



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.

October 1, 2021

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CFO DAILY NEWS

CFO Daily News, part of the SuccessFuel 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.

ACH payment update: How changes would impact A/P

■ *Nacha considers rules for early funds availability*

It's A/P's worst nightmare: A payment is initiated in error, and before you can correct the mistake, the money's already gone – even though it's earlier than the settlement date.

This scenario is becoming more common because banks are allowing vendors to access payments as soon as ACH credits hit their accounts.

While this is convenient for vendors, it can create headaches for A/P if a mistake is made. And it's often tough to get that money back.

Nacha's looking into ways to make this easier on A/P. It's asking

stakeholders to discuss the need for potential regs that control early access to payments or limits on transactions.

More fraud protection

Currently, Nacha's rules for ACH transactions say that employers have no right to recall, require a return or stop payment once the transaction's been initiated through the system.

That means that, if the bank approves the transaction immediately, there's no way to stop it, even if it's fraudulent or incorrect.

With internet fraud on the rise as

(Please see ACH payment ... on Page 2)

GSA per diems: What you need to know for FY 2022

■ *Increase for meals and incidental reimbursement rates*

Heads up: The General Services Administration (GSA) has just released the new per diem rates for next year.

Effective Oct. 1, 2021, the GSA 2022 per diem reimbursement rate for the continental U.S. is \$155 – up from FY 2021's level of \$151.

What's different

- The breakdown for the new rate:
- \$96 per day for lodging (same as 2021), and
 - \$59 per day for meals and

incidental (M&IE) expenses.

When it comes to non-standard area (NSA) M&IE, the tiers range from \$59-\$79. Note that 319 NSAs will have per diems higher than the standard rate for 2022.

Also, say goodbye to the GSA mobile app and hello to a new per diem tool at [GSA.gov/travel-resources](https://www.gsa.gov/travel-resources).

Employees can plug in the location and dates of travel to see what their costs will be ahead of time and if there's a better deal elsewhere.

Info: bit.ly/perdiem548

Keeping Transactions Secure

ACH payment ...

(continued from Page 1)

the COVID-19 pandemic continues, this could be a disaster for A/P.

Say, for example, that someone impersonates one of your trusted vendors and sends over a fake invoice.

The company's fooled, and A/P initiates payment on Tuesday, with a settlement date of Friday, but finds out on Wednesday afternoon that the request for payment was fraudulent.

However, the bank made the ACH credit available immediately, so the fraudster received the payment. Under Nacha's existing regs, this could be considered a loss for the company.

Because of this, several stakeholders have made suggestions to decrease the risk of this practice for employers.

One way this can be done is by putting more liability on banks in case of an error. The way the system works now, if A/P can't reverse a transaction after an error, there's little that can be done to correct the problem. And it's often out of the bank's hands.

But if Nacha introduced regs saying banks were liable for any mistakes if they knowingly made funds available to customers before the settlement date, this would add a layer of protection when paying invoices.

Then it'll be on the banks to provide info about the transaction and return the money in case of a reversal.

Making this change would balance the risks of early funds availability against the rewards, which include quickly settling invoices and immediate payment for vendors.

A/R and Payroll could also benefit from this practice, too – as long as clear rules are in place for correcting any errors or problems.

We'll keep you posted on what Nacha decides.

Steps to prevent issues

In the meantime, there are ways you can protect yourself and your company from issues with invoices being settled early.

- **Double-check invoices.** If you get an unexpected request for payment from a vendor, even if you work with them regularly, reach out directly to confirm. This is especially important if the invoice came through email, since it's easy for fraudsters to spoof email addresses.
- **Be mindful of payment timing.** With so many banks allowing early settlement of ACH payments, it may be wise to assume payment will go through right when they're initiated and go from there.
- **Perform regular audits.** By reconciling accounts regularly, you can spot any payment issues that might otherwise fall through the cracks and take appropriate steps to prevent and correct them.

Info: bit.ly/nachaearlypay630

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.

■ Staffer fired after co-worker clashes: Discrimination?

A/P Manager Jenn Smith had just finished processing this month's invoices when she heard company lawyer Eric Hughes walk up.

"Jenn, can you tell me more about the problems you had with A/P staffer Rita Rojas?" Eric asked.

Jenn groaned. "Rita would start these loud arguments with her co-workers over little things – opening doors that are supposed to be closed, people accidentally bumping into her in the hall. One time, it got physical.

"It was so bad that HR got involved. Rita was warned, suspended, then when things didn't get any better, we had to let her go."

"Rita tells a different version of the story," Eric said. "She's suing us for racial discrimination, harassment, having a hostile work environment and retaliation."

Racial bias?

"That's strange, considering she was the hostile one in this situation," Jenn said.

"So you're sure Rita wasn't treated differently because of her race?" Eric asked. "She says she was disciplined more harshly for the incidents than her co-workers."

"No," Jenn said. "She was the aggressive one in all these situations, and I followed HR's advice for how to handle her based on our employee code of conduct."

Once Rita took Jenn's company to court, it fought back. Was it able to prove racial bias didn't play a part in the termination?

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



Keep Up to Date on **ACCOUNTS PAYABLE™**

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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 Transitioned to using much less paper in A/P

It was time for my organization to join the digital, paperless age.

The first step we took was implementing a new system of scanning invoices and approvals and just keeping the electronic files.

But early on, I didn't trust the process enough to immediately send the paper originals to be shredded.

Reduced paper processes gradually

To ensure that invoices and approvals wouldn't get lost because of a technical issue, I decided to take

a gradual approach. I started by holding on to the originals until I got comfortable with the scanner on my desk and was confident the software didn't have any bugs.

After a short time keeping both paper and digital records, it became clear I was making too much work for myself. I set benchmarks for when I could stop paper filing and successfully met them, saving me time.

We also created a dedicated A/P email account for our vendors and suppliers to send invoices. To encourage them to use it, I tell them emailing makes the payment process

quicker.

The response has been positive and that's also reduced the amount of paper in A/P.

Although I still have a rule about saving paper copies of anything that has to do with the government – especially if it involves payroll taxes – I ended up giving almost all my filing cabinets to Accounts Receivable. I have much more space in my office now.

(Deb Turner, Staff Accountant, Peabody Retirement Community, North Manchester, IN)

IMPROVING YOUR OWN A/P PROCESS

2 Checklist helpful for tricky IRS form

One of my biggest responsibilities was annually completing and submitting our organization's Form 990 on time to IRS.

Crucial for keeping our tax-exempt status, it has to be filed by the 15th of the fifth month after the end of our fiscal year.

I discovered that the biggest key to filling out the form was to treat it like an IRS audit. That means keeping records – particularly our invoices – organized and accurate so

it's easy to find specific documentation when I need it.

Need 'yes' answers for these

Among the important items on my recordkeeping checklist:

- Are all paper and electronic records from the last three years complete and sorted by year and expense type?
- Do all expense documents show the amount paid and that it's for a business expense?
- Are fundraising and grant income

recorded accurately?

- Has all income not directly related to the organization's tax-exempt purpose been recorded?
- Are employee and independent contractor compensation recorded accurately?

The checklist also has a reminder to double-check that our data retention schedules are up to date. It's kept us in the Service's good graces.

(Alan Barasorda, Director of Finance, Pasadena Senior Center, Pasadena, CA)

3 Digitizing, automation saved time for A/P

A/P was spending way too much time on managing vendor invoices. Often, it occupied more than one full day per week.

Slowing us down, and increasing the risk of late payments, were manual processes like keying data and filing paper documents, and responding to supplier calls and emails.

What if there was a way to free up that time for our A/P staff so they could work on more strategic activities

like data analysis or reorganizing our vendor master database?

Pandemic necessity

When COVID-19 forced A/P to work from home, finding a digital automated solution compatible with our ERP system became a priority.

As we looked at different options, our must-haves included:

1. streamlined, visible invoice tracking
2. cloud-based with data security
3. real-time, anytime, mobile access to documents, and

4. high-volume data collection.

Transitioning to an automated system has cut invoice processing time and errors, and concentrated data and documents into a single processing channel with automatic data extraction and more.

With the time saved, A/P is building supplier relationships and collaborating with stakeholders.

(Nimya Amaya, Senior Marketing Director, Yooz, as presented during the webinar "Planning Beyond COVID: Reshape the Finance Function with Automation")

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.

TRAVEL EXPENSES IMPACT POLICIES

Heads up: A/P may see some changes in company travel policies as business travel slowly begins to go back to pre-pandemic levels.

To keep travelers safe, more execs have been willing to update their T&E policies and allow for more expensive flights and accommodations, according to an AirPlus poll of corporate executives across the globe.

Almost half of survey respondents are now letting their business travelers book first-class train tickets and business-class airfare.

And they're prepping their budgets for these increased expenses. Almost 60% of execs surveyed said they anticipate costs for accommodations and transportation to be much more expensive than they were before COVID-19.

Slow, steady return

Along with more generous T&E policies, you may still see fewer business trips overall as companies ease back into travel.

A separate survey of business

travelers found that 20% of them work for companies with no immediate plans to resume traveling just yet, though 41% do expect their company's travel rates to again reach pre-pandemic levels in the next 12 months.

Execs also agree that business travel will resume, with 80% saying that in-person contact with their suppliers and customers is still crucial for achieving business goals.

Keeping that in mind, you'll want to work with the top brass as they're shaping these new T&E policies that account for higher costs and may give your travelers more wiggle room when it comes to making travel arrangements to help keep them from contracting COVID.

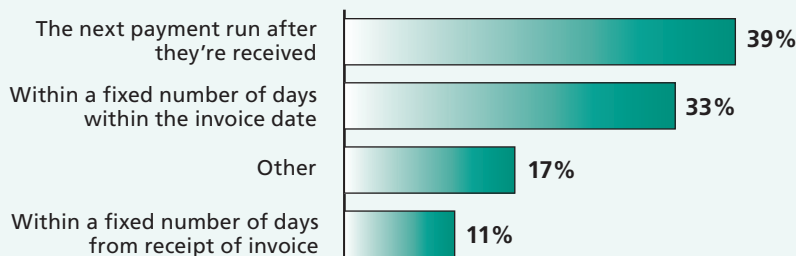
Bottom line: Expect fewer trips, but higher costs on expense reports and company cards in the short term.

To offset this, it'll be key to remind employees to choose cost-effective transportation and accommodations when possible, while still keeping their safety and health a priority as they return to business travel.

Info: businesstravelnews.com

Invoices with immediate payment terms

What's your approach to paying 'immediate' invoices on time?



Source: Peeriosity, Peeriosity.com

"Immediate payment" suggests quick payment. However it's usually not to the point of a wire transfer or printing a check on demand. But if it doesn't mean "right now," what does immediate payment mean? To avoid issues, it may be time to ask your vendors for clarification.

TEST YOUR KNOWLEDGE

■ Submitting Forms 1099-NEC & 1099-MISC: Keys for A/P

The instructions for the 2021 Forms 1099-MISC and 1099-NEC contain important updates that A/P must know when filing.

It's key to be aware so you'll hit the due dates of Jan. 31, 2022, for Form 1099-NEC and March 31, 2022, for Form 1099-MISC (Feb. 28, 2022, if filing on paper).

Answer *True* or *False* to the following questions to see how familiar you are with the changes.

1. As of this year, the full title for Form 1099-MISC is no longer "Miscellaneous Income."
2. To report any sales of \$5,000 or more of consumer products for resale or other purposes, payers must include the amount in box 2 of Form 1099-NEC.
3. New regs have been released that require electronic filing of Forms 1099-MISC and 1099-NEC for companies submitting at least 100 returns in 2022.

ANSWERS

1. *True*. The new title of Form 1099-MISC is now "Miscellaneous Information."
 2. *False*. Payers now have the option of reporting this amount either using box 2 on Form 1099-NEC or box 7 of Form 1099-MISC.
 3. *False*. The IRS hasn't yet finalized any new regs to officially change the electronic filing threshold from its current 250 returns to 100 returns. However, regs have been proposed and may become finalized soon. Depending on when they're finalized, they may be applicable to any returns that must be filed in 2022, including Forms 1099-NEC and 1099-MISC. We'll keep you posted.
Cite: irs.gov/pub/irs-prior/1099mesc--2021.pdf
- 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.

Vendors may offer you this benefit for paying early

Are you regularly reaching out to your vendors to ask them about early payment discounts? If not, you might be leaving money on the table.

A simple phone call to learn whether vendors will offer you any rebates or discounts for paying off invoices early could save your company big bucks in the long run.

Info: bit.ly/earlypay548

Chatterboxes in meetings: How to keep them in check

You're in a meeting with your A/P team, discussing invoices. But one colleague keeps interrupting, bringing the meeting off track.

It can be tough to deal with overly talkative co-workers who dominate conversations. Try these tactics:

- **Be direct.** Chatterboxes often won't pick up on subtle hints that other people would. It's smart to ask their manager to let them know their excessive talking is disruptive.
- **Shift the conversation.** When the talker starts up and derails the meeting, speak up right away. A simple, "Tim, we're getting off topic. Let's go back to discussing those invoices," can go a long way.

Info: bit.ly/talker548

IRS: Employers must watch for misclassified workers

The IRS wants employers to make sure workers are properly classified as employees or independent contractors.

You may have to huddle with Payroll to double-check you aren't accidentally treating an employee as a contractor. Be sure to consider how much control your company has over the person's duties, how the worker is paid (including expense reimbursement) and the terms of any written contracts (e.g., benefits the

company may provide the worker).

Info: bit.ly/classify548

6 ways to make memorable presentations to execs

Giving presentations to the top brass can be intimidating, especially if you're trying to convince them to invest in software or other resources that'll benefit A/P.

Executive Speech Coach Patricia Fripp has six tips for making effective presentations to execs.

1. Start with your recommendation. Let them know the purpose ASAP.
2. Describe the benefits of the change vividly so execs can picture them.
3. Discuss costs directly, putting them in a positive light.
4. Focus on the bottom line. Be specific and give details.
5. Maintain eye contact without relying on notes or slides.
6. Practice so your delivery sounds conversational, yet professional.

Info: American Payroll Association 2021 Virtual Congress Xstream

SOFTWARE SKILL BOOSTER

Use Microsoft Word to create a reusable A/P checklist

Here's how to create a checklist in Microsoft Word to track your A/P tasks. Enable the Developer tab by customizing the ribbon in the Options menu under File. Then, click the tab and select Check Box Content Control to insert a check box. Type your item and hit Enter.

You can copy and paste this check box onto the next line, or select Check Box Content Control again for a new check box until the list is complete.

Info: bit.ly/checklist611

If you have a story idea or comment to share, contact the editor at bbingaman@CFODailyNews.com

PAYABLES NEWS

■ IRS: New application process for Transmitter Control Code

With changes coming soon for who's required to file Forms 1099 electronically, IRS has updated the Transmitter Control Code (TCC) application process.

As a reminder, the purpose of the TCC is for IRS to identify the transmitter of files.

The TCC application process has been moved from the Filing Information Returns Electronically (FIRE) System to the IRS site.

So say goodbye to the fill-in version of Form 4419 that's been part of the FIRE System. Note: Although the paper version of Form 4419 will no longer be used to apply for a TCC, it'll be used for other purposes.

Info: bit.ly/filing548

■ Simple way to guard against sophisticated BEC attempts

You know how sophisticated and frequent business email compromise (BEC) attempts have become. So it's surprising there's a simple way you can help keep your company safe.

One common form of BEC, spear-phishing, involves an email appearing to come from, say, your CFO. There may be an urgent request for money.

Nacha recently shared a solution provided by the FBI's Cyber Squad. What stops fraudsters? A phone call. Get verbal confirmation straight from the person who's making the high-risk request through email.

Info: bit.ly/phone548

■ 2021 survey reveals decline in credit card satisfaction

Overall satisfaction with credit card issuers has decreased, according to a 2021 J.D. Power study. Within one year, scores went from 811 to 805 (out of 1,000). Among the complaints? Reduced credit limits and a lack of customer service accessibility, which you may have noticed with your corporate cards.

Info: bit.ly/creditcard548

A/P & burnout: 3 strategies to help decrease employees' stress at work

■ Fighting your company's biggest threat to retention

Burnout rates are steadily rising for many employees, especially for A/P and other finance pros. Left unchecked, this can negatively impact your department.

In fact, burnout is one of the top reasons employees are leaving their companies during the pandemic.

A recent survey found that almost half of workers have thought about changing their careers in the last 12 months. That, combined with historic levels of job vacancies, could cause serious issues with retention.

Practices to implement

But what's the best way to fight burnout in finance? Experts say there are several strategies you can try, whether staffers are still working at home, in the office or both.

Here are three of the most effective ways to prevent burnout:

1. Have leaders set the example.

Burnout is contagious, according to an article from *Inc.* Over 70% of workers who said their managers were suffering from burnout also said "many" of their team

members seemed burned out. This shows how crucial it is to set a good example from the top down. Managers should take breaks and discourage employees from working long hours.

2. **Emphasize the importance of balance.** Since the pandemic began, many A/P and finance staffers may have made odd hours and weekend work the norm, particularly if they spent any time teleworking. This behavior is a one-way ticket to burnout. Setting boundaries is key here. Workdays should have clear start and stop times, and workers should avoid things like answering emails at midnight.

3. **Be positive.** Take time to recognize employees for their hard work. Praise can come from managers or peers, but it's key to acknowledge the effort employees have put in and celebrate their wins. Give workers support, and they'll feel comfortable discussing their challenges instead of just quitting.

Info: bit.ly/apburnout1, bit.ly/apburnout2

company rules is a non-discriminatory cause for termination.

Analysis: Know when to call HR

A/P deals with different personalities and backgrounds, but when any employee is creating problems, it's time to ask HR for help.

HR's intervention in this situation ended up saving the day.

This case also shows how crucial it is to ensure your team gets training on steering clear of bias in situations like this.

Based on [Limas v. City of Dallas](#). 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.

\$100 million in fraud, 144 months in prison

Individual: Michael Mann, CEO of ValuWise Corp., Clifton Park, NY. He also ran subsidiary companies including *MyPayrollHR.com* LLC.

Violation: He pleaded guilty to one count of conspiracy to commit wire fraud, one count of aggravated identity theft, nine counts of bank fraud and more.

Penalty: He's been sentenced to 144 months in prison. Mann must also pay restitution totaling more than \$100 million, forfeit assets including \$14 million contained in bank accounts and more.

Note: Mann engaged in fraudulent schemes, including the generation of fake invoices, to deceive banks and financing companies. When one of his banks froze his accounts, his schemes collapsed.

Cite: bit.ly/mann548

Their trust fund money went to her account

Individual: Rena Hymans, a licensed attorney in Vale, SD.

Violation: She pleaded guilty to two counts of wire fraud, two counts of money laundering and one count of bank fraud.

Penalty: In addition to being sentenced to 30 months in federal prison, she was ordered to pay a \$500 special assessment to the Federal Crime Victims Fund and restitution totaling \$163,969.37.

Note: Hymans was supposed to hold clients' money for their benefit in a trust fund, but instead transferred the money to her own business and personal accounts. She then used the money for her personal benefit over a six-year time period.

Cite: bit.ly/hymans548

Sharpen your judgment THE DECISION

(See case on Page 2)

Yes. Jenn's company won when the lawsuit was dismissed.

Rita appealed, arguing she was punished more than her co-workers and fired for complaining about them. But the court said evidence pointed to her being the instigator, justifying her firing.

The appellate judge ruled that not only did she fail to prove any harassment that was racially motivated, repeat violation of

Making Technology Work for You

Keys for getting better, quicker responses to your crucial emails

■ Best practices for messages that need prompt attention

Often there's an important email that needs an answer sooner rather than later.

Research by the email marketers at Boomerang indicates there are some ways to encourage recipients of your emails to get back to you faster.

What to include, leave out

Before clicking send on that high-priority email, did you:

- **include a subject line?** Emails with no subject only get a response 14% of the time. Ensure your subject is short as possible. The sweet spot is three or four words.
- **use short sentences with simpler words?** Emails written at a college-reading level receive a 39% reader response rate, but messages written at a third-grade reading level get answered 53% of the time.
- **keep the length of your message between 50 and 125 words?**

Don't worry if you need a few extra beyond that. However, if your message starts to get lengthy, consider sending it as an attachment.

- **ask questions, but not too many?** Emails with a question are 50% more likely to get a response. But limit questions to three per email. A three-question email is 20% more likely to be answered than one with eight or more.
- **use a little emotion?** Emails with a slightly positive or slightly negative tone outperform those with a neutral tone. But be careful – your readers can't hear your voice or see your body language.

Also keep in mind the time of day you send that email can be a factor. Earlier in the morning or during lunch yields a higher response rate than mid-morning or afternoon.

Info: bit.ly/email610

What to do with Excel docs in 'protected' mode

■ Settings can be adjusted for easier access to data

Whenever you open an Excel file that didn't originate from your computer, you've probably noticed a bar across the top of the screen that says it's open in "Protected View."

This keeps you from accidentally opening a virus- or malware-infected file from the internet, Outlook, your temporary internet folder or files that fail validation.

But don't look at this security measure as a restriction of Excel's functionality.

Safe mode

While in Protected View, you're still able to take a good look around a workbook without having to

click "Enable Editing" to go into regular mode.

If you're unsure whether a file is safe, protected mode allows you to scroll through the worksheet, see what you need to see, plus go to other worksheets. You can also look at the macros.

A lot of the time, you don't need to leave protected mode, but if it's really slowing you down, settings can be adjusted.

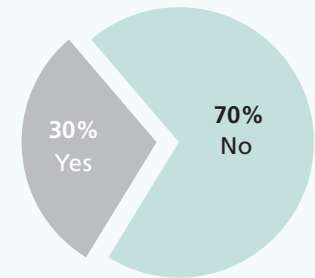
From "File," go to "Options," "Trust Center" and "Trust Center Settings." You can turn off protected mode for trusted publishers, locations and documents as well as Outlook.

Info: bit.ly/protect548

How do you stack up?

Streamlining payments

Has your bank/credit union contacted your company about RTP?



Source: Levvel, Levvel.io

If your company's bank hasn't filled you in about the Real-Time Payments (RTP) Network from The Clearing House, it may be time to ask about it. RTP can significantly speed up the payment process.

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

■ Airplane travel now rising: Make sure germs don't, too

Got staffers traveling? Security checkpoint head count data from the U.S. Transportation Security Administration confirms air travel is picking up.

More people at the airport means more germs, even though cleaning procedures may have stepped up because of COVID-19.

You want your business travelers to keep expenses low – and their exposure to germs even lower. So along with saving their receipts, remind them to wash their hands, sanitize surfaces regularly and avoid touching areas like:

- chair armrests
- handrails
- water fountains, and
- security bins.

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.

NEXUS

You may need to double-check if any employees are still working from home due to COVID-19. Some states that had loosened their nexus requirements are starting to tighten them back up.

GEORGIA – Good news in the Peach State: The Dept. of Revenue hasn't made any changes yet to its Coronavirus Tax Relief FAQs.

Since 2020, the state has said that if someone's temporarily working remotely in a different state due to COVID-19, that won't establish Georgia nexus.

Info: bit.ly/ga-548

NEW JERSEY – In August 2021, the Dept. of Treasury gave A/P a heads up that its waiver of sales tax nexus would end in October.

The waiver was put in place due to the COVID-19 pandemic, with many people working from home. But as of Oct. 1, 2021, if an out-of-state seller has an employee working in the Garden State, the seller has nexus for sales tax purposes.

Info: bit.ly/nj-548

PENNSYLVANIA – Time's up for the reprieve from nexus in the Keystone State.

During the COVID-19 pandemic, the Dept. of Revenue didn't seek to impose sales and use tax nexus although it otherwise would have been able to do that due to teleworking.

As of July 1, 2021, existing tax law is governing.

Info: bit.ly/pa-548

SAFETY SYSTEMS

Two states are turning up the heat on the taxation of fire detection and

suppression systems. Here's what's happening now.

NORTH CAROLINA – You can't go without a fire detection system, but in the Tar Heel State, you might have to pay sales tax on this safety measure if you're involved in certain types of manufacturing.

In a private letter ruling, the state told one yarn manufacturer that purchased fire detection and suppression systems that it was subject to sales and use tax.

Reason? Although the special systems were attached to production equipment, they weren't used directly in the production process.

Info: bit.ly/nc-548

VIRGINIA – After an audit, a commercial electrical contractor that installed fire alarm systems received a sales tax assessment from the state. The contractor appealed – and won.

The contractor purchased the non-monitored fire alarm and suppression systems – sales tax included – and installed the systems in a way that they became permanently affixed to the realty.

The systems were real property, so no need to pay additional taxes for labor, material mark-up and permits, the state tax commissioner ruled.

Info: bit.ly/va-548

TECHNOLOGY

Time to make tech improvements? They're pricey, so it's worth a close look at whether sales tax is owed.

ALABAMA – A production plant used an information technology system from a foreign company and wanted to tack on additional services, like hotline support in case of malfunctions, error analysis and more.

Although the new services would be provided remotely, a rep would hold regular in-person meetings at the plant every six months, so the question for the Dept. of Revenue: Should sales

tax be included on invoices? No. One condition, though, was nontaxable services had to be stated separately on invoices.

Info: bit.ly/al-548

OHIO – Ever wonder after-the-fact if you overpaid sales tax? That's what happened to one bank in the Buckeye State after purchasing software for its online banking system.

The Tax Commissioner rejected the bank's claim for a \$57,412.58 refund. The reasons were: 1) vendors could choose a mix of software options, but that didn't make the software "custom," and 2) the bank wasn't providing accounting services through its software.

Info: bit.ly/oh-548

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