time tracking them down.

*Solution:* Ask these employees what their preferred communication method is (e.g., phone, email, chat). After they respond, you can subtly mention that you're glad you'll be able to reach them more easily going forward.

*Info:* [businessmanagementdaily.com](http://businessmanagementdaily.com)

## Dept of Justice warns of coronavirus-related scams

### ■ A variety of tactics your company may encounter

Stay on guard, A/P. There are new scams abound during COVID-19.

We mentioned that criminals are using the pandemic to scam people and businesses (see KAP 4/15/20). And it's gotten so serious that the Department of Justice (DOJ) is stepping in.

### Staying on the defense

Here are some of the types of scams the DOJ has received reports of that A/P should watch out for:

- **phishing emails** posing as entities like the World Health Organization or the Centers for Disease Control and Prevention that trick people into downloading malware or providing personal/financial info

- **supply scams** with fake shops, sites, social media, etc., that claim to sell in-demand supplies in an effort to get people to buy the fictitious items
- **malicious website and app scams** that pretend to share virus-related info to gain and lock device access until payment is received, and
- **charity scams** seeking donations for those affected by COVID-19.

And there are likely more methods and scams to come, the DOJ says.

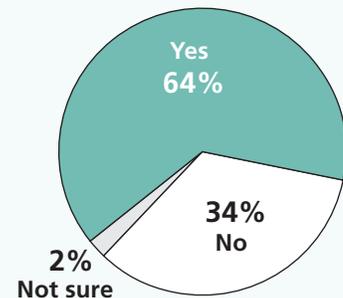
If you or another employee face a fraud attempt, you can report to the DOJ and FBI (see details on how at [justice.gov/coronavirus](http://justice.gov/coronavirus)).

*Info:* [bit.ly/scams515](http://bit.ly/scams515)

## How do you stack up?

### Security breached

Has your ERP system suffered a breach in the past two years?



Source: Onapsis, [onapsis.com](http://onapsis.com)

Because your ERP system is used by so many employees, security has to be a top focus across the board. A/P can set the tone by sharing and promoting the best practices it's learned on how to avoid breaches.

*Each issue of KAP contains an exclusive survey to give payables professionals insight into what their peers nationwide are thinking and doing.*

## THE LIGHTER SIDE

### ■ When a simple \$68 order turns out to be over \$3K

A/P knows better than most how easy it is for a small data entry error to mess up a purchase order.

One family in Australia can really relate to that right now.

The Janetzki's usually buy toilet paper in bulk online, their normal order being 48 rolls. But this time, the family accidentally bought 48 boxes – aka, 2,304 rolls.

The Janetzki's think it could hold them over for about 12 years.

Ironically, the botched purchase order occurred before COVID-19 concerns really set in and people started panic-buying toilet paper.

So now, the family is selling their excess toilet paper inventory as part of a fundraiser.

*Info:* [bit.ly/order515](http://bit.ly/order515)

## Taking the guesswork out of state tax compliance

Here's KAP's roundup of key state tax changes. Developments in other states often indicate trends to watch. Your state may be next.

### ECONOMIC NEXUS

States and localities are still trying to figure out if and how they want to tax online sales. Here are two states with the latest updates.

**ALASKA** – Paying sales tax has gotten more complicated for A/P pros in the Last Frontier.

You know there's no state-level sales tax here. But as mentioned (*see* KAP 3/2/20), the Alaska Remote Seller Sales Tax Code was recently drafted to require remote sellers and marketplace facilitators to collect local sales tax in participating jurisdictions if each year they make \$100,000 in Alaska sales or 200 separate transactions.

Now, that code is being enforced.

Check out the list of participating jurisdictions and their code adoption dates at the link below, so A/P knows when to expect local sales tax applied to online sales.

*Info:* [bit.ly/ak-515](http://bit.ly/ak-515)

**LOUISIANA** – More of your company's online purchases may be taxed here next year.

Remote sellers are required to collect sales tax from you beginning July 1, 2020. And a new bill wants to enforce sales tax collection for marketplace facilitators, too.

If passed, marketplace facilitators that make \$100,000 in Louisiana sales or 200 separate transactions each year would have to collect sales tax starting Jan. 1, 2021.

We'll keep you posted on this one.

*Info:* [bit.ly/la-5152](http://bit.ly/la-5152)

### EXEMPTIONS

Every exemption that A/P takes advantage of helps lower company costs. Check out one state with news.

**WASHINGTON** – Does your company buy renewable energy equipment? If so, there's good news.

The Washington Department of Revenue (DOR) recently announced that it's extending its exemption for certain solar and other renewable energy systems purchased or installed after Jan. 1, 2020 until Jan. 1, 2030.

The exemption includes:

- systems powered by fuel cells, wind, biomass energy, tidal or wave energy or geothermal resources
- technology that converts otherwise lost energy from exhaust, and
- solar energy systems that generate a certain kilowattage of electricity.

See the DOR's notice for more details on qualifying purchases, tax obligations, certification requirements and the refund request process.

*Info:* [bit.ly/wa-5152](http://bit.ly/wa-5152)

### TAX RELIEF

From time to time, states will offer tax relief for A/P. And the coronavirus pandemic is one of those times.

**MULTIPLE STATES** – Are the places where you work or do business in providing leeway now?

As of early April, the following jurisdictions have implemented some form of sales and use tax relief for companies:

- Alabama ([bit.ly/al-512](http://bit.ly/al-512))
- California ([bit.ly/ca-515](http://bit.ly/ca-515))
- Colorado ([bit.ly/co-515](http://bit.ly/co-515))
- Connecticut ([bit.ly/ct-5152](http://bit.ly/ct-5152))
- District of Columbia ([bit.ly/dc-515](http://bit.ly/dc-515))
- Florida ([bit.ly/fl-515](http://bit.ly/fl-515))
- Hawaii ([bit.ly/hi-515](http://bit.ly/hi-515))
- Illinois ([bit.ly/il-515](http://bit.ly/il-515))
- Louisiana ([bit.ly/la-515](http://bit.ly/la-515))
- Maryland ([bit.ly/md-5152](http://bit.ly/md-5152))
- Massachusetts ([bit.ly/ma-515](http://bit.ly/ma-515))
- Michigan ([bit.ly/mi-515](http://bit.ly/mi-515))
- Minnesota ([bit.ly/mn-515](http://bit.ly/mn-515))

- Mississippi ([bit.ly/ms-515](http://bit.ly/ms-515))
- New York ([bit.ly/ny-515](http://bit.ly/ny-515))
- North Carolina ([bit.ly/nc-515](http://bit.ly/nc-515))
- Oregon ([bit.ly/or-515](http://bit.ly/or-515))
- Pennsylvania ([bit.ly/pa-515](http://bit.ly/pa-515))
- South Carolina ([bit.ly/sc-515](http://bit.ly/sc-515))
- Texas ([bit.ly/tx-515](http://bit.ly/tx-515))
- Vermont ([bit.ly/vt-515](http://bit.ly/vt-515))
- Virginia ([bit.ly/va-515](http://bit.ly/va-515))
- Washington ([bit.ly/wa-515](http://bit.ly/wa-515)), and
- Wisconsin ([bit.ly/wi-515](http://bit.ly/wi-515)).

Since these updates may affect tax filing deadlines for A/R, you'll want to make sure they're in the know, too.

And be sure to check other states' websites regularly, as things are changing rapidly.

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