



# 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.

July 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.

## Why now's the time to clean up your master vendor file

### ■ Prepping and organizing for the 'new normal'

Your master vendor file can help A/P simultaneously boost savings, compliance and accuracy.

That is, if you maintain it well, which seems to be a sticking point for your peers.

When asked about the status of their master vendor file (MVF), 67% of A/P pros said it could use a little cleaning, and another 19% admitted their file is a total mess, per an exclusive poll on our *KAP* website.

### Ready for the 'new normal'

Amid the daily grind, managing the MVF is one of those tasks that can fall

by the wayside.

In fact, two in three companies admit they don't have a regular process for cleaning master vendor data, according to research from Apex Analytix.

Plus, the recent months have been extremely hectic for most companies, meaning your MVF may have fallen even lower on the list of priorities.

It's understandable.

But as A/P transitions into a "new normal," it'll be essential for your team to get your file cleaned up, so

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

### Another sneaky coronavirus-related scheme

#### ■ Why A/P must be vigilant of shipments and deliveries

Especially now, it's critical for A/P to get supporting documentation and confirmation of delivery before paying for products.

This recent scam proves why.

A vengeful ex-employee hacked into his former company's system using a fake user account that he created before leaving the company.

Once inside the system, he gave the account admin-level access. Then he created a second account, which he used to edit and delete records and disrupt shipments of vital personal protective equipment that was needed

for the pandemic. After, to cover his tracks, the ex-employee deleted the fake user accounts.

#### Watch for insider threats

First and foremost, this real-life scam is a good reminder that A/P must keep a keen eye on the shipping and delivery of company purchases.

On top of that, it'd also be smart to double-check that only authorized, current employees have access to your networks and systems.

*Info: [bit.ly/shipments418](https://bit.ly/shipments418)*

# Vendor Management

## File ...

(continued from Page 1)

you can continue to ensure accuracy and compliance for payments.

### 3-step plan

With a file as massive and complex as your MVF, sometimes the hardest part is knowing where to start. Here's a three-step plan to break it down:

**1. Deactivate vendors.** You'll want to do three sweeps of your MVF, one for each of the following:

- vendors that are never used
- vendors that haven't been used in 18 months (or the timeframe you use to constitute "inactive"), and
- duplicate vendors. (These are arguably the hardest to spot. Look for similar names, addresses, etc.)

It's best to deactivate and archive (not permanently delete) vendors in case you ever need to reference their info or work with them again.

**2. Scrub what remains.** After those three sweeps, you should have a more concise MVF. Now, look at what's left.

A/P can fill in any gaps or empty fields for all its active vendors. As you're going through, you'll also want to check that even completed entries follow your formatting guidelines.

**3. Verify tax info.** Perhaps the most vital piece of data you have for each vendor is its TIN. So, after making

sure names, addresses and other fields are correct, you can also run TINs through IRS's TIN matching tool ([bit.ly/irstintool](http://bit.ly/irstintool)).

Come year-end, you can get a jump on filing requirements, knowing you've already confirmed vendor TINs.

### Additional tips

A/P can use the plan above at routine intervals for larger purges.

And to maintain a clean MVF on a regular basis, keep these additional tips in mind:

- *Be thorough before adding a new vendor.* Just searching the vendor's name before creating a new entry isn't enough. To avoid duplicates, it's better to do multiple searches using variations of the vendor's name, address, etc.
- *Link related vendors.* If you're adding a new vendor entry and there are any parent or subsidiary relationships, take a minute to get familiar with them and merge or link vendors as needed.
- *Handle exceptions.* Instances that aren't accounted for in your MVF rules are bound to come up. (For example, what if you have multiple payment terms with one vendor? What does their entry look like?) Try to address any exception ASAP, and document how it was handled in case it comes up again.

*Info: Adapted in part from [bit.ly/techinsight514](http://bit.ly/techinsight514)*

## 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 stops trying, gets let go: Can he collect benefits?

"I'm trying to understand," A/P Manager Jenn Smith said, sitting in her office with a staffer, Chris.

"I know you can do the work. You've done a good job in A/P for years," Jenn continued. "It just seems like you've stopped trying."

Chris shrugged. "I still try."

Jenn paused, wondering if this was about the recent company changes that were made. "I know you weren't crazy about some of the changes we made. But you still need to do your assignments."

"OK, I will," Chris said. "Can I go back to work now?"

Jenn nodded. "Yes, but I'm going to add this to your file. Remember, we have you on a performance improvement plan."

### Willful misconduct?

A few weeks later, Chris missed a deadline, and the company lost a key vendor over it. After some consideration, Jenn let him go.

"Chris didn't even look that surprised," Jenn said to HR Manager Harry Green afterward. "He only seemed to care about the fact that he could collect unemployment."

Harry sighed. "I'm not so sure he should get unemployment benefits."

Jenn titled her head. "Really? I mean, he didn't steal anything ... or harass anyone ... We let him go."

"True, but he deliberately stopped doing his work. I think we could say that's willful misconduct," Harry said.

Jenn's company decided to contest Chris's right to unemployment benefits. Did the company win?

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



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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 **Reliable approvers speed up our process**

My A/P department handles the accounting and payments for three different businesses across the U.S.

And sometimes, with multiple locations and lots of employees, it can be difficult for us to get the proper signatures and documentation needed to pay invoices on time.

We realized, though, we had a few key people from each department who frequently brought us packing slips and invoices.

No matter what, we could always count on these people to hand in

the right paperwork to our A/P department on time.

### 'Designated signers'

We decided to leverage their reliability, and we made these people our "designated signers."

Now when we match up invoices or packing slips with P.O.s, we'll call up that department's designated signer, and they come up to our office to sign the invoice right away.

We even have designated signers for remote offices. We simply scan invoices and send them directly to the person who can sign them – and we

always know they'll sign and send them right back.

In terms of approval, for most general invoices, we can just get a signature from one of these select people. For high-dollar invoices, we secure a signature from the department rep and their manager.

This process has been working well for us for years – it saves a lot of time not having to chase down signatures and ensures payments are processed on time with no delays.

*(Bernadette Carney, A/P Manager, Kenwal Steel Corp., Dearborn, MI)*

## IMPROVING YOUR OWN A/P PROCESS

## 2 **Upgraded software on a major time crunch**

As if getting a new finance software package upgrade installed and running wasn't already challenging enough, we needed to get it done when a dangerous storm was on the way.

We knew it was critical to complete the transition – and still leave enough time to get everyone home safely.

### Prep work was essential

To make sure everything was done correctly and efficiently, our

software upgrade required coordination between several departments.

Finance did a lot of planning up front. We laid out business process reviews and defined everyone's individual job duties.

We also hashed out details like who needs to run different types of reports, who needs what kind of system access and what items we had to get our hands on.

This turned out to be especially beneficial because it helped us identify the existing steps of our process and

what would be changing in the upgrade.

For safety's sake, we designated who could stay home the week of the storm and who were the essential personnel for last-minute testing of the final pieces.

Thanks to lots of preparation and teamwork, everyone got out the door in time to avoid danger – and the new finance software system was implemented successfully.

*(Laurie Hagberg, Finance Assistant Director, Charleston County Government, North Charleston, SC)*

## 3 **How we curbed bad workplace habits**

Nobody's perfect. We all have bad habits that eat away at our work productivity. We noticed them every day at our own company.

For some, it was chattiness or being inattentive. For others, it was coming in late or perpetual procrastination.

At first, it seemed like an impossible problem to solve. How could we knock out every "bad habit" when each employee has their own vice?

While there may not be one cure-all,

we realized there was one thing everyone could do to fight bad habits.

### Using time wisely

We came up with the 20-second approach: Make the bad habit 20 seconds harder to achieve or the good habit 20 seconds easier to do.

Example: Sally gets easily distracted by texts. So, she puts her phone in a place that takes her 20 seconds longer to reach it.

Her bad habit is now 20 seconds harder to achieve.

Another instance: Joe's a huge procrastinator. Now, when he goes to lunch or goes home, he leaves pressing tasks open on his desk so that they're the first thing he sees when he returns.

He made the good habit 20 seconds easier to do by not giving himself the option to procrastinate.

It's something simple employees can start doing right away – and it's helped us kick more than a few bad habits to the curb.

*(Shawn Achor, CEO, Good Think Inc., San Antonio)*

# 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.

## T&E COMPLIANCE

In these times of uncertainty and upheaval, managing T&E spend has become even more essential for A/P.

Companies are tightening their purse strings and can't afford to see maverick and out-of-policy spending.

Plus, the pandemic and financial instability that came with it will raise fraud levels and lead to more findings of existing fraud, says the Association of Certified Fraud Examiners.

### 3 keys for compliance

Fortunately, A/P can help ensure employees' spend is cost-effective and compliant. Try these tactics from T&E company SAP Concur:

**1. Create new expense categories.** Pre-pandemic, some companies may not have had an "at-home" expense category. So, employees may have put expenses like office supplies in a "miscellaneous" or "other" category.

But overloading the miscellaneous category brings a host of problems. For one, A/P may have to spend more time reviewing and gathering details about these expenses. Also,

the miscellaneous category is where compliance and fraud issues often lie – which IRS and auditors know well.

For now *and* the future, creating new, more specific categories is likely the better choice.

**2. Rethink receipts.** As mentioned, times of economic uncertainty often lead to more expense fraud. Concur advises re-evaluating your receipt requirements with questions like:

- Do we typically require a receipt for any expenses over \$25?
- If an employee uses a corporate card, does the limit jump to \$75?
- Should we reduce receipt limits for the remainder of the crisis to catch any expense report padding?

**3. Be mindful of newbies.** Certain teams are more familiar with traveling and T&E than others. And recently, some employees may have had to submit expenses for the first time.

If you haven't already, be sure A/P takes time to adequately train these employees on expense submission – and is double-checking their accuracy when their expense reports come in.

*Info: [bit.ly/compliance519](https://bit.ly/compliance519)*

## TEST YOUR KNOWLEDGE

### 2020 trends: Where does Accounts Payable stand?

The role of A/P is continually evolving.

New ways of thinking. Next-level automation. More insight and analytics. Added responsibilities.

So, what's happening in 2020?

Answer *True* or *False* to the following questions to see if you have a pulse on how the A/P function is faring right now:

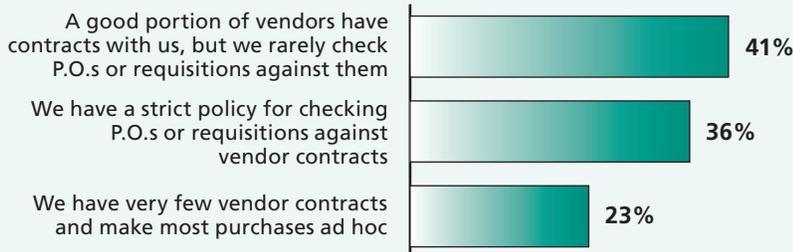
1. When it comes to A/P's overall value, less than a third (29%) of companies see A/P as very or exceptionally valuable.
2. For A/P, the future has to be in the cloud. Only select vendors still offer software that can be deployed on-premise or as plug-in modules for an ERP system.
3. Because companies have taken strides to better track, analyze and report on data, almost 75% of business data is used effectively today.

## ANSWERS

- Cite: [bit.ly/trends519](https://bit.ly/trends519)*
1. *False.* A/P is indeed transforming from a back-office operation to a strategic partner. More than half (55%) of companies say A/P is very or exceptionally valuable, found an Ardent Partners report.
  2. *True.* Companies are realizing that on-premise or built-in solutions can spur inflexibility and complexity, say the experts at MediusFlow. (Take the recent pandemic, for example.)
  3. *False.* Shockingly, between 60% and 73% of all enterprise data goes unused for analytics, says Forrester research. In A/P, that makes it more crucial to ensure the key financial data you're gathering is being used to make smarter business decisions.
- Answers to the quiz:**

## Procure-to-Pay: Contract management

### How would you describe your procurement team's management of vendor contracts?



Source: Levvel Research, [levvel.io](https://levvel.io)

Though you hope Procurement will be diligent in seeing that purchases align with vendor contract terms, this data reveals that's not always the case. That's why it's important for A/P to act as a backup, ensuring that purchases fall within the terms to deter noncompliant spending and legal issues.

# Performance Boosters

## PAYABLES NEWS

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.

### Checklist: 5 ways companies can boost their cash flow

Truth is, many companies have faced cash crunches in recent months.

To help, here's a checklist of actions your peers are taking. See where you're doing well – and what more you could do – to reduce cash flow concerns:

- We're taking early pay discounts when we're able to.
- We're using dynamic discounting.
- We're earning cash-back rebates on our company's card spend.
- We're extending our standard payment terms when relevant.
- We're offering supply chain financing to our vendors.

*Info: [bit.ly/cashflow519](https://bit.ly/cashflow519)*

### Uninspired? Kickstart your creativity with 2 solutions

Sometimes, no matter how hard you try, you just can't seem to flex your creative muscles and innovate in A/P.

Use these two unique methods to give your brain a quick boost:

1. **Mindstorming:** Write down a problem and brainstorm 20 unique solutions. Coming up with all of these will get harder as you go, but it'll help to stretch your thinking to new limits.
2. **Sketchnoting:** Sketch out info in a visually stimulating way, using arrows, shapes and other drawings. This'll help you think creatively and see the info in a different light.

*Info: [bit.ly/creativity519](https://bit.ly/creativity519)*

### The cost-conscious way to handle face mask expenses

Right now, most companies know they need to stock up on face masks.

That left some finance pros asking: Can we simply give employees a stipend to buy their own masks?

The experts at Business Management

Daily said, yes, you can give a stipend. But it'll be taxable, even if it's for buying face masks or other personal protective equipment due to the coronavirus.

A better move: Have employees buy masks and turn in receipts, so you can reimburse them as a legitimate, nontaxable business expense.

*Info: [bit.ly/masks519](https://bit.ly/masks519)*

### Remote A/P: Here's how to keep cool amid the heat

While some employees will return to the office, many will continue to work from their couches and counters during the sunny months ahead.

Ensuring staffers stay productive at home, especially during warm weather, can be difficult. Try these pointers:

- **Stay connected.** Take time to check in with each and every staffer.
- **Recognize and reward.** Change isn't easy, so acknowledge people who have been flexible.
- **Build teams.** Collaborating remotely is hard. Build "remote home teams" to simulate a group environment.

*Info: [bit.ly/remot0519](https://bit.ly/remot0519)*

## SOFTWARE SKILL BOOSTER

### Choose specific web pages to open up right away

Are there certain websites you go to as soon as you turn on your computer?

Instead of opening those web pages manually, you can adjust your settings to have them run on startup.

Here's how to do it in Chrome:

1. In the top-right corner, click the three dots, then click *Settings*.
2. Scroll to "On Startup" and select *Open a specific page or set of pages*.
3. Click *Add a new page* and add all the web pages you want.

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

### ■ IRS lowers interest rates for third quarter of 2020

The month of July brings warmer weather ... and a fresh round of interest rates.

This time, the rates are decreasing. As of July 1, 2020, the rates are:

- 2% for corporate overpayments
- 0.5% for corporate overpayments exceeding \$10,000
- 3% for underpayments, and
- 5% for large corporate underpayments.

*Info: [bit.ly/lirsq32020](https://bit.ly/lirsq32020)*

### ■ Airlines must refund your biz travelers' flights, feds say

Did travelers book flights that were later delayed or canceled due to the coronavirus pandemic?

Finance should expect refunds to come in soon. Some airlines have told customers they'd receive vouchers or credits for future travel. But an enforcement notice from the U.S. Department of Transportation has informed airlines they must refund flights customers couldn't take.

Check in with travelers, especially those who had flights planned in the past few months, so everyone's on the lookout for news from airlines concerning refunds.

*Info: [bit.ly/airlines519](https://bit.ly/airlines519)*

### ■ Survey: When will staffers use their vacation days?

Instead of the normal summer getaways, your A/P department may want to prepare for an influx of days off later this year.

When staffers were asked about their 2020 summer travel plans in a Robert Half survey:

- 37% expect to save vacation time for later this year, hoping to travel
- 28% plan to take fewer days off in the summer versus last year due to COVID-19, and
- only 16% plan to take more time off in the summer versus last year.

*Info: [bit.ly/summer519](https://bit.ly/summer519)*

# Unclaimed property: The compliance concern sneaking up in the summer

■ *Why A/P shouldn't overlook escheatment, especially now*

As finance and accounting pros grapple with a new business world, unclaimed property compliance can become even more of a challenge.

Given the current circumstances, A/P's probably devoting most of its time to pressing tasks, like processing invoices and cutting checks. You may not have much time for due diligence tasks, like following up on payments and seeing what's outstanding.

All the while, unclaimed property (UP) concerns slowly, quietly climb ... until fall reporting deadlines arrive. Suddenly, A/P's scrambling to follow up on payments, credits and more.

### Keep in mind now

If A/P prioritizes UP now, during the summer, it won't be hit with compliance problems when fall reporting deadlines roll around.

Check out tips from True Partners Consulting to keep UP top of mind, especially during these difficult times:

**1. Start with research.** Since each state's reporting rules vary, do a little research to see if anything's changed since your last reporting cycle. Your

research should include the types of files you must produce, the method of file transfer, required attachments, negative reporting requirements, etc.

**2. Update those policies.** As state laws and business procedures change, so must your UP policies. They should spell out your reporting reqs, summarize your current reporting process, list an "Escheat Coordinator," point out all business areas where UP may be found and outline record retention rules.

**3. Hold an initial meeting.** Whether it's on video call or in person, schedule a team meeting before fall arrives. Review your updated policies, the 2020 compliance calendar and each department's responsibilities. You can also get any new staffers acclimated with UP and answer specific questions.

**4. Keep the momentum.** After, it can help to hold brief meetings before each major process step approaches (e.g., a call one week before the due diligence mailing period begins to verify everyone's ready). A/P can set up calendar reminders for these quick check-ins, so they aren't forgotten.

*Info: [bit.ly/up519](https://bit.ly/up519)*

not to. That concrete evidence was enough to convince the court.

### Analysis: Document progression

While poor performance can rise to the level of willful misconduct, it can be hard to prove in court.

That's why documenting staffers' performance – clearly, thoroughly and frequently – is important.

It can provide a timeline and create a narrative of how staffers progress and change, which could help your company in a tricky situation like this.

*Based on Scott v. Unemployment Compensation Board. This case was 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.*

### Oil employee's wire fraud struck up \$1.2M

**Individual:** Christa Jackson, former office manager at AllPoints Pipe Service Inc. in El Reno, OK.

**Violation:** After she was caught stealing over \$1.2 million from her company, Jackson pleaded guilty to wire fraud.

**Penalty:** Jackson was sentenced to serve four years in prison for wire fraud, plus two more years for signing a false tax return.

**Note:** As the office manager, she had easy access to the company's money and accounting systems. So, Jackson made company checks out to herself and her husband and forged the company owner's signature on them. She also transferred funds from the company bank accounts and created fake invoices to cover up the money she took.

*Cite: [bit.ly/jackson519](https://bit.ly/jackson519)*

### Sneaky CFO caught with his hand in the cookie jar

**Individual:** Michael Greutman, former CFO at a family-owned business in Shalimar, FL.

**Violation:** Greutman pleaded guilty to 13 counts of wire fraud and four counts of tax evasion for stealing over \$825,000.

**Penalty:** If convicted, he will face up to 20 years in prison for wire fraud, plus three years in prison for tax evasion.

**Note:** Over the span of seven years, Greutman used company funds to pay for his own credit cards, used corporate credit cards to make personal purchases and transferred company funds directly into his personal bank accounts.

*Cite: [bit.ly/greutman519](https://bit.ly/greutman519)*

## Sharpen your judgment THE DECISION

(See case on Page 2)

Yes, Jenn's company won. The Unemployment Compensation Board said the former staffer wasn't allowed to collect unemployment benefits.

Jenn's company argued the A/P staffer was fired for "cause" – poor performance.

It used previous performance reviews and clear documentation to show that Chris could do his job in A/P well – but, near the end of his employment, deliberately chose

# Making Technology Work for You

## A/P automation looks to tackle remote work and dispersed teams

### ■ 2 new features that could streamline your processes

If your staff's learned anything in the past few months, it's that the digital shift is inevitable.

The world has quickly transformed into a highly remote work environment. As a result, software providers had to consider what other tech features A/P needs to work efficiently – no matter where they or other employees are.

### Get ahead of the curve

Check out two types of automated features that are making waves now:

#### 1. Work-from-home expense tools.

With more employees working at home than ever before, some software providers are adding features that specifically address remote work spend.

These tools can help make it clear for employees what is and isn't OK to expense from home, avoiding confusion and rogue spending.

*Example:* TravelBank's new work-from-home expense management tool

lets you create a work-from-home expense policy and workflow.

Employees can submit purchases right to a work-from-home expense category, so you can see remote work expense data in one place and track in-policy spending.

**2. Dispersed team tools.** Companies are becoming more widely distributed, both due to the current pandemic and the long-term shift to remote work.

So, some software providers are rolling out features to help you better control costs for dispersed teams.

*Example:* TeamPay's new series of features includes multicurrency and multientity capabilities to streamline processes for A/P pros that manage spend for large, complex businesses.

There's also contactless technology for physical cards, which creates a more secure, convenient purchasing process for your employees.

*Info:* [bit.ly/tb519](https://bit.ly/tb519), [bit.ly/tp519](https://bit.ly/tp519)

## Don't be duped! Some tricky emails to watch for

### ■ These messages may seem harmless, but ...

Despite all the warnings A/P hears about email scams, it's easy to forget them during a busy day.

You're cutting checks, answering queries, opening emails ... and all of a sudden, you realize you just clicked on what could be a malicious threat.

### Words of deceit

Why are they so easy to fall for? Well, criminals don't always use the classic approaches, like fake payment requests from the CEO, to trick A/P.

They also use clever email subject lines, found a new report from the security experts at Proofpoint.

Check out some interesting subject lines criminals used in their "most

successful" email phishing attacks:

- lost watch
- lost ring
- SharePoint document
- scanned from a Xerox Multifunction Printer
- dealer proposal
- updated building evacuation plan
- confidential document, and
- [first name], please add me to your LinkedIn network.

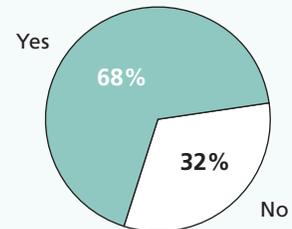
So, remember: Criminals may try to get your guard down with a seemingly harmless email you wouldn't think twice about opening.

*Info:* [bit.ly/phishing419](https://bit.ly/phishing419)

## How do you stack up?

### Handling one-off payments

For one-time payments to non-vendors: Do you add them to the master vendor file and use A/P's normal payment process?



Source: Peeriosity, [peeriosity.com](https://peeriosity.com)

As you know, one-off payments do come up. The key is having a consistent process for handling them, whether it's treating them like any other payment, outsourcing the task to a third party, etc.

*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

### ■ Age-old finance truths that still ring true today

You learn from the past to succeed in the future.

And with Independence Day approaching, who better than Benjamin Franklin to provide A/P with a little advice on finance?

Check out some relevant phrases Franklin coined many years ago:

- "If you know how to spend less than you get, you have the philosopher's stone." That's budgeting 101!
- "By failing to prepare, you are preparing to fail." Proactive planning is key for A/P.
- "Who is rich? He that rejoices in his portion." Always be thankful for what you have – both professionally and personally.

*Info:* [bit.ly/franklin519](https://bit.ly/franklin519)

# Sales & Use Tax Highlights that A/P Needs to Know

## 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.

### EXEMPTIONS

The more exemptions you score, the more money your company saves. Check out two states' guidance.

**MASSACHUSETTS** – Given many companies have been hit with hard times, A/P may want to check if you qualify for certain tax benefits.

The state offers local tax incentives for manufacturing corporations, like:

- sales and use tax exemptions for property purchased and used in manufacturing or research and development
- an exemption from local personal property taxation, and
- single sales factor apportionment for corporate excise tax.

Take note: Over time, the state has expanded “manufacturing” to include breweries, bakeries, software developers and more. So, if your company “makes” anything, it's worth looking into.

*Info: bit.ly/ma-519*

**ILLINOIS** – This one's for A/P pros at certain tax-exempt entities.

The Department of Revenue (DOR) just released an information bulletin on an extension for certain expiring sales tax exemption numbers.

It explains that due to the pandemic, the DOR hasn't been able to process most renewal applications for Illinois Sales Tax exemption (“E”) numbers. As a result, the state is extending the E-number expiration date by 90 days for impacted companies, so the state can process outstanding applications.

Check out the bulletin below.

*Info: bit.ly/il-519*

### ECONOMIC NEXUS

Surprise, surprise. More online sales tax rules are in the works. Here are

two states with news for A/P.

**LOUISIANA** – Finally! Louisiana is now enforcing economic nexus for marketplace facilitators.

The DOR issued an information bulletin that says effective July 1, 2020, marketplace facilitators must register with the Louisiana Sales and Use Tax Commission for Remote Sellers and start collecting sales tax soon after.

The economic thresholds are:

- \$100,000 in total sales, or
- 200 separate transactions.

Note: After the DOR's information bulletin was released, the governor signed Senate Bill 138, which also has a July 1 effective date and the same economic thresholds.

In other words, now that a bill has been signed, the state also has an official marketplace facilitator law on the books.

*Info: bit.ly/la-519*

**NORTH CAROLINA** – Here's a new trend you may see some states proposing, given the “new normal.”

Two bills circulating here would require marketplace facilitators of “prepared food delivery” to collect local meal taxes (in additional to sales tax) from you, effective July 1, 2020.

So, if your employees expense these type of meals – especially now in the more remote world – the prices may come in a little higher in the future.

And other states may draft similar legislation to boost tax revenue, given the recent economic downswing.

We'll keep you posted.

*Info: bit.ly/nc-519h, bit.ly/nc-519s*

### LODGING

Soon enough, your employees will be back on the road, submitting expenses for lodging. Two states have updates to help you prepare.

**FLORIDA** – Do your employees use online rental platforms, like Airbnb or TripAdvisor? Here's good news.

A Florida court recently held that certain online vacation rental platforms don't have to collect a county Tourist Development Tax.

Reason: These platforms don't own, possess or lease any of the properties listed online. They're merely channels through which customers can compare properties and book reservations.

*Info: bit.ly/fl-519*

**WYOMING** – Get ready to see higher lodging costs next year.

Starting Jan. 1, 2021, Wyoming will enact an extra 5% tax on the sale of lodging services.

Note that this tax will be applied in addition to sales tax.

*Info: bit.ly/wy-519*

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