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Sales & Use Tax Solutions for Microsoft Dynamics GP Users

December 10, 2008

Housekeeping Items

- Today's webinar will last for 60 minutes, ending at **1pm eastern time**.
- Type in any questions that you may have for the panel in the lower right hand corner of the window. They will be answered during the last 10 minutes of today's broadcast.



The TotalPay Card is one of a number of payroll payment solutions available from ADP. For more information, visit adp.com.

- We will launch a brief survey at the conclusion of today's webinar. Those who complete the survey will be entered into a drawing for an **ADP TotalPay Card**, preloaded with \$100 and good anywhere Visa is accepted.

CPE Credit and Polling Question # 1



In order to receive CPE credit for today's webinar, you must:

- Log in from same e-mail address that you used to register
- Stay for the full hour
- Answer 3/5 polling questions



Are you applying for CPE credit today?

- A. **Yes**
- B. **No**
- C. **Not applicable**

1. How are you currently calculating sales and use taxes?

- A. **Use in-house employees**
- B. **Use third party tax engine**
- C. **Use embedded ERP functionality**
- A. **Other**
- B. **Not applicable**

Today's Speakers



Tim Walsh
*Sr. Director of
Product Management*



Matthew S. Walsh
*Director,
Tax Research*



Jay Manley
*Dynamics ERP Principal
Technologist / Architect*



Jack Sowers
*Vice President of
Development*



Agenda

- About the Microsoft Dynamics GP marketplace
- About Dynamics GP's native sales and use tax capabilities
- ADP and the Sales and Use Tax market
- Overview of ADP's USA / Canada tax engine, the Sales and Use Tax System
 - **Tax research**
 - **Tax content**
- Integration between Sales and Use Tax System and Microsoft Dynamics GP developed by I.B.I.S., Inc.
- Questions from the audience



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*Ensuring Tax
Compliance using*
**Microsoft
Dynamics
GP**



Jay Manley, Microsoft

Microsoft Dynamics GP



- **What is Dynamics, and what products does it cover?**
 - Microsoft Dynamics ERP (GP / AX / NAV / SL)
 - Microsoft Dynamics CRM
- **What does Dynamics offer that other ERP vendors don't?**
 - Office Integration
 - Windows Workflow Integration
 - Future developments
- **Why should I care about Dynamics GP?**
 - Familiar to your users
 - Fits with your systems
 - Fuels your business productivity
 - Enables confident decision making

Microsoft Dynamics GP – A Platform for Success

■ Dynamics GP Partner Channel

- Hundreds of Independent Software Vendor (ISV) partners delivering value
- Thousands of ISV products solving business needs

■ Why Partners are important to us

- Understand specific verticals / business needs
- Able to deliver functionality that we cannot

■ Dynamics GP – Sales and Use Tax

- No inherent integration to a tax update service
- Hard to ensure compliance, impossible for us to keep up on changes
- We look for important and impactful partners to fill that gap - ADP has done that with their integration to Dynamics GP

For More Information

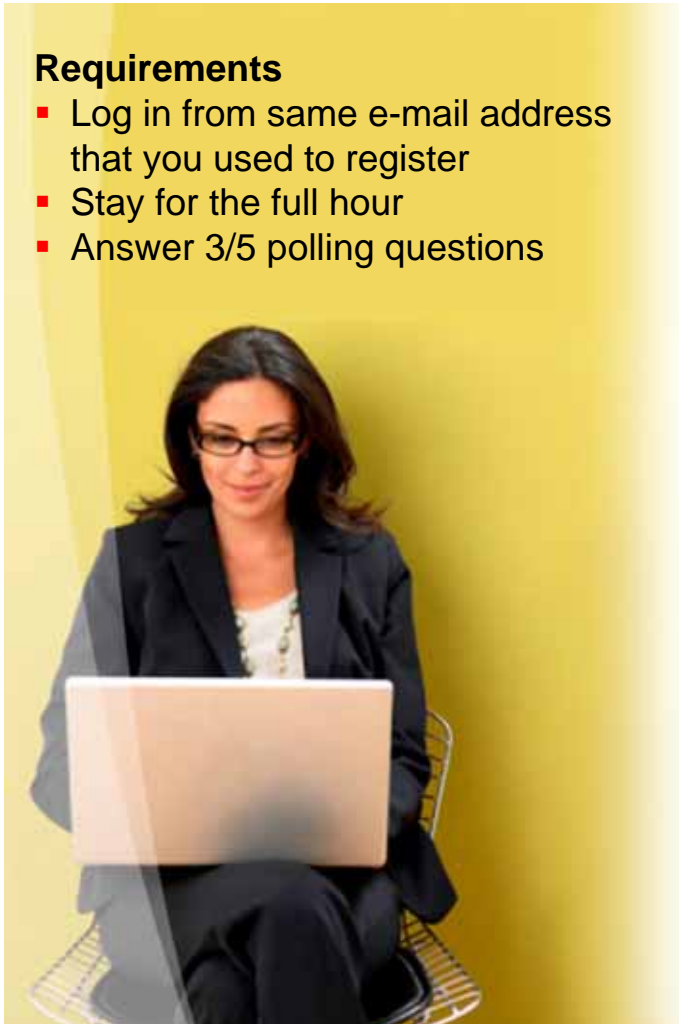


- [http:// www.microsoft.com/dynamics/gp/default.mspx](http://www.microsoft.com/dynamics/gp/default.mspx)

Polling Questions # 2 and #3

Requirements

- Log in from same e-mail address that you used to register
- Stay for the full hour
- Answer 3/5 polling questions



2. How do you keep up with the constant sales and use tax changes?
 - A. Use in-house employees
 - B. Hire consultants
 - C. Not keeping up with the tax changes
 - D. Other
 - E. Not applicable
3. Describe your most recent audit experience:
 - A. Smooth
 - B. Some Issues
 - C. Moderate number of issues
 - D. Painful
 - E. Not applicable



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ADP & The Sales and Use Tax Market



Tim Walsh, ADP

ADP and the Sales and Use Tax Market



- Through its Taxware line of products, ADP is building on more than three decades of experience in the sales and use tax market.
- The Sales and Use Tax System is a proven tax engine for the USA and Canada
- Tax content developed by an in-house staff of more than 50 tax attorneys and researchers
- Used by thousands of companies in manufacturing, retail, high technology, finance, and numerous other vertical markets
- Particularly strong following in retail due to its small hardware footprint
- **Newly available integration to Microsoft Dynamics GP**
- Turn sales tax compliance from a potential liability into a competitive strength!

It's About More than just Calculating Sales Taxes

What the Sales Tax Manager/Director Has to Contend with...

- Mergers/acquisitions
- New products/new geographies being added to the
- Constantly changing state & local tax laws
- Penalties, fees, late payments, audits
- 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 Companies are Currently Handling Compliance

- **Manual Methods**
 - 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



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The Sales and Use Tax System

*ADP's solution for the
USA & Canada*



Matthew Walsh, ADP

Overview:

ADP Sales and Use Tax System



■ CALCULATION ENGINE

- Calculates taxes for sales, purchases, rentals and leases
- Provides up to date rates and tax rules
- Includes exemptions, special rates, caps and thresholds
- Includes comprehensive Product Taxability Matrix (over 3,000 classifications)
- Provides entity and use-based exemptions
- Records tax results in audit database for later reporting
- Provides automation for both sales and use tax accruals
- Embraced as a POS solution by retailers

■ SCOPE OF COVERAGE

- Calculate tax for U.S., Canada, and U.S. territories
- Calculate Sales, Use, Gross Receipts, GST, PST, QST, Business Tax, multiple fees

Tax Content:

ADP Sales and Use Tax System

- Out-of-the-box standard good/service and entity use codes. More standard content means less customization, less maintenance, and faster time to production.
- Special Tax Rules
 - Drop Shipment Rules
 - Tax Type Determination
 - Tax Holidays
 - Special Tax Zones
- Additional content is continually added to cover new tax rules and industries
- Centralized data update process

Tax Research:

ADP Sales and Use Tax System

- **Tax Expertise**
 - Our clients have direct access to 50 CPA's, CMI's, tax attorneys, and analysts
- **Superior Tax Content**
 - ADP researches, develops, and maintains content using in-house resources - not outsourced or purchased from third parties.
- **Over 30 years of experience**

ADP Sales and Use Tax System

- **Over 12,000 U.S. jurisdictions**
 - Sourcing, standard rate, rounding
 - Goods and Service based rules
 - Entity/Use based rules
- **U.S. Taxes**
 - Sales Tax
 - Seller's Use Tax
 - Consumer's Use Tax
 - Rental Tax
 - Leasing Tax
- **Canadian Taxes**
 - Goods and Services Tax

ADP Sales and Use Tax System

■ **Tax Department Research Process**

- Content update strictly controlled by processes and procedures; SAS 70 type II compliant by KPMG audit
- Content updates provided at least once a month
- Updates include new content, law changes, rate changes, processing changes
- Update information letter provided with each update summarizing all of the changes

Why Sales and Use Tax Compliance is Important to Your Business

- Rates constantly change
- Complex rules exempt a product in one place while taxing it in another
- Threat of audits
- Situation of overcharging customers
- Global economy means unfamiliar laws and tax systems
- Sarbanes-Oxley Section 404 compliance



Tax compliance is costly and cumbersome, a drain on the bottom line...over \$102.5B in 2002*

* The cost of Tax Compliance, Scott Moody, Sr. Economist, Tax Foundation, 2002

Inherent Complexity of Sales and Use Taxes

- **Keeping up with tax law changes is time consuming**
 - 748 rate changes in the U.S. alone last year
 - Changing tax rules for both product and purchaser
 - Sales tax holidays
- **Using the most up-to-date tax forms**
 - Most rate changes impact tax forms and need to be updated
 - Some jurisdictions regularly change forms
 - Tax authorities won't accept out-of-date forms

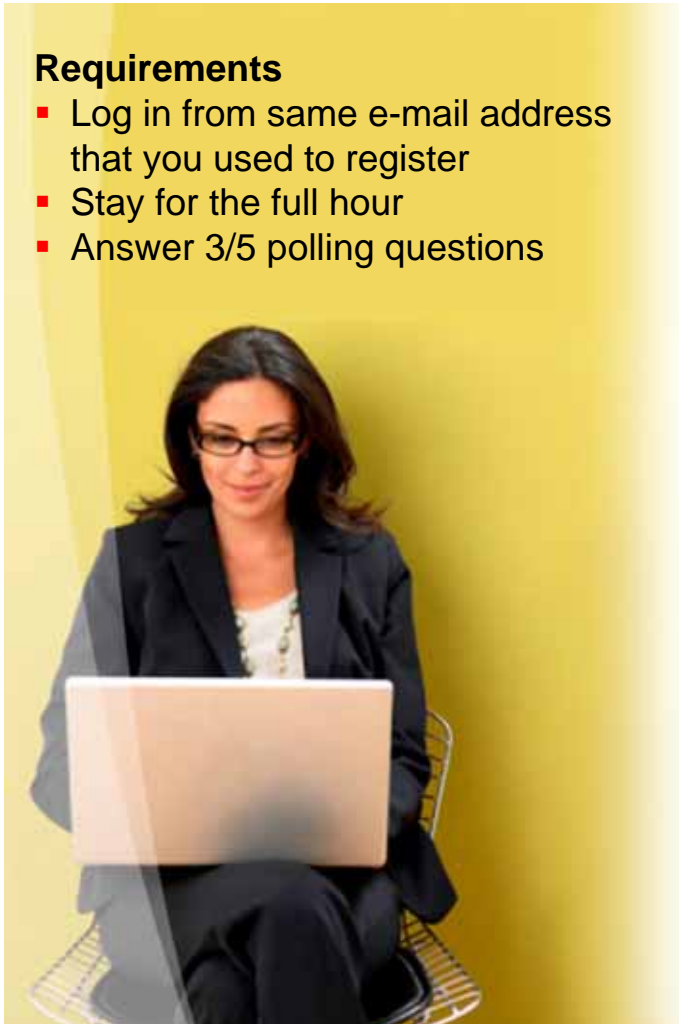
Challenges Surrounding Sales and Use Tax Returns, Filings and Payments

- Manual process
 - Time consuming and error prone
- Accuracy
- Timeliness of filings
- Timeliness of payments
- Penalties and fines
- Agency notices
- Staffing

Polling Question # 4

Requirements

- Log in from same e-mail address that you used to register
- Stay for the full hour
- Answer 3/5 polling questions



4. 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



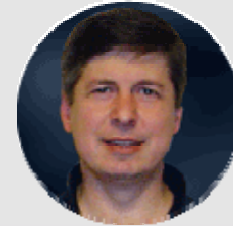
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Integration
between
ADP Sales and
Use Tax System
&
Microsoft
Dynamics GP



Jack Sowers, I.B.I.S., Inc.

History of I.B.I.S., Inc.



- A leading Microsoft Dynamics partner and Independent Software Vendor (ISV) for over 10 years
- Two-time winner of Microsoft Dynamics Outstanding Partner of the Year – U.S.
- 2007 winner of the **Worldwide** Dynamics GP Partner of the Year
- History of developing leading ISV solutions for Microsoft Dynamics GP including the Field Service Series for Dynamics GP
- Over 12 years of integrating tax solutions to ERP applications



Overview:

ADP Sales and Use Tax System – Microsoft Dynamics GP Adaptor


■ Key Benefits:

- Easy installation
- Easy setup with automatic Geo Code locator utility for existing addresses
- Real-time Geo Code locator for new address entry and validation
- Seamless integration between Microsoft Dynamics GP and the ADP Sales and Use Tax System
- Accurate sales and use tax based on the ADP Sales and Use Tax System
- Support U.S. and Canadian taxing
- Automatically recalculates taxes when shipping addresses change

Server Installation Setup Window

SUT Adaptor-Dynamics GP Configuration Wizard

File Edit Tools Help sa Fabrikam, Inc. 10/20/2008



SUT Adaptor-Dynamics GP Configuration Wizard for Microsoft Dynamics GP 9.0


Step 1: This step will create the tables, stored procedures and other SQL objects required by SUT Adaptor.

For Support and Inquiries:
Taxware Headquarters
401 Edgewater Place
Suite 260
Wakefield, MA 01880-6210
Toll-free: 877-TAXWARE
Tel: (781) 557-2600
Web: www.adptaxware.com

Select the SQL objects to create or update and click Process.

☒ Tables and Views ☒ SQL Procedures
☒ SQL Triggers

Ready.

☒ Create ☐ Update  Process

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[SUT Adapter v9.00.02.8](#) < Back Next > Cancel

Geo Code Validation

Customer Maintenance

Save Clear Delete Write Letters

Customer ID: AARONFIT0001 [Search] [Hold] [Inactive] Parent Customer ID: []

Name: Aaron Fitz Electrical

Short Name: Aaron Fitz Elec

Statement Name: Aaron Fitz Electrical

Class ID: USA-ILMD-T1 [Search]

Priority: None

Address ID: SHIPTO [Search] [Info] [Dollar Sign]

Contact: Joe Smith

Address: 101 Disk Drive

City: Snellville

State: GA

ZIP Code: 30078

Country Code: USA

Country: US

Ship To: WAREHOUSE

Bill To: PRIMARY

Statement To: PRIMARY

Salesperson ID: FRANCINE B.

Territory ID: TERRITORY 5

Type: Retail

User-Defined 2: []

Phone 1: (000) 000-0000 Ext. 0000

Phone 2: (000) 000-0000 Ext. 0000

Phone 3: (000) 000-0000 Ext. 0000

Fax: (000) 000-0000 Ext. 0000

UPS Zone: []

Shipping Method: COURIER [Search]

[Previous] [First] [Last] [Next]

by Customer ID

Sales Order Transaction - Example

Sales Transaction Entry

Save | Delete | Void | Post | Transfer | Purchase | Confirm | Copy

Type/Type ID: Order | STDORD | **Date:** 4/12/2007

Document No.: ORDST2278 | **Batch ID:**

Customer ID: ADAMPARK0001 | **Default Site ID:** WAREHOUSE

Customer Name: Adam Park Resort | **Customer PO Number:**

Ship To Address: PRIMARY | Suite 9876 | **Currency ID:** Z-US\$

Line Items by Order Entered

Item Number	D	U of M	Qty Ordered	Unit Price	Extended Price
ANSW-ATT-1000	<input type="checkbox"/>	Each	1	\$119.95	\$119.95
	<input type="checkbox"/>		0.00	\$0.00	\$0.00

Amount Received: \$0.00 | Subtotal: \$119.95

Terms Discount Taken: \$0.00 | Trade Discount: \$0.00

On Account: \$128.35 | Freight: \$0.00

Comment ID: | Miscellaneous: \$0.00

Tax: \$8.40

Total: \$128.35

Holds | User-Defined | Distributions | Commissions

by Document No. | Document Status

Tax is calculated seamlessly so there is no change in the user experience.

Supported Modules:

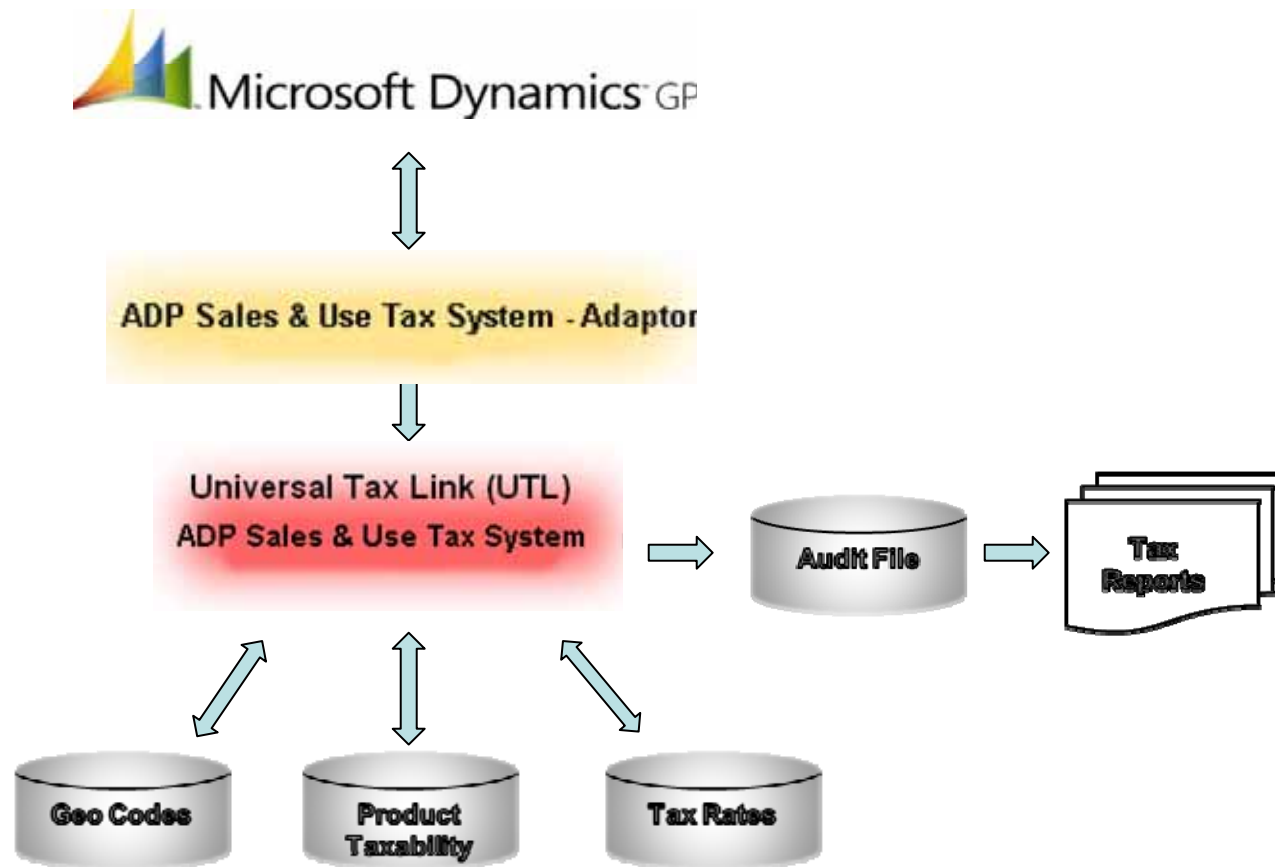
ADP Sales and Use Tax System – Microsoft Dynamics GP Adaptor

■ Integration with the following Microsoft Dynamics GP Modules:

- Sales Order Processing
- Purchase Order Processing
- Receivables Management
- Payables Management
- Project Accounting
- Service Call Management
- Contract Administration
- Returns Management

Architecture:

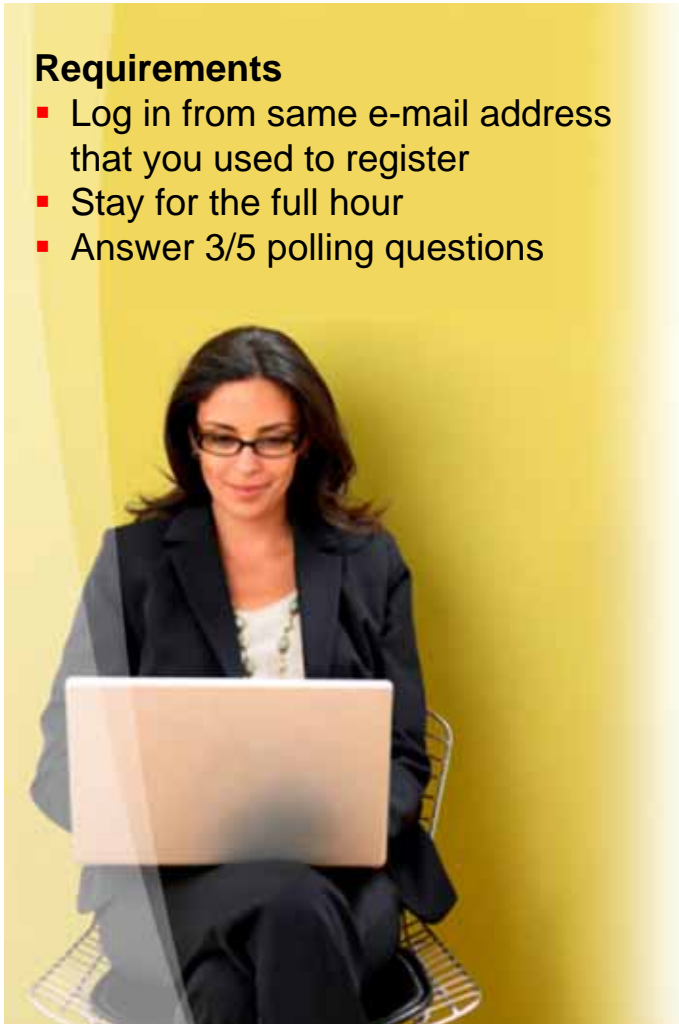
ADP Sales and Use Tax System – Microsoft Dynamics GP Adaptor



Polling Question # 5 & Final CPE Question

Requirements

- Log in from same e-mail address that you used to register
- Stay for the full hour
- Answer 3/5 polling questions



5. How are you handling your sales and use tax returns today?
- A. Use in-house employees
 - B. Use third party preparers (consultants) in-house
 - C. Using an outsourced solution
 - D. Other
 - E. Not applicable

Were program materials relevant and did they contribute to the achievement of the learning objectives?

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

Questions & Answers



Tim Walsh
*Sr. Director of
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*Dynamics ERP Principal
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- Listen to a recording of today's webinar
- Register for upcoming webinars – 2009 schedule to be posted soon!

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ADP seminar is coming up in early March

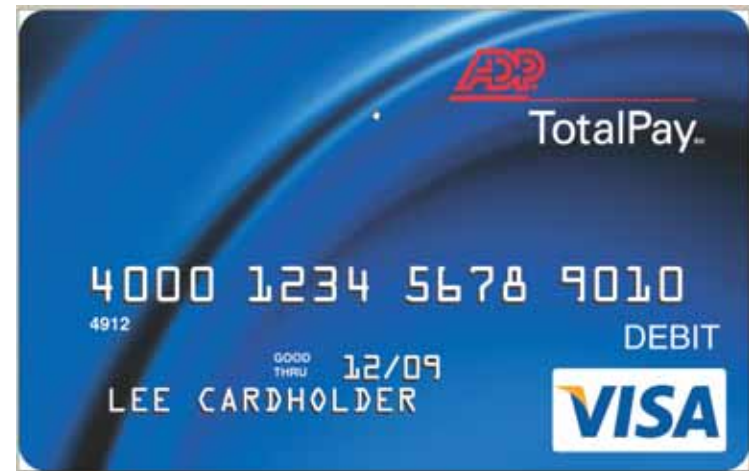
- Houston, Texas
- Wednesday, March 11, 2009
- Free, half-day seminar
- Learn how your company can meet the challenge of tax compliance
- For details and to register online:

[ADP.COM / Tools & Resources / Events / Seminars](http://ADP.COM/Tools&Resources/Events/Seminars)



Please take a moment to complete our on-line survey

- Provide feedback on how we're doing
- Suggest ideas for future webinar topics
- One person will randomly be selected to receive an ADP TotalPay Card preloaded with \$100 and good anywhere that Visa is accepted!



The TotalPay Card is one of a number of payroll payment solutions available from ADP. For more information, visit adp.com.