



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.

December 6, 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.

Disconnected employees: How to avoid issues for A/P

■ Keep 'working dead' at bay this year-end

As year-end draws closer, you need everyone you work with to be at the top of their game.

But be aware: A good number of your people, as well as employees in other departments, may be disengaged, doing the bare minimum and affecting your ability to meet key deadlines.

In fact, a third of employees at companies are the "working dead" – unhappy, unmotivated and barely productive – according to a new study from Perceptyx, a firm that specializes in people analytics.

Even worse: These employees have no plans to leave. So, if things

don't improve, they'll be negatively impacting A/P's operations for a long time.

A look at the disconnected

The study looked at how well companies were meeting employees' basic needs in three key categories:

1. People management
2. Employee development, and
3. Workplace climate.

Depending on how people answered, they were divided into several categories.

The employees you'll have to worry

(Please see Disconnected ... on Page 2)

Fringe benefits: Important numbers from IRS

■ Latest info on transportation & adoption assistance

Heads up: IRS has just released important updates about fringe benefits in Rev. Proc. 2021-45.

Here are the figures A/P will need to know in 2022.

Payments to employees

The new monthly reimbursement limit for qualified transportation benefits will be \$280 for qualified parking (a \$10 increase from 2021) and \$280 for transportation in commuter vehicles or transit passes (also up \$10).

For companies that offer employees

adoption assistance, the maximum amount that A/P can reimburse employees for expenses before having to get Payroll involved is \$14,890 (an increase from \$14,440 in 2021).

This dollar amount will begin to phase out once an employee's adjusted gross income becomes more than \$223,410. (The current limit is \$216,660.) Employees will be completely ineligible for adoption assistance once their gross income reaches \$263,410 (up from the current limit of \$256,660).

Info: bit.ly/fringe552

Improve Employee Engagement

Disconnected ...

(continued from Page 1)

about most are your working dead, or those in the disconnected category: 34% of employees surveyed.

These employees don't feel like their employers are investing in their development, and they have little faith in their managers. Plus, their workplace climate is having a negative impact on their general well-being.

Although disconnected employees aren't always verbal about their dissatisfaction, they'll show it in three distinct ways:

1. **They may be more negative.** Disconnected employees are much less likely than others to feel pride in their employer. They're also more likely to see little opportunity for themselves to advance, which is often evident in the work they produce or their attitude about their current position.
2. **They aren't willing to go the extra mile.** Only a quarter of disconnected employees would put forth any extra effort at their jobs to meet deadlines or production goals – and 23% said they wouldn't be willing to do anything extra at all. This could be detrimental for your year-end prep.
3. **They treat their jobs with indifference.** Often, disconnected employees will simply go through

the motions on a day-to-day basis. And they're significantly more likely to say they don't understand the expectations of their role.

Addressing the problem

So what should you do to improve employees' attitudes about their jobs, especially for the disconnected?

- **Assess the situation.** Collect data about how they're feeling via an employee satisfaction survey. If you aren't surveying your people to get a sense of how they're feeling about their jobs, you should start ASAP.
- **Analyze the results.** Once you have feedback from your employees, take a close look at what they're saying. If you notice certain trends, you may have to follow up with additional surveys, meetings or discussions about key issues so you can pinpoint their exact problems and brainstorm to find solutions.
- **Act on your findings.** Look for ways to implement the solutions that would work best for everyone. Whether it's opportunities for employee development, more one-on-one discussions with your people or additional social activities to improve engagement, addressing these issues can pay off quickly. Continue following up with employees to see if the changes are working to keep them happy and productive.

Info: bit.ly/disconnected552

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.

■ Employee in military reserve deployed, then fired: Bias?

While picking up some much needed items at the pharmacy, A/P Manager Jenn Smith felt a tap on the shoulder from Leann Lyons, an A/P manager at another company.

"Oh hey, Leann. Are you running some errands on your lunch break, too?" Jenn asked.

"I need some antacids badly," Leann said. "We're letting some people go in A/P because of poor performance, and one of them is suing us for discrimination."

Unfortunate timing

"I've been there," Jenn said. "What's the problem?"

"There's this guy, Kyle Drake, who's in the Army Reserve," Leann said. "He falls way behind on his work, then tells me he's being deployed for two months of active duty."

"I emailed HR about how Kyle was missing his goals, and I also mentioned that he was required to take leave," she continued. "Since we ended up firing him, my email is now being used against us in court."

"The timing's definitely not good, but if you can prove that non-military employees were held to similar standards and faced the same discipline, it's not discrimination," Jenn said.

Kyle sued on the grounds that his military deployment leave motivated the company to terminate him, which would be a violation of the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Leann's company fought to get the case dismissed. Did it succeed?

- *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 Researched best e-payment providers

COVID-19 forced us to look into electronic payments for our suppliers because our staff was working remotely and unable to be in the office long enough to cut the number of checks that we used to pre-pandemic.

It was also a pressing issue for our vendors to be paid electronically. For them, physically depositing checks or cash wasn't practical.

But we knew some e-payments could take even longer to process than paper checks because they're not designed with businesses in mind.

Were there better ways to pay our vendors that upheld our company's reputation for prompt payment and didn't increase operating costs or fraud risk?

Needs to be met

We created a must-have list of questions to ask when we shopped for a digital payment solution partner:

- What is your enrollment process like? (We didn't want one that was overly complex or required re-enrollment.)
- Are there adequate risk management and process oversights that

prevent cyberattacks, but don't slow A/P down?

- Can you reassure/support vendors with different levels of digital IQ?
- Will the technology be supported four years from now?
- Is it easy to reconcile and clear payments?

This narrowed down our choices and kept us from making a rushed decision.

(Chris Clausen, Executive Director of Digital Payment Solutions, Deluxe, as presented in the IOFM webinar "Control & Capability: Implementing Effective Electronic Payments")

IMPROVING YOUR OWN A/P PROCESS

2 Paperless system saved time in 3 key areas

Each year, we had to manually create new vendor file folders, with labels identifying what year they're from, etc.

At the end of the year, all files had to be boxed up and kept in storage in accordance with IRS record retention guidelines.

And to keep the system organized, we had to make sure folders and invoices stayed in alphabetical order. Even when it was a part of a staffer's daily workflow, all that

paper recordkeeping became a time sink.

Time-saving upgrade

Then, an upgrade to our accounting system software allowed us to start digitally managing general ledger entries and scanning documentation, invoices and related invoice documents.

We went paperless, and it saved countless hours. Areas that most noticeably became streamlined:

1. **Recordkeeping duties.** What used to take five full-time clerks

to maintain can now be done by two full-time staffers and one part-timer.

2. **Audits.** All I have to do is copy and paste data into a file folder on my computer and upload it. No more making trips to the copier or handing paper files off to auditors.
3. **Customer service.** A digital system gives us quicker access to their info.

(Michelle Nielsen, Contracts/Accounts Payable Manager, Tropical Texas Behavioral Health, Edinburg, TX)

3 Getting in front of change resistance

While some people were open to upcoming process changes and new roles and responsibilities as we prepared for a new year, others had an attitude of: "No, I don't want to change what I'm doing."

Change is challenging because it's a journey into the unknown. Uncertainty tends to cause stress, leading to pushback.

So how could I validate these feelings my co-workers were having,

and at the same time ease them into necessary changes being made?

Be upfront with the 'why'

I started by telling people's it's OK to be nervous about change and that I want to work together to find a solution that works for everyone.

Then I'd share the reasoning behind the moves.

For instance, I may say: "This is why we're doing this – because it's going to help the vendors on the other end," or "We're doing this because it's

going to help us to be more consistent with payments."

Here's another example. If I write an email asking "Can you help me with this?" a lot of people will think "She's asking me for something else. Why do I need to do that?"

That's why I'll also say: "This is why I need you to help with this."

Being up front in giving the reasons why things are being done really helps get buy-in from people.

(Melisa Garcia, Finance Manager, Acuren Inspection Inc., Danbury, CT)

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.

IMPORTANCE OF TRAVEL

It's about that time of year when your CFO's going to be finalizing next year's T&E budget.

And they could be considering significant cuts. Due to the pandemic, employers may think many in-person interactions can be replaced by tech such as video meetings.

Business travelers at your company likely won't be happy if your travel budget is lower next year – and you'll be the one hearing their complaints and fielding questions.

It could save A/P a lot of hassle if you make it a point to remind the top brass of the benefits of business travel right as they're making decisions about spending in the new year.

According to the American Express and American Express Global Business Travel Back to Blue Skies survey, business travel:

- **Boosts the bottom line.** A big selling point for CFOs, 85% of decision-makers surveyed said that corporate travel leads to higher profit and revenue. It's easier for travelers to seal business deals and

forge key networking connections in person than over Zoom.

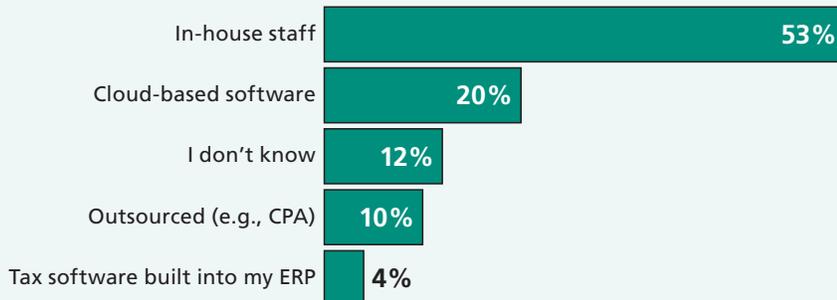
- **Improves retention and attracts top talent.** When they're looking at new job opportunities, 85% of business travelers surveyed said the ability to travel for work is important to their decision. And over 80% of company decision-makers said that business travel is essential for recruitment and retention of employees.
- **Builds company culture.** An important aspect of recovering from pandemic upheaval, 88% of business travelers and 87% of decision-makers surveyed said traveling helps strengthen company culture by allowing workers to learn from each other, especially new hires.
- **Drives innovation.** According to 88% of business travelers, traveling for their jobs helps them improve their creativity and innovation, which they then take to work with them. This is essential for employers looking for their next cost-saving idea or innovative product.

Info: bit.ly/travelbenefits552

Who's in charge of sales tax?

How does your company manage sales tax calculation and collection?

Note: Percentages are rounded



Source: Avalara webinar "Sales Tax 101: A Beginner's Guide to Compliance"

The majority of A/P pros take care of sales tax obligations for the states they do business in by themselves. But that's not the only option available for getting this important task done. If you're not the one who's hands-on with sales tax, you should still make sure you know the basics, just in case.

TEST YOUR KNOWLEDGE

■ Keeping your cash away from crooks: Steps to take

A/P has an important role to protect company money from accidentally getting into the hands of corrupt co-workers, fraudsters or even ransomware terrorists.

But is your staff aware of the measures they need to be taking?

Answer *True* or *False* to the following to check their awareness of where fraud can occur.

1. Potential vendors should be able to pass a quick "background check" to make sure they're not on the radar of the U.S. Treasury Department's Office of Foreign Assets Control (OFAC).
2. A/P employees need to know how to bypass internal controls to increase productivity or in case there's a time crunch.
3. If a staffer encounters an email that looks suspicious due to various errors or the email domain looks off, they should just delete it and move on.

ANSWERS

- Answers to the quiz:
1. *True.* OFAC keeps a list of individuals and companies owned or controlled by, or acting for or on behalf of, criminals or entities Americans are prohibited from dealing with. Go to bit.ly/ofacheck552 to run a search.
 2. *False.* Strong fraud prevention controls need to be in place in every step of the A/P process. Employees should know what the controls are for and why they can't cut corners on security.
 3. *False.* The sender might try to contact someone else in the organization. Encourage employees to take fraud threats like that seriously and have a procedure for easily reporting emails that seem amiss.
Cite: bit.ly/traud552

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.

3 things to avoid saying in A/P employee evaluations

When giving feedback to staffers in periodic performance evaluations, you try to be as constructive and helpful as possible.

But believe it or not, career and management experts say that “Great job” can be as ineffective as saying “I don’t like that” or “You need to work on your attitude.”

“Great job” is positive, but vague. Couple it with what the person did well and how that great job impacts the organization.

Difficult staffers may have you on the verge of saying those other two phrases. But instead, try giving them guidance on what needs to happen differently and how they can do better next time.

Info: bit.ly/greatjob552

1 way to prevent issues with missing vendor invoices

Misplaced invoices often cause huge headaches for A/P, and they can also lead to duplicate payments.

A/P expert Nancy Ekrem, CPA, has a solution to reduce the likelihood of this happening: Have one inbox that’s specifically designated for emails from vendors with invoices attached and nothing else.

Not only will this make invoices easy to locate, it lowers the chances an invoice will get lost or paid twice.

Info: bit.ly/invoice551

Potential savings, revenue may be hiding in A/P

To save time, money, and maybe even bring in new revenue, try analyzing your own spend in A/P.

A spend analysis with assistance from your bank can focus on, for example, a 12-month spend file to determine how many suppliers you’re paying and how many

payments you’ve made. It can:

- show how much certain methods (check, ACH, card, wire, etc.) are used to make payments
- provide projections on what your payment mix could be, highlighting payment types that could actually generate revenue, and
- identify what additional revenue you’re missing by not paying your card-accepting suppliers with a virtual credit card.

Info: bit.ly/review552

SOFTWARE SKILL BOOSTER

Excel can talk to you to help key in data accurately

Excel doesn’t do all the things your smart speaker can, but it can talk.

To keep your hands on the keyboard and cut down on data entry errors, Excel can verify what you’re typing via a speech utility that speaks each number aloud as you complete each cell.

To use the text to speech option, you have to add icons to the Quick Access toolbar by:

1. right-clicking the ribbon and choosing “Customize the Quick Access Toolbar” (QAT), then choosing “Commands Not in the Ribbon” in the left dropdown menu
2. scrolling down to the icons that start with “S” and click on Speak Cells, and
3. clicking the Add>> button five times to move the Speak Cells icons to the QAT.

You can now select a range of cells and click the Speak Cells icon. You can also tell Excel to “Speak Cells by Columns” or “Speak Cells by Rows” by clicking on those icons.

Info: bit.ly/exceltalk552

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

PAYABLES NEWS

■ IRS issues new password restrictions for FIRE system

Be careful with your password for IRS’ FIRE system – and make sure it’s something you can remember easily or store safely in your browser.

Reason: For tax year 2021, IRS has updated Publication 1220 with additional guidance that says the FIRE password can’t be changed more than one time in any 24-hour period.

So if you forget your password and need to change it in the same day, you could be locked out of the account until the next day.

Another note: Your FIRE password also can’t contain spaces.

Info: bit.ly/password552

■ Survey: Manual processes hurt vendor relationships

A new survey from PYMNTS and Comdata confirms one of your biggest fears about manual processes and your vendors.

Almost a quarter of A/P pros surveyed said manual processes have damaged their vendor relationships.

Most of them cite the difficulties that manual processes cause for both parties when gathering and managing info about vendors at the beginning of business arrangements.

For strategies to improve your vendor relationships, please see our story on page 6.

Info: bit.ly/manual552

■ Employees feeling the crunch at work, not taking breaks

Because this time of the year is so hectic for A/P, take note: 48% of employees feel so busy that they never disconnect at all during business hours – even to take small breaks. That’s according to a new survey from Robert Half.

This behavior can ultimately hurt work performance. So be sure you and your team still make time for breaks to eat lunch and recharge.

Info: bit.ly/breaks552

6 keys to keeping your vendor partnerships strong, productive

■ Maintaining relationships crucial to meeting finance goals

Because your vendors are an important part of your company's success, it's smart to do what you can to make your company stand out when working with them.

CIO.com offers these steps you can take to make your business partners feel special, motivating them to help you achieve better results.

Building trust

1. **Get to know them on a personal level.** A good way to do this is occasionally socializing with your contacts in non-work settings like lunch or a sporting event. But stay mindful of work-life balance and avoid conflicts with family or work commitments.
2. **Ask them for advice.** Discuss pain points you're having in A/P that you don't have solutions for. They may be able to point you to resources you didn't know existed.
3. **If there's a problem, give them a fair chance to correct it.** Instead of just switching vendors or products, bring performance issues to their attention. They might not

be aware of them. If you've built a relationship with a vendor, this may be a good opportunity to test how creative they can be in solving your problems.

4. **Limit the number of vendors you use for certain services.** Focusing on a smaller number of firms allows you to spend more money with each vendor, which results in better service. You don't have to use any vendors exclusively because you still want to encourage competition, which can help you get better deals.
5. **Look for ways you can help grow their business.** If you do something extra to boost their bottom line, they're likely to return the favor. Examples include giving them more work with your company or referring them to someone you know who could use their help.
6. **Treat on-site vendors like part of your team.** It may not be necessary to keep contractors out of the loop. Overall, it would boost productivity if they know what's going on in your organization.
Info: bit.ly/vendors552

Sharpen your judgment THE DECISION

(See case on Page 2)

No. A judge ruled that a jury should decide whether the company showed bias against Kyle due to his need to take military leave.

The employer argued that it fired others at the same time because of similar issues, and Kyle would've been let go regardless of his military status.

But the court disagreed because the notification of Kyle's deployment and his termination happened too close together to ignore.

The court also said the email could be used as proof that Kyle may have been selected for dismissal because his two months' leave would've been an inconvenience to the employer.

Analysis: Documentation matters

It never looks good when a staffer on any type of leave is fired.

If you have to make a hard decision like that, make sure performance issues are well documented, and ask your legal team if all responsibilities under federal law have been met.

Based on Daubenspeck v. Textron Aviation Inc. 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.

Operator scams state with fraudulent bills

Individual: Carla Moreno, former operator of The Language Spot, Pasco, WA.

Violation: By overbilling translation services for Spanish-speaking workers who had workers' comp claims, Moreno scammed the state out of thousands of dollars.

Penalty: Moreno was ordered to serve a month of confinement: 10 days in jail and 20 days of home confinement. She also had to repay \$43,296.

Note: As part of her scheme, Moreno double-billed services, billed for appointments that didn't happen, and submitted bills using the info of providers who no longer worked with her.

Cite: bit.ly/billing552

\$1M installation scheme hoses FL customers

Individual: Ricardo Duerto, owner of Villa Pavers and Pools, Tallahassee, FL.

Violation: Villa Pavers and Pools would bill customers for a significant portion (up to 80%) of the price agreed upon for installation, then never end up completing the job after the invoice was paid. In all, nearly 100 customers in Florida were allegedly defrauded out of over \$1 million.

Penalty: If convicted, Duerto and his co-conspirators could spend up to 30 years in prison.

Note: The company's business model was built upon collecting at least 40% of the contracted price for services, but leaving the job unfinished – and some customers with merely holes in the ground.

Cite: bit.ly/poolscheme552

Making Technology Work for You

Advantages and disadvantages for different types of electronic payments

■ Which ones should your firm be using?

To accommodate as many vendors as possible, your business may need to use a combination of e-payment methods.

Each type has risks as well as rewards, however, and some methods are better suited for certain situations.

Alternatives to checks

Here's a breakdown of the pros and cons of the most common e-payment methods, as well as the best times to use them, according to A/P software vendor Mineral Tree.

ACH payments. These work best for recurring (e.g., monthly) charges.

- Pro: ACH payments are typically free or low-cost.
- Cons: They can take several business days to process and are high-risk and less secure because vendors can access your company's account information.

Virtual cards. Single-use, 16-digit,

plastic-less cards are ideal for sending highly secure vendor payments.

- Pros: There's no cost, and virtual cards are speedy and secure due to payment tokenization.
- Con: Few vendors accept them.

Purchasing cards (P-cards). These cards are most useful for small-dollar and high-volume purchases and for early payments that earn a discount.

- Pros: P-cards are low-cost because they have a non-revolving credit line that has to be paid in full. They're also fairly secure and speedy. Daily spending limits can be set. And the cards reduce the volume of purchase orders and invoices.
- Cons: There are late fees, and it can be difficult to audit individual transactions for high-risk or fraudulent activity. Unlike credit cards, they're not allowed to carry a balance.

Info: bit.ly/epayments552

Zoom fatigue? 4 ways to fight it off, ease stress

■ Being present while not constantly being on camera

Videoconferencing platforms like Zoom allowed companies to remain connected and employees to stay productive while the workforce transitioned to a hybrid approach.

However, being on camera so often can take a lot out of you, especially when you attend multiple virtual meetings in a day or week.

Less stressful online meetings

But good news: There are steps you can take to reduce that fatigue:

1. **Make some of your meetings audio-only.** Give your eyes a break from gazing into your webcam. Also, this gives you freedom to move around the room during the meeting (especially if you have a wireless headset) without distracting other meeting attendees.
2. **Turn off gallery view.** Eliminate the distraction of having a virtual roomful of people staring at you simultaneously.
3. **Hide your own self-view.** Instead, select active speaker view, which reduces the number of visible attendees to just the speaker. That way, you aren't distracted by your appearance on camera.
4. **Listen and walk.** If you're not an active participant on a call, consider muting yourself, connecting with your phone and taking a walk.

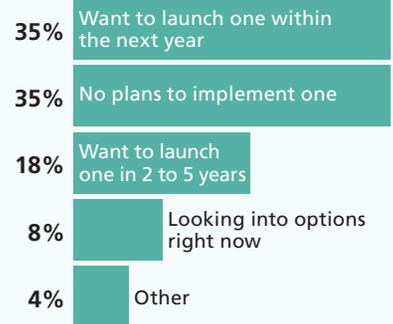
Info: bit.ly/fatigue552

How do you stack up?

Vendor portals

What's your status on implementing a vendor portal?

Note: Percentages are rounded



Source: 2020 Accounts Payable Customer Service Survey, invoiceinfo.com

Using a vendor self-service portal can reduce costs, ease A/P's administrative burdens and improve customer service. But you may want to poll your vendors first since some might not be on board just yet.

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

■ Employee quits immediately after boss texts at 3 a.m.

Imagine being awoken in the middle of the night by the boss urgently text messaging that you have to come into work.

According to a report from *The Mirror* in the U.K., that's what happened to a bartender, whose manager told him at 3 a.m. he was needed to work a long shift, despite it being his day off.

Had he been given more notice, and contacted at a reasonable hour, the employee said he would've said "yes." But instead, he said, "I quit!"

You wouldn't think of texting or calling your staffers while they're asleep. And even if you were tempted, it's best to refrain because you definitely don't want them to quit as the year-end crunch ramps up.

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.

MEDICAL EQUIPMENT

States are all over the place about whether businesses receive sales tax exemptions for purchasing medical equipment.

FLORIDA – Be aware: A new tax exemption for certain independent living items only applies to purchases for noncommercial or personal use.

The exemption, effective Jan. 1, 2022, doesn't apply to purchases of bed transfer handles, bed rails, grab bars or shower seats by any business – even if it's an assisted living facility or a medical institution.

Info: bit.ly/fl-552

MISSOURI – Accessibility ramps, chair lifts and stair lifts purchased and rented by businesses to improve accessibility for people with disabilities are exempt from sales and use tax, according to a recent letter ruling from the state department of revenue.

These items are considered “ambulatory aids,” the department said, and under existing tax law, the sale of ambulatory aids isn't taxable.

Info: bit.ly/mo-552

SERVICES

Here are two recent updates concerning the taxability of services you and your employer likely use.

OHIO – The use of employment services, including employment placement services, is now exempt from sales and use tax as of Oct. 1, 2021, thanks to HB 110.

Legally, “employment services” are defined as “providing or supplying personnel, on a temporary or long-term basis, to perform work or labor under the supervision of another” where the workers are paid by either the provider of the

service or another third-party.

Info: bit.ly/oh-551

TEXAS – Good news: SB 153 now excludes several types of electronic payment processing services you use in A/P from sales and use tax.

Effective Oct. 1, 2021, financial transactions that are no longer subject to sales tax include electronic payments that are settled by money transmitters, downstream payment processors, banks and payment card networks. Also, transactions for services companies may use to encrypt financial info to transmit it over payment card networks aren't taxable.

Info: bit.ly/tx-552

TECHNOLOGY

If you're purchasing online training or new software, be sure you're aware of the latest tax updates in three states.

IOWA – The Hawkeye State recently released updated guidance about the taxability of digital products, software and related services.

The guidance discusses webinars. Generally, they're taxed as digital products. However, this depends on how the webinar is presented. If the level of participation that's available to live webinar attendees is similar to that of an in-person presentation, the purchase isn't subject to sales tax.

Example: If both in-person attendees and remote participants are allowed to ask questions throughout the live webinar, you won't have to pay sales tax when purchasing it.

Info: bit.ly/ia-552

MISSISSIPPI – If you're paying a subscription fee for cloud-based A/P software or thinking of making the switch, a new proposed rule may pinch your budget.

The state department of revenue has introduced amendments to current tax law that would specifically make all software as a service solutions accessed via the cloud taxable.

Specifically, the amendments will remove an existing provision stating that “software maintained on a server located outside the state and accessible for use only via the internet is not taxable.” We'll keep you posted on if and when these changes go into effect.

Info: bit.ly/ms-552

NORTH CAROLINA – The purchase of a web-based software as a service application designed for recordkeeping and administration isn't subject to sales and use tax.

This was clarified in a recent private letter ruling, which said any cloud-based software users access electronically over the internet, such as this app, is tax-exempt.

Info: bit.ly/nc-552

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