

## CHALLENGES

- Critical need to reduce direct and indirect costs
- Need to maximize shrinking manpower resources
- Need for sales and use tax expertise in order to stay compliant
- Desire to reduce amount of paper flowing through the organization

## SOLUTIONS

- **vCERT**<sup>®</sup>
- **vRETURN**<sup>®</sup>
- **Professional Services**  
by *taxcient*

## THE BENEFITS

- Reduces cost of preparing and remitting 1,000 sales and use tax returns annually
- Increases compliance and reduces audit risk
- Slashes archive costs
- Audits are done faster and with minimal assessments
- Archived exemption certificates are instantly available via the web
- Typically pays for itself 5-times over, annually
- SAS-70 compliant

Visit [www.taxcient.com](http://www.taxcient.com)  
for product information  
or call 1-866-598-5550.

# Anacomp, Inc. Estimates \$250K Annual Savings with *taxcient* Sales and Use Tax

## THE CHALLENGE

Anacomp is a world-wide player in the document imaging industry. The CFO, Jeff Cartwright, was hired in 2006 to rejuvenate Anacomp's revenues and provide strong financial leadership. Emerging from bankruptcy a second time in a dozen years and facing declining revenues put enormous pressure on Jeff and all personnel to think creatively and perform to their maximum. One of Jeff's first actions was to look carefully at potentially cash-draining activities within his own department, specifically, payments of inappropriate state sales and use taxes or avoidable audit assessments and penalties.

## SEARCH FOR SAVINGS AND COMPLIANCE

Jeff watched closely as Taxcient experts implemented vCERT and vRETURN, a decision made before his arrival, and continued to have Taxcient combat their audit problems. He quickly became convinced that Anacomp would be well-served to have Taxcient's expertise on his side; saving time, significant money and valuable resources.

*"We use **taxcient** products and services exclusively and have been quite pleased with the results and the very reasonable cost."*

**Jeff Cartwright**  
CFO, Anacomp, Inc.

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## **vCERT®**

### **Exemption Certificate Management That's Easy and Cost Effective.**

Jeff originally had felt that his company's core competencies of document management and business process improvement would be perfectly-suited to allow them to manage their own state tax affairs and associated paperwork. However, he saw the tax team stressed with cumbersome paper processes and automation made difficult by the sheer numbers of taxing entities, changing forms and rates, and numbers of clients. While document imaging was their business, state and use tax compliance was not.

Under Jeff's leadership, Anacomp initially implemented portions of vCERT, from Taxcient, to address the costly problems associated with sales and use tax exemption certificate management, which had been spotty. Sales and use tax exemptions for over 3,000 of Anacomp's customers across 260 taxing entities are now managed effectively to Anacomp's satisfaction. Anacomp especially benefits from vCERT's digitally-stored exemption certificates and web-accessible management across departments. The biggest payoff from vCERT is during an audit, with certificates easily located and provided to the state.

## **vRETURN®**

### **Highly Accurate and Thorough Sales and Use Tax Returns**

Anacomp now files over 1,000 sales and use tax returns every year using Taxcient's vRETURN solution. For Jeff, the process is totally hands-off, worry-free, organized, and accurate. Because of vRETURN, personnel can work on other tasks, paperwork and audit risk are dramatically reduced, errors are minimized, and only appropriate taxes are paid.

*"The biggest benefit of using vRETURN® has been the massive reduction of paperwork and its associated costs."*

Furthermore, now there are no late submissions which had previously been warning signals to sales and use taxing authorities. Also, Jeff believes the number of notices from such authorities has dropped dramatically and the few requiring a response are answered very quickly and blunts further questions. The internal benefits to Anacomp were also impressive - saving approximately \$120K in annual personnel costs and paper and paper storage costs.

## **Professional Services**

### **Former State Auditors on His Side**

Since 2004, more than a dozen sales and use tax audits have now been handled using Taxcient's expertise. The first use of audit defense from Taxcient involved re-opening a closed audit. Taxcient reduced the audit liability from \$120K to \$40K – recovering \$80K for Anacomp.

The audit frequency has slowed to fewer than four per year with benefits accruing from assessments and penalties being significantly reduced or completely eliminated and Tax Manager and Director's time saved. The results of each defense have paid for the defense more than 2-times over with the savings funding other areas of sales and use tax tracking, compliance and return submittal.

### **SAVINGS FINDINGS (\$250K in 2007)**

Jeff estimates that the combined programs and services offered by Taxcient has a net savings to Anacomp of \$250K per year in assessments and penalties avoided, and personnel and paper handling costs saved. He feels that payment of only the appropriate taxes to the proper taxing entities is occurring and that Anacomp's customers are being fairly billed. In his words, "Taxcient has expertise that other companies don't and never will have." •

