

Tame the Beast, Remove the Burden, Simplify the Sales and Use Tax Returns Filing Process

An ADP Webcast

Tuesday, April 5

Noon – 1:00pm - EST



Housekeeping Items

- **This is one of a number of complimentary webinars that ADP offers to tax and finance professionals each year.**
- **Today's webinar will last for 60 minutes, ending at 1pm eastern time.**
- **The last 10 minutes of today's program have been reserved for Q&A.**
- **You can download a PDF copy of today's slides right now, in case you'd like to take notes.**
- **CPE certificates will be emailed to those who qualify within 30 days of today's broadcast.**
- **We will launch a brief survey at the conclusion of today's webinar.**

CPE Credit

- Are you planning to apply for CPE credit for attending today's webinar?

- A. Yes
- B. No
- C. Not Applicable

You must complete the survey at the end of the webinar too!

NASBA (National Association of State Boards of Accountancy) requirements for receiving CPE Credit:

- Log in from same e-mail address that you used to register
- Stay for the full hour
- Answer 3 out of 4 polling questions
- Answer the required survey questions



About ADP

Experts in Automating Corporate Business Processes



The view from New York's Times Square in December, 2008, when ADP debuted on the NASDAQ.

- **Listed on NASDAQ: ADP**
- **Fortune 300 company**
- **Experts in automating business processes such as payroll, benefits administration, procure-to-pay, sales tax automation and tax credits so that organizations can stay focused on the core business**
- **60 years of experience**
- **Revenues of \$9 Billion**
- **Solid Financials: AAA credit rating from both Moody's and Standard & Poor's**

Agenda

- Introductions
- Challenges of Tax Compliance
- Case Study: Talaris
- ADP Outsourced Returns
- Implementation
- Question and Answers
- Conclusion



Today's Panel



Mark Grupp
North American Tax Manager
Talaris



John Sallese
Director Sales Tax Services
ADP, Inc.

The Burden of Tax Compliance



Polling Question #1

- How much did your company pay out last year in penalty and interest payments?

- A. 0/year
- B. Under \$10,000/year
- C. Between \$10,000 and \$20,000/year
- D. Over \$20,000/year
- E. Don't know

NASBA (National Association of State Boards of Accountancy) requirements for receiving CPE Credit:

- Log in from same e-mail address that you used to register
- Stay for the full hour
- Answer 3 out of 4 polling questions
- Answer the required survey questions

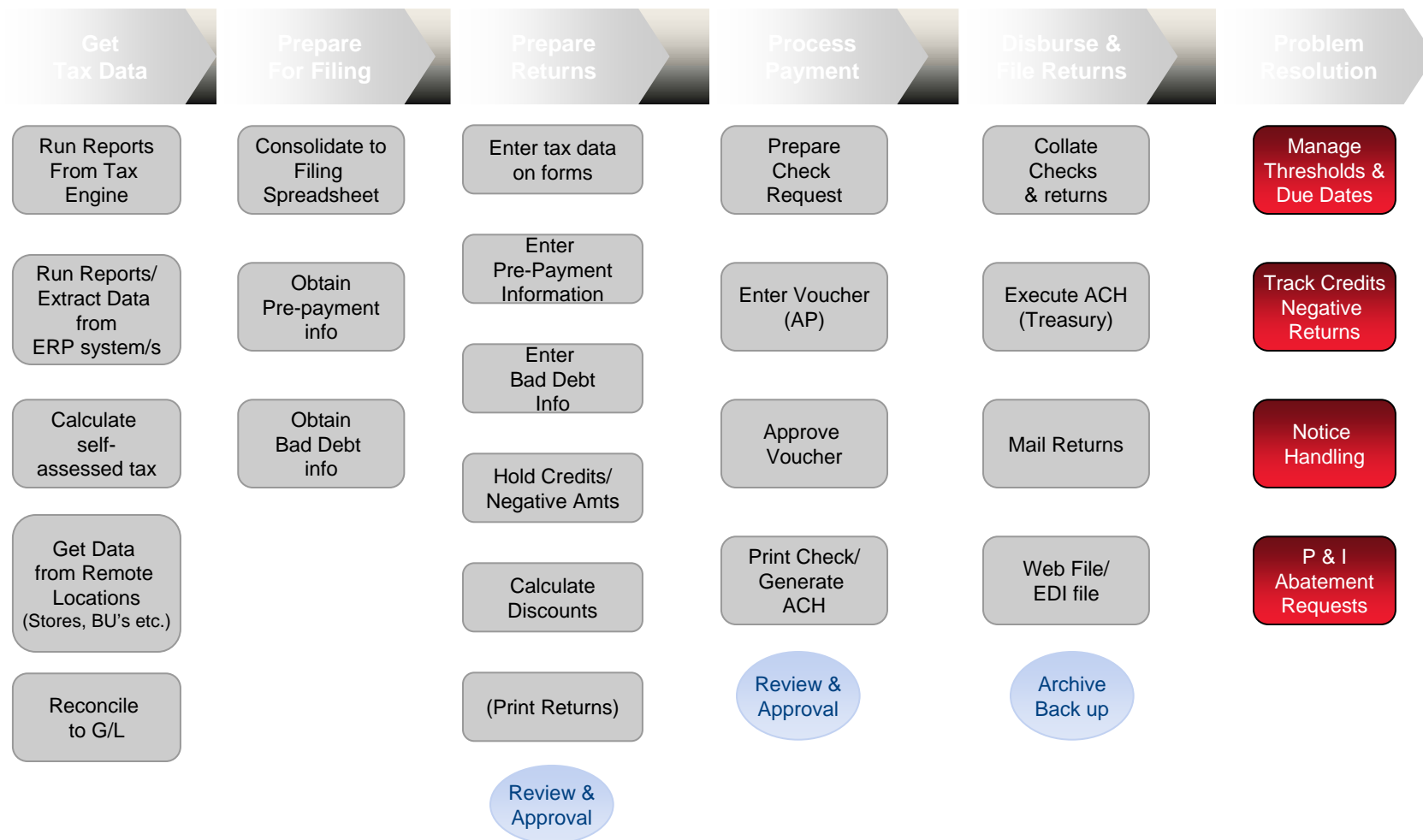


Burden of Tax Compliance - Aspect 1: All the Things that Change

- **Tax rules change, and they change often:**
 - 1,400* Rate changes in 2010
 - 1,417,057* law changes and additions in 2010
 - 387* form changes in 2010

* According to ADP's Tax Console's, internal Tax Research Group

Burden of Compliance - Aspect 2: All the Things You Need to Do



Challenges Beyond Tax Calculation - Aspect 3: All the Things that Keep You Up at Night

- **Mergers/acquisitions and business growth adds to compliance workload**
- **Internal review more stringent and time consuming**
- **Struggling with state and local jurisdictions**
- **Running into penalties and fees**
- **Sales tax department spending 70-80% of time on compliance**
 - Less time for strategic issues
 - Less time for process improvements
 - Less time for technology enhancements

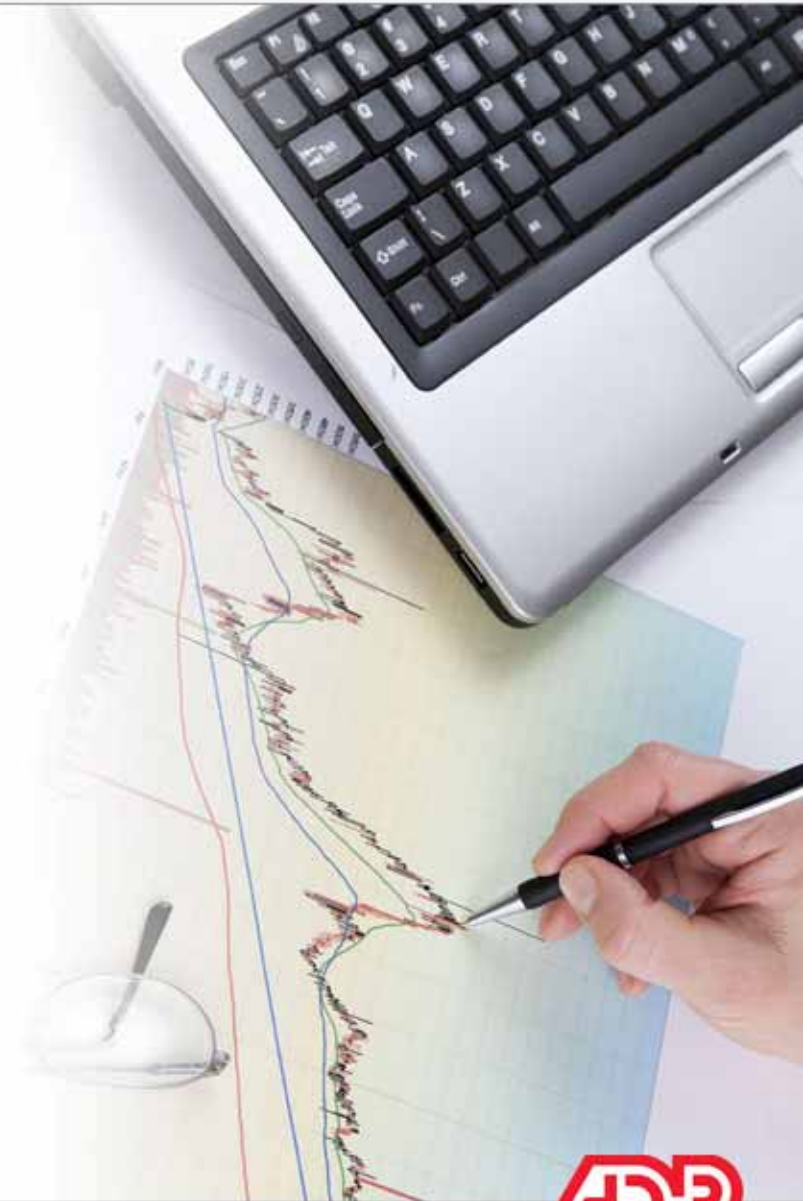


How Do Companies Currently Handle It?



How Are Companies Currently Handling Compliance?

- **Manual**
 - Reports and spreadsheets are manually consolidated to populate paper or web forms
- **Compliance software**
 - Software containing forms with more or less robust import features/abilities
- **Third party services**
 - Utilizing external service provider to file forms and potentially remit payments



Polling Question #2

- How are you currently preparing your sales and use tax returns?
 - A. Manually (spreadsheets and online)
 - B. Forms software
 - C. Outsourced service
 - D. Other
 - E. Don't know

NASBA (National Association of State Boards of Accountancy) requirements for receiving CPE Credit:

- Log in from same e-mail address that you used to register
- Stay for the full hour
- Answer 3 out of 4 polling questions
- Answer the required survey questions



How Do You Domesticize the Burden of Compliance?

- **Use a single service provider for all aspects of your outsourced returns service:**
 - Implementation and setup of service
 - Returns management
 - Fund management and payments
 - Notice management with timely responses
- **A service provider with the expertise to answer your questions and understands your issues**

Case Study: So How Does Talaris Do This?



Deciding to Outsource 222 Returns



Results of Outsourcing



Sales Taxes Domesticated



Implementation Issues

- How are my people going to be affected?
- Who is going to do what?
- What about annual return data?
- How do payments get booked?
- What about SOX?
- How does testing work?
- How does ADP get the information every month?
- How long will this take?
- Will my system work with ADP?
- What if there are system issues?
- Do I have copies of returns?
- What about my tax calendar?
- Where do notices go?



Choose the Right Partner - ADP



ADP Sales Tax Service - Overview

- **Compliance solution**
 - Hosted by ADP
 - Based on your tax data, ADP will...
 - Create and file sales and use tax returns (paper, EDI, web)
 - Make payments (EFT, check)
 - Handle all agency notices
- **ADP handles the payment and filing of taxes to all state and local jurisdictions**
- **Liability for the timing and accuracy shifts to ADP**
- **ADP has 60 years of tax filing and remittance experience – more than any other U.S. company**



Polling Question #3

- How many sales and use tax returns are you preparing each month?

A. 0 – 10

B. 11 - 25

C. 26 – 50

D. 50+

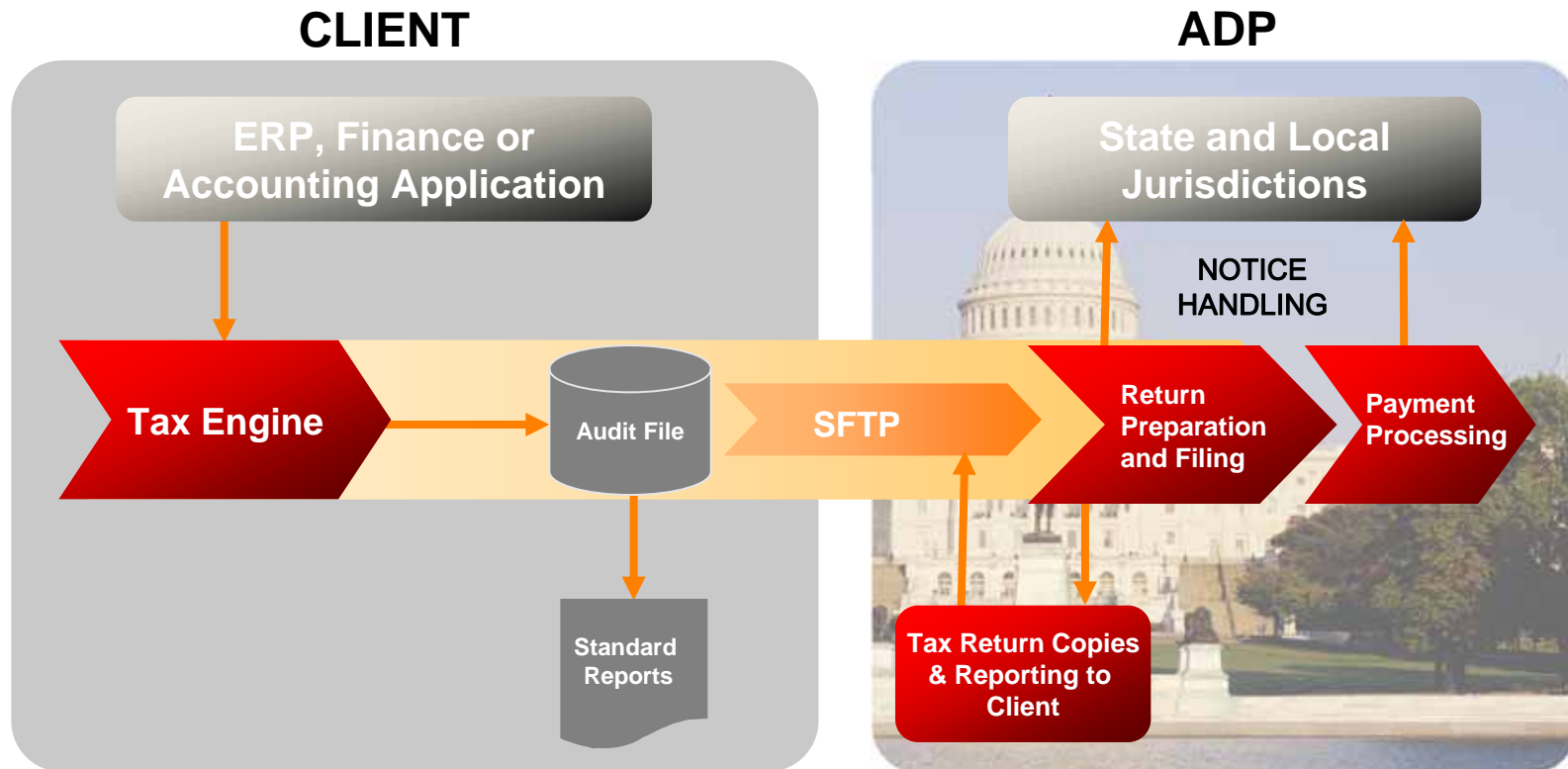
E. Not Applicable

NASBA (National Association of State Boards of Accountancy) requirements for receiving CPE Credit:

- Log in from same e-mail address that you used to register
- Stay for the full hour
- Answer 3 out of 4 polling questions
- Answer the required survey questions



Partnering with ADP - Making the Workflow Simple and Easy



How Can ADP Remove the Burden?



ADP Sales Tax Service: Calendar / Processing Schedule

Your Returns Process Simplified with ADP

Business Day 1-4

Customer transmits data – via secure FTP as soon as books are closed (AR/AP)

Business Day 5- 8

ADP prepares returns and reconciles source data to returns

Business Day 8-10

Returns and reports available for download. Debit notice sent to customer – (S/U Liability)

Business Day 10-15

Funds transfer (wire, ACH credit)

Due Dates

ADP executes payments on behalf of client and files returns as required (web, EDI, paper)



We Also Handle “Exceptions” for You

- **Pre payments/estimated payments**
 - ADP will track your schedule, remind you and execute the payment on your behalf
- **Adjustments**
 - ADP will make adjustments to returns based on client instructions
- **Holds**
 - ADP will track your holds and release as appropriate
- **Amended returns**
 - ADP will prepare based on client instructions. Additional fees may apply

Polling Question #4

- How many agency notices do you receive on average from state and local governments?
 - A. 0 to 5 /month
 - B. 6 to 10 /month
 - C. Over 10 /month
 - D. Don't know

NASBA (National Association of State Boards of Accountancy) requirements for receiving CPE Credit:


- Log in from same e-mail address that you used to register
- Stay for the full hour
- Answer 3 out of 4 polling questions
- Answer the required survey questions



How We Help You Reconcile - Reporting

- **Return copies**
 - ADP provides copies of all returns for review by client
- **Reconciliation reporting**
 - Showing data in vs. data out and any differences on a high level
- **Detailed reporting by return**
 - Breakdown of amounts by return, showing data received, holds, adjustments, pre-payments, discounts, etc.

One Centralized Location to Store Filing Information – Web Interface



Outsourced Sales Tax Compliance

[Download](#) [Adjustment](#) [Reminder](#)

Download

- [Reports](#)
- [Returns](#)

Adjustment

- [New Adjustment](#)

Reminder

- [View Reminders](#)

List of Files

- [-] Reports
 - [-] OSTC5
 - [-] 200807
 - └ [RPT OSTC5 200805 ReportName1.pdf](#)
 - [-] 200806
 - └ [RPT OSTC5 200806 ReturnName1.pdf](#)
 - [-] 200805
 - └ [RPT OSTC5 200805 ReportName1.pdf](#)



One Place to “Go To” for Implementation Assistance

- **ADP assigned a project manager and team at beginning of implementation**
 - Professional project plan, status calls, notes, issue resolution
 - Last thing I needed was to be project manager on another project
 - Tax calendar, file formats, reporting expectation, powers of attorney, banking, etc. all handled
- **We had a main frame computer issue**
 - Programming specialist worked with our IT department

The Project Manager and Team



Sales Tax Service Implementation: The ADP Difference

- **ADP takes responsibility to make sure the implementation goes smoothly**
 - Dedicated project manager to implementation
 - Fixed price to get it done
- **No such thing as self-service implementation, when it comes to client data**
 - Industry best expert in both tax and implementation to help client through process
- **Built on ADP's 60 years of experience implementing funds movement solutions**



Implementation Process/Timelines

- **Requirements/design**
 - Gather required information about customer
- **System configuration/setup**
 - ADP will configure and setup system to process returns
- **Development mapping or data conversion process**
 - Required for stand alone customer to verify data
- **Testing**
 - ADP will test configuration and setups to make sure we have it right
- **Client acceptance and approval**
 - Did we meet your expectation?
- **Transition to client services**

Month 1

M	T	W	T	F	S	s
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Month 2

M	T	W	T	F	S	s
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

	Requirements / Design
	System configuration and setup
	Testing
	Client Acceptance

6 to 8 week average timeframe,
(1 to 3 Data Feeds & FEINS)



Conquering Tax Compliance



Questions & Answers



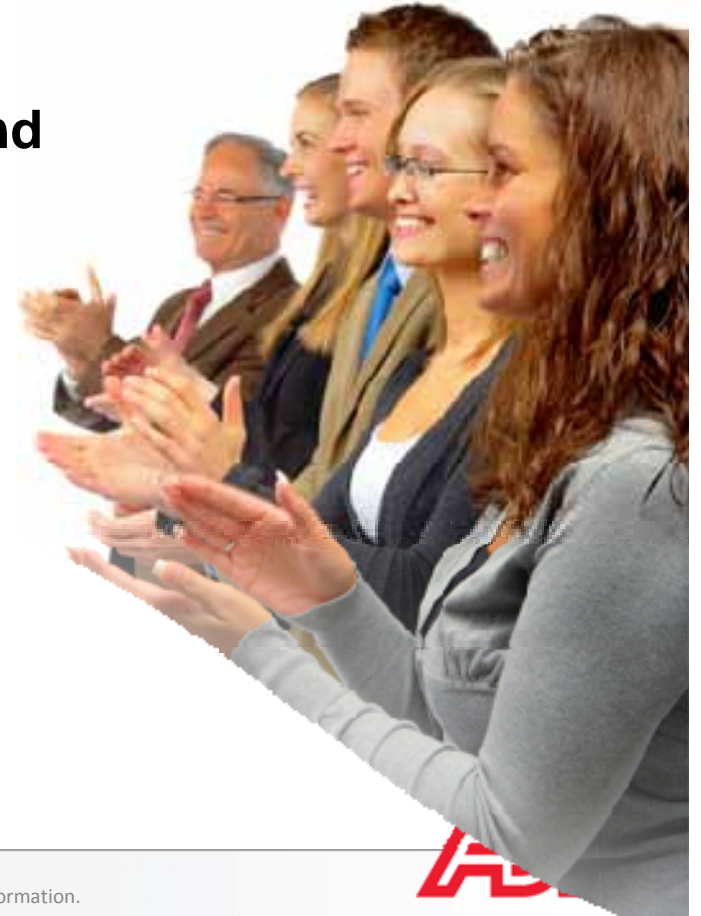
Mark Grupp
North American Tax Manager
Talaris



John Sallese
Director Sales Tax Services
ADP, Inc.

Thank You for Joining Us Today...

- **For information on any of the ADP products or services referenced during today's webinar:**
 - Phone 800-CALL-ADP or visit www.adp.com
- **For a complete listing of ADP webinars and webinar recordings – go to:**
 - adp.com | tools & resources | events | webinars



Sales Taxes Domesticated



Webinar Program Survey

- **How are we doing?**
- **We appreciate your feedback on our webinar which will be used as we plan future webinars.**

