

CHALLENGES

- Critical need to increase sales and use tax compliance
- Pressing need to improve customer experience
- Need for a multi-location paperless solution
- Need to reduce direct costs
- Unstated need to demonstrate leadership in tax matters across-the-board

SOLUTIONS

- **vCERT**[®]
by **taxcient**

THE BENEFITS

- Unique wizard enhances customer experience, cuts error rates and wasted time
- Reduces cost of exemption certificate management
- Typically pays for itself 20 times over
- Reduces sales and use tax audit liability by an average of 30%
- Virtually eliminates compliance issues due to missing, incomplete, or inaccurate certificates
- Exemption certificates are web deployed and accessible from any location
- Supports renewals and reminders to customers
- SAS-70 compliant

Visit www.taxcient.com
for product information
or call 1-866-598-5550.

Fortune 500 Forecasts \$195K in Avoided Fees Using vCERT[®] ECM

THE CHALLENGE

This Fortune 500 company had significant problems with sales and use tax exemption certificate management. They have a population of customers numbering well over 50,000 with nationwide nexus of some 200 taxing entities, any of which could request an audit. They had a workable method of manually collecting the paper exemption certificates, but the process degraded when the certificate went from the order taking entity into the corporate exemption certificate management system. The result was a huge quantity of paper certificates dropped in boxes with staffers unable to locate the proper exemption certificate in a timely manner, if at all. Poor processes and manual handling sucked-up time and personnel resources, frustrated customers, and put pending sales “on hold” until a certificate was located. The manual process did nothing to stem the flow of incomplete and incorrect certificates, increasing audit exposure. This was an unsatisfactory situation for any company, especially one with a world leadership role in technology.

“We used to fish through files and loose paper to provide copies of certificates. Now we have minimal audit exposure in this area. It’s not even an issue anymore.”

Senior Tax Manager, Sales and Use Tax
Fortune 500 Company

The Senior Tax Manager’s job was further complicated by the fact that there are two repositories for the paper certificates, one in the East and one in the West. Plenty of confusion existed as to where the actual certificate should be managed and stored. Audits were essentially a nightmare of missed opportunities and unnecessary assessments based on a flawed and failing paper system.

continued
pg. 1

ACTION

As the person responsible for certificate compliance, and as a former Senior State Auditor for the State of California, he knew something had to be done. The Senior Tax Manager had few options... none to his liking.

- **Outsource the work**
(costly and required offsite storage of paper)
- **Develop an automated solution of their own**
(also costly, time-consuming, & hard to maintain)
- **Purchase and install software**
(required deep up-front investment for additional servers, hardware, and software licenses)
- **Keep the status quo**

In a bold move, the Senior Tax Manager decided to get his company involved with early efforts by Taxcient's state and local tax experts, who he knew were designing a web-based automated exemption certificate management system, called vCERT.

RESULTS

Benefit ONE. Sales are completed quickly. Representatives instantly confirm that a valid certificate is on file with the company and rarely put sales "on hold". New customers and customers with expired certificates also benefit from an expedited process, where vCERT's unique wizard helps customers select and complete exemption forms. Certificates are now stored digitally and are instantly retrieved via the web. Staff also spend significantly less time chasing after invalid certificate requests.

"Usually by the time an email reminder would be sent out, the properly completed certificate has been received... it's a pretty successful rate of return."

Benefit TWO. vCERT provides excellent return on investment that exceeds more than 20-times the initial investment. Unlike software solutions that need to be installed on computers and require additional servers, costly hardware, and expensive software installation, vCERT requires only internet access and was

implemented quickly with minimal cost and risk.

Benefit THREE. vCERT implementation has dropped exemption certificate errors to a rate of less than 5%. The Corporate Tax Department now fulfills certificate documentation requests from auditors quickly and accurately, in a hassle-free manner. Audits tend to complete faster and auditors are more readily satisfied with the entire documentation process.

Benefit FOUR. The Corporate Tax Department also finds it easy to conduct internal Sarbanes-Oxley (SOX) compliance audits. What had been a position of risk has been turned into minimal exposure with vCERT.

"vCERT gives us a significant reduction in future exposure and potential liabilities now that I have this tool."

Benefit FIVE. The company has experienced a large reduction in paper storage and paper handling costs with the introduction of vCERT's automated solution. The old paper-based systems had to be supported with repeated calls to clients for supporting documentation, and many man-hours of searching for certificates in the event of an audit.

TODAY (\$195K saved in 2007)

The company faced state tax audits from six large states in the past year and because of vCERT estimated they saved \$150,000 in avoidable assessments and \$45,000 in avoidable penalties.

The company estimates that a fully integrated and mature vCERT system will save them \$250,000 per year in assessments and penalties avoided. This translates to a fully-allocated return on investment of 35% with an estimated payback period at 8 months. •

ABOUT *taxcient*

Taxcient offers a powerful, cost-effective suite of automated sales and use tax solutions and services that leverage the expertise of our team of former sales and use tax auditors. Our solutions dramatically improve compliance and reduce errors, while improving workflow and reducing paper handling costs.