



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.

November 15, 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.

3 strategies for A/P to make year-end prep less stressful

■ Proven tactics used by other companies

You know firsthand just how stressful year-end can be overall. And with lingering anxiety from the pandemic, it may be harder to get everything done on time this year.

Here are three proven strategies you can try in A/P to make year-end as trouble-free as possible – straight from other A/P and Finance pros who've been in the same situation.

End-of-year check-ins

Year-end can be hectic not only because it's crunch time for filing deadlines and audits, but because so many employees in Finance typically take time off for the holiday season.

With so many distractions during the end of the year, key year-end prep duties can fall by the wayside.

David Stone, the senior A/P manager at Encompass Health, decided to tackle that issue head-on. He began carving out time during the last two months of the year to check in with A/P staff about their holiday plans and current duties.

In November, Stone talks to his team to outline all upcoming deadlines and gather key info from them, including who's taking time off and whether they've gotten other employees to cover any tasks with

(Please see Year-end prep ... on Page 2)

IRS streamlines 1099-NEC reporting: Here's how

■ Latest e-filing update reduces year-end hassles for A/P

Year-end might be a little easier for A/P this year. Here's why: IRS has included Form 1099-NEC in its Combined Federal/State Filing program for tax year 2021.

The agency released this update in its most recent revision of Pub. 1220, *Specifications for Electronic Filing of Forms 1097, 1098, 1099, 3921, 3922, 5498 and W-2G.*

Other included forms

This means that, for year-end, any 1099-NECs you file online through IRS' FIRE system will automatically

be sent to states. Form 1099-MISC is also part of the combined filing program for 2021, along with:

- Form 1099-B
- Form 1099-DIV
- Form 1099-G
- Form 1099-INT
- Form 1099-K
- Form 1099-OID
- Form 1099-PATR
- Form 1099-R, and
- Form 5498.

Info: bit.ly/1099fire551

Get Ready for Crunch Time

Year-end prep ...

(continued from Page 1)

pressing deadlines, and whether they'll be able to meet the remaining deadlines once they return.

Then, in December, Stone checks in with his team again to confirm that everything's still on track. Specifically, he'll ask if there are any potential issues that may cause snags in the process or impact deadlines.

This process has helped him and his team stay one step ahead of any problems and remain on schedule.

Detailed year-end memo

It's not only deadlines that can make life harder for A/P and Finance during year-end. Questions from employees can distract staff from working on critical tasks.

Inevitably, employees will start asking Finance about upcoming tax deadlines, forms and payments.

And they may also have questions about whether gift cards they've received as holiday presents from your company will be taxable to them in the new year.

To cut down on these requests, experts from the American Payroll Association suggest sending a "year-end memo" to employees during the last quarter of the year.

The memo should address the most common questions A/P and Finance

receive around year-end, including detailed info about various tax forms and the annual IRS update to the mileage rate, as well as any updates Finance may need from employees, including address verification.

It's also helpful for the memo to contain info about what everyone should expect from Finance at the beginning of the year (e.g., when they should receive tax forms) and contact info in case employees have additional questions.

Teamwork via committee

To get all of your year-end tasks done on time, you'll likely have to collaborate with several other departments in your company.

Example: You'll need to make sure that your mailroom is ready to send out any paper tax forms or checks that need to be mailed at year-end.

Forming a year-end committee with members from each department can make this collaboration more seamless, according to Mary Brumm, the senior manager for global payroll at Nvidia Corp. Ideally, the committee will meet at least once every two months throughout the year to discuss any new developments. You may need to schedule additional meetings as year-end draws closer.

Besides reps from A/P and Payroll, you'll want someone from HR, Benefits and IT, as well as someone from your legal department and an employee from the mailroom.

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.

■ Ex-staffer bills employer for back travel expenses

A/P Manager Jenn Smith couldn't believe her eyes when she saw the email from former company sales rep Aaron Mankey.

It demanded reimbursement for T&E expenses that should've been submitted months ago and had a spreadsheet attachment that was corrupted and wouldn't open.

"He thinks we're going to reimburse him that much money for past due T&E with no receipts?" Jenn thought.

Jenn called sales director Gail Baldelli on her cell phone. "Gail, did you ever tell Aaron about our policy that receipts are due no later than 90 days from the date of the expense?" she asked.

"Of course I did," Gail replied.

"Did you know the whole time he worked here, he never turned in his expenses?" Jenn asked. "But he waits till now to cash in."

Expiration date on T&E?

"You're kidding!" Gail said. "I had no idea he was that bad with submitting his expense reports. Don't pay him anything, Jenn. He missed his chance."

"Thanks, Gail. I'll double-check with legal whether we're on the hook for this or not," Jenn said.

Jenn's company rejected Aaron's request for payment as invalid and he sued to try to get the money.

Aaron claimed that the required documentation was embedded in the spreadsheet that he sent.

The firm tried to get the case thrown out. Was it successful?

■ *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 Proactive approach to sales tax changes

The pandemic even changed compliance with collecting and remitting sales and use tax.

Because COVID-19 disrupted tax collection efforts by our state and the states we do business in, they were determined to recoup revenue by:

- taxing digital goods and services
- increasing sales and use tax audits of business, and
- cracking down on remote sellers that do business in the state, but don't register as a taxpayer.

No matter what, it's important to collect and remit sales tax accurately and on time.

Sales tax assessment

We created a "Do We Have Any of These in Our States?" checklist. A "yes" to any of these probably means we need to collect and pay sales and use tax:

- direct, online or remote sales and/or transactions that exceed the state threshold
- a physical location or owned/leased "real property"
- employees, including

- field sales and maintenance staff
- marketing or web advertising, or
- commissions that would involve a Form 1099

From there, we made sure the departments of revenue in the appropriate states had a sales tax ID number and/or a business license for our company on record. We're confident that we'd pass an audit with flying colors.

(Matthew Hammond, National Sales Manager, Avalara, as presented in the webinar "Sales Tax 101: A Beginner's Guide to Compliance")

IMPROVING YOUR OWN A/P PROCESS

2 Keeping track of crucial deadlines

There were certain critical tasks of my job that had specific deadlines.

Things that had to be accomplished weekly included check runs and time card processing.

Meanwhile, my monthly must-dos included entering journal vouchers and company credit card expenses into our system.

Then there were annual projects, like sending out 1099-MISC and DIV forms on time.

It was a lot of deadlines to remember, and I needed a way to stay on top of them all.

Using Excel and Outlook

Although the weekly deadlines are easiest to remember, I program reminders into my Outlook calendar. So even if I'm having a hectic day, I'll hear that reminder tone and know it's time to focus on top-priority tasks.

The yearly and monthly deadlines I map out on an Excel spreadsheet so I have an idea when to enter

reminders in Outlook.

When the USPS started becoming less reliable during the pandemic,

I made a point of making my deadline earlier for sending our Form 1099 data by mid-January to our tax processing service, which was available through our office supplies vendor.

This allowed enough time to account for possible postal delivery delays and to correct any errors.

(Karen Thomas, Accountant, Palomar Display Products, Carlsbad, CA)

3 Reduced unclaimed refund payments

Our new controller made it a priority to cut down on the amount of refund checks we were sending out, but were still uncashed months later.

If we didn't meet the goal, we were going to have to file an unclaimed property report with the state.

Case by case

There were a variety of reasons why the refunds had to be paid, but it was more important to me to find out

why the checks were outstanding.

We contacted our clients one by one and discovered:

1. Some preferred that we credit the amount to their account for future payments.
2. We have clients that are children. If the child's name is on the envelope, the parent/guardian may not understand the importance of what's in it and the check goes uncashed.
3. Because of ACH/direct deposit, people don't go to the bank as often

as they used to and paper checks get forgotten about.

4. The client mailing address we have on file is incorrect.

We credited accounts as requested, added a "payment enclosed" stamp to our envelopes and a "to the care of" line on envelopes for mailings to child clients and updated mailing addresses.

Our number of unclaimed checks has noticeably decreased.

(Kelly Luedtke, Accounts Payable Manager, Tanager Place Outpatient Clinic, Cedar Rapids, IA)

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.

REMOTE WORK & TRAVEL

Will the shift to remote work that's impacted many industries during the pandemic affect how many expense reports you'll get from business travelers going forward?

Most travelers and execs think so, according to a new report from Skift.

When asked whether they thought remote work would change how frequently they take business trips going forward, 62% of travelers either strongly or somewhat agree that this is the case – same with 63% of execs.

And in an earlier survey by CNBC, almost 49% of execs said they didn't expect their budgets for employee travel to return to pre-pandemic levels for at least two to three years.

Even more shocking: 20% said their companies' travel budgets will never return to that level.

Expected changes

However, experts in the travel industry do expect some business travel to resume, though not necessarily in traditional ways.

Instead of regular, shorter trips,

many companies are opting for longer, less frequent gatherings at corporate headquarters or off-site retreats.

Execs see this as a good way to get remote employees more face time with their co-workers, and many are willing to include them in the budget.

In fact, 25% of execs surveyed by Skift plan to fund more company retreats and off-site gatherings as perks for their remote employees.

Whatever form business travel takes at your company in the coming months, clearly explaining any T&E policy changes to employees should be top priority for A/P.

Nearly half of business travelers surveyed by Skift said one of their biggest concerns with returning to work travel is understanding their companies' changes to travel policy and expensing. And close to half of execs were concerned with explaining T&E policy changes to employees.

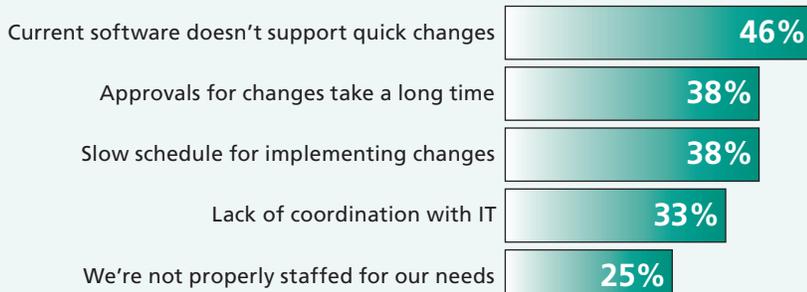
In this case, A/P can act as the middle man, getting info on policy changes from the CFO and passing it along to travelers to clear up confusion.

Info: bit.ly/remotework551, bit.ly/cnbcsurvey551

Banks slow to make tech upgrades

What challenges do you face in updating your financial software?

Note: More than one answer accepted



Source: Level Research, level.io

Your firm may be ready to update A/P technology, but a poll of financial institutions indicates they're modernizing at a slower pace. Before committing to any major digital upgrades involving electronic banking, check with your bank to see if the technologies are compatible.

TEST YOUR KNOWLEDGE

Mistakes to avoid when considering A/P automation

Your company may be ready to shift to automating A/P functions. But if it's not well thought out, certain stumbling blocks can sabotage the transition.

For example: Is the automation solution able to easily send data back and forth between your accounting and ERP software?

Answer *True* or *False* to the following to see how well you can dodge these common pitfalls.

1. When it comes to figuring out how much money and time your firm will save by automating A/P compared to using manual A/P processes, estimated figures will be good enough.
2. The software vendor's initial demonstration will show you everything you need to see.
3. It's essential to have an idea of what the automation software will do for your company three to five years in the future.

ANSWERS

- Cite: bit.ly/autot551*
1. *False.* Automation software that isn't efficient enough to save you time and money isn't worth it. Get a sense of where you're starting from by figuring out the current cost of manual A/P and compare it to the software's cost.
 2. *False.* Ask the vendor to prove how well the software operates with your current A/P workflow. Test the product to make sure it's able to solve your company's specific problems.
 3. *True.* The vendor should be able to present some sort of a product "roadmap" of the benefits and features that'll show you whether the vendor will continue to update the software to stay on top of industry changes.

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's it costing your company to process invoices?

You can make your work in A/P more cost-effective by calculating your cost per invoice, which can be used to make your case for tech investments, staffing needs and more.

To get an estimate of how much each invoice really costs to process, add up the tangible costs like employee time and salaries, and the cost of tech. Then, figure in hidden and intangible costs, such as:

- overpayments, late payments and missed early payments
- cost of materials
- time cost from other departments
- vendor relationship impact, and
- employee productivity.

Info: bit.ly/CPI551

Tax relief related to specific natural disasters available

If your business was affected by an event like a tornado, hurricane, severe storm or wildfire at any point this year, you're likely eligible for IRS tax relief provisions.

To see if you're eligible for extended filing deadlines and other relief, check out updates that have been made to IRS' Tax Relief in Disaster Situations page at bit.ly/taxdisaster551.

4 word substitutions to elevate your business writing

Whether it's an email or a report you're writing, keep in mind that certain words sound more professional than others. Some examples:

1. Use "provide" instead of "give," as in, "I'll provide you with the data from last quarter's report."
2. Substitute "receive" for "get," as in, "Did you receive the package I sent last week?"
3. Saying "however" instead of "but," as in, "That's a good idea; however,

the CEO has to sign off on it."

4. Swap "imagine" for "guess," as in "I imagine the new system is ready to be tested out."

Info: bit.ly/words550

3 things to practice when handling criticism at work

Even when it's constructive and kindly-phrased, critiques on your work can sting because it means your best effort was flawed. When receiving criticism:

1. resist the urge to defend yourself and thank the person for their comments
2. put the critique aside and revisit it in a day or two, and
3. get adequate sleep the night(s) before revisiting the critique.

Info: bit.ly/critique551

SOFTWARE SKILL BOOSTER

Workaround for putting borders into Google Docs

Google Docs is appealing because it does what Microsoft Word does, and it's free. But it lacks an easy option for creating an outline around a page.

One of the ways to draw a border around a page in Google Docs is using a single cell table.

Select the Insert tab, Table, then the 1x1 table. This will drop a table into your document. Since it's just a one-cell table, it shows up as a box in your document.

Select any side of the table, and readjust the height and width of the table so that it surrounds the entire page. When you're finished, the outline of your table becomes the page border, and you can type anywhere inside this box.

Info: bit.ly/border551

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

PAYABLES NEWS

■ IRS allows video meetings for large business taxpayers

Thanks to the pandemic, reps at IRS may have been tough to reach for A/P pros.

Regular phone calls may not have cut it for certain tax-related situations. But now there's good news: The agency is allowing virtual video meetings between large business taxpayers and IRS employees.

This new guidance is effective as of Oct. 18, 2021, according to a memo from the commissioner of IRS' Large Business and International Division. Currently, the agency is using WebEx and ZoomGov for these video meetings.

Info: bit.ly/lirsvideo551

■ Efficiently managing invoices remains challenging for A/P

Nearly one-third of A/P pros said their companies continue to struggle with efficiently processing invoices.

This new data, recently released in the Digital Shift Report from PYMNTS and Corporate Spending Innovations, highlights the need for more modernized practices in many A/P departments.

Automated data entry for invoices would be a great start and a big time-saver – 70% of A/P pros agreed.

Info: bit.ly/invoices551

■ Survey: Finance has hardest time finding new hires

Struggling to find good help in A/P? You aren't alone – 52% of finance managers are looking to hire before the year ends, according to a recent survey from Robert Half.

And it's taking an average of nine weeks to fill positions in finance – the longest time among all departments surveyed. Your company may fare better if it can offer some of the new-hire perks your peers are embracing, such as signing bonuses (44%), more paid time off (40%) and better job titles (36%).

Info: bit.ly/financehiring551

Make sure your A/P department is using these 6 best practices now

■ Changes you can make immediately to simplify workflow

Forward thinking companies like yours are always looking for ways to optimize processes like A/P to keep the business viable and sustainable.

But outside of using technology to analyze and reduce errors and streamline the approval process, what else can be done?

Keys to success

Here are some steps to take to streamline A/P and save money and headaches, according to an article from Tipalti, a vendor focused primarily on A/P automation.

1. **Prioritize invoices.** Paying all invoices as they come in can hurt your firm's cash flow. So your check runs have a cash disbursement ceiling for easier budgeting, pay according to due dates and payment terms.
2. **Renegotiate payment terms, where possible.** Regardless of the terms you're given, you can almost always renegotiate. Typically, invoices come in at a net 30, 60 or 90 days. Even if a vendor says no, always let them know if a payment's going to

be late. If you're proactive, some vendors may excuse the late fee.

3. **Reconcile accounts at the end of every day.** If something happens where you need to make an additional payment to a vendor, and it's not recorded, your books and banking records won't match. This can hurt cash flow.
4. **Be on the lookout for A/P fraud.** Bogus vendor accounts are often how employee fraud happens. Have your system set up so staffers who cut checks can't create a new vendor in the system.
5. **Restrict file access and establish controls.** Only allow specific employees to access the master vendor file for better control over which vendors are approved. This also helps when tracking where payments are going and identifying vendor data mistakes.
6. **Streamline your workflow.** Limit your check runs to twice a month, and make sure all invoices have approval signatures along with the appropriate paperwork.
Info: bit.ly/bestpractices551

employee didn't include any of the required items for reimbursement, such as itemized receipts. Case closed.

Analysis: Put it in writing

Your T&E policy should be easily accessible to employees, and should include due dates and clear guidance on reimbursement requirements and what expenses are compensable.

All workers should be given a chance to review the policy, and it's a good idea to have them sign off on it so you'll have legal documentation.

Based on Menke v. Crawford & Company. 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.

Business email scammer gets 11 years in prison

Individual: Ghaleb Alaumary, a U.S. national living in Ontario.

Violation: Alaumary was a cybercriminal who engineered a business email compromise scheme where he emailed a university using a fraudulent address for a construction company to request payment for a building project. He was also involved in an identity theft scheme where he impersonated wealthy bank customers to steal money from their accounts.

Penalty: After pleading guilty, Alaumary was sentenced to more than 11 years in prison. He must also pay over \$30 million in restitution to his victims.

Note: Alaumary laundered his stolen funds using cryptocurrency.

Cite: bit.ly/cybercrime551

Undercover IRS agents stop false filing scheme

Individuals: Lenore Worthy and Veronica Fortune, tax preparers from Maryland.

Violation: The two falsely inflated their clients' business tax refunds by exaggerating itemized deductions on Schedule A and creating false business losses on Schedule C.

Penalty: Both were convicted of tax fraud. Worthy was sentenced to six months in prison and must pay \$189,748 in restitution. Fortune was sentenced to serve a year and a day in prison, and she must pay \$86,590 in restitution.

Note: The two were caught red-handed in their scheme when they prepared false tax returns for undercover IRS agents.

Cite: bit.ly/irsfraud551

Sharpen your judgment THE DECISION

(See case on Page 2)

Yes. Jenn's company was able to get the suit dismissed.

Aaron told the judge he was entitled to reimbursement for his backlog of business expenses.

But the court said he failed to follow company travel policy, which clearly requires reporting of documented expenses within 90 days of the date which the business expense was incurred.

The judge also said the former

Making Technology Work for You

Best strategies to manage all your important passwords more securely

- **Ensure they're stored with security and accessible when needed**

Since COVID-19 made hybrid work necessary, you may have needed to add applications, programs or services to your workflow that require you to create a password for access.

In some cases, those passwords need to be reset regularly for the sake of security. Other times, it's mandatory for the password to have numbers and special characters.

IT may have warned you against using the same password in multiple places because of the security risk.

But when you can't remember a password, it can become more than just inconvenient. On occasion, an "incorrect username or password" failure will cause you to get locked out of an important program, and only IT can let you in.

Exploring password managers

One convenient option for keeping all your vital passwords straight is the

built-in "save your password" storage on browsers like Google Chrome that show up in a pop-up when you create an account password.

There are also free and premium cloud-based password vaults from providers like Dashlane and LastPass that generate long, complicated, unique passwords to trip up hackers.

Keeping all your passwords in one place – which is protected by a password you'll have to remember or write down/store somewhere – may seem risky.

But even if one of your most-visited sites gets hacked, the unique password generated can't be used to gain access anywhere else, like sensitive email, bank or social media accounts.

If you're having a hard time deciding on a password manager, ask IT – they're sure to have opinions about which one is best.

Info: bit.ly/password551

Fast way to put info from Word directly into Excel

- **How to embed spreadsheet data into a new document**

It's likely that you're often working in both Microsoft Word and Excel at the same time during the workweek.

If you need to insert data from an Excel worksheet into a Word document, there's good news: You don't have to spend a bunch of time retyping it.

Excel to Word

While preparing the Word document, you can put all of the Excel ribbon tabs in the Word ribbon by:

1. placing the insertion point where the table should start
2. selecting Insert, then Object (Word will display the Object dialog box), and

3. clicking Microsoft Excel Worksheet, then OK (Excel ribbon tabs appear at the top of Word)

From there, you can build your worksheet in the frame and use the resize handles in the corner of the frame to adjust its length and width.

Consider using View, Show and uncheck Gridlines to hide the gridlines in the Word doc.

Then, click outside the spreadsheet frame and the worksheet appears in Word.

Paragraphs from Word can also be pasted into Excel. Click Insert, Object, then Microsoft Word.

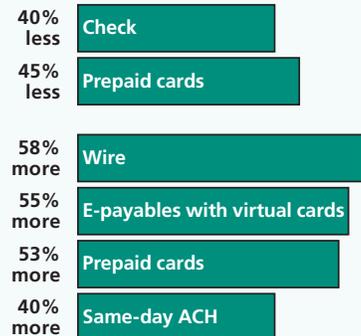
Info: bit.ly/exceltoword551

How do you stack up?

Payment method trends

What types of payments are you making more/less?

Note: Percentages are rounded up; more than one answer accepted



Source: PYMNTS, Pymnts.com

A/P modernization efforts over the past year have allowed many firms to change how they make payments. And that's streamlined the way they do business with vendors in most cases.

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

- **Not the best way to pay your last invoice to a vendor**

After leaving his job, a Georgia man claimed his former employer still owed him \$915. At one point, he turned to the state department of labor for help.

The employer eventually paid up, but delivered the payment in the form of 90,000 pennies covered in an oily substance.

The ex-employee and his girlfriend spent months cleaning the pennies to cash them in. Thankfully, Coinstar helped out, taking the coins and presenting him with a check.

When the business owner was asked to comment, he said, "He got paid, that's all that matters."

Turns out paper checks aren't the most inconvenient way to pay a vendor after all.

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.

DELIVERIES

Sales tax guidelines are constantly changing for various purchases and transactions involving deliveries.

TENNESSEE – Revenue Ruling #20-13 says a business that connects restaurants and other retailers to independent delivery drivers doesn't count as a marketplace facilitator. That means these transactions aren't subject to sales and use tax.

Here's why: The department of revenue said the business actually counts as a delivery network company. These companies are excluded as marketplace facilitators as long as they don't own or control any of the sellers they work with and all deliveries occur within 50 miles of the sellers.

Info: bit.ly/tn-551

VIRGINIA – Returns to vendors in the Old Dominion may have more hassles involved. Reason: Businesses may not provide easy return labels, since they'll have to pay sales tax on the shipping charges for the returns.

This is according to a ruling by the state tax commissioner. While delivery charges to the customer are still exempt from sales tax, charges from the customer back to the seller aren't because these charges are directly connected to the sale of products to customers in Virginia.

Info: bit.ly/va-551

NEXUS

Two recent state reg updates will affect economic nexus for certain transactions.

INDIANA – New guidance from the state department of revenue offers clarity on sourcing rules for direct mail and how this impacts sales tax.

Information Bulletin #54 says tax

liability for direct mail transactions can change based on a variety of factors, including the locations of the printer, purchaser and recipients.

Example: Out-of-state customers who are working with Indiana printers can provide direct payment permits or exemption certificates to printers. In these cases, the customers will collect and remit sales and use tax for those transactions. However, without these documents, printers must cover the taxes on these transactions.

Tax obligations change based on whether customers have these permits or certificates. Nexus is also impacted depending on who pays the tax.

Info: bit.ly/in-551

TEXAS – Effective Oct. 1, 2021, a new provision of Rule 3.334 affects nexus based on the location where orders from salespeople are received.

Any orders salespeople receive while they're traveling will be treated as being received at the location where the salesperson normally works, as long as it independently meets the state's definition of a place of business.

Another provision that was set to be effective this fall, which states that any orders received by shopping websites and apps will be treated as received at a location that isn't the seller's place of business, has been temporarily suspended pending a court ruling. We'll keep you posted.

Info: bit.ly/tx-551

SERVICES

Recent state law changes and letter rulings offer clarity on the taxability of these two services.

ARKANSAS – Software designed to monitor traffic on clients' internet networks and prioritize the use of bandwidth for certain applications is exempt from sales tax, according to a Revenue Legal Opinion from the state department of finance and administration.

Because customers don't receive

the software in a physical format, it's not considered tangible physical property that's subject to tax.

Info: bit.ly/ar-551

NORTH CAROLINA – Just like prepaid wireless calling services, the sale of prepaid cards for wireless services by cellular providers in the Tar Heel State is taxable, per a private letter ruling from the state department of revenue.

Although prepaid cards cover more than just calling services (including app downloads and ringtones), they still meet the definition of prepaid wireless calling services because they're purchased for mobile telecommunications services in advance at predetermined amounts.

Info: bit.ly/nc-551

FROM OUR SUBSCRIBERS

Over 90% of our readers say that *Keep Up to Date on Accounts Payable (KAP)*, with its quick-read format, is more valuable than any other publication they read.

"K *Keep Up to Date on Accounts Payable* helps me to stay current on issues that influence A/P. I have found many new ideas to improve our existing processes."

Michelle Varusa
Senior Accounting Manager
Kraft Foods

"W e've dropped most other subscriptions, but *KAP* always shows us some helpful info."

Christine Wyman
A/P Manager
Purity Wholesale Grocers Inc.