"Sales and Use Tax System: Insider's Tips"
Wednesday, August 6, 2008

Housekeeping Items

- 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 questions & answers.

- 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 a **prepaid $100 TotalPay debit card. This is good anywhere that Visa is accepted!**

- View our entire schedule of monthly informational webinars by going to adptaxware.com and clicking on the "webinars" tab.

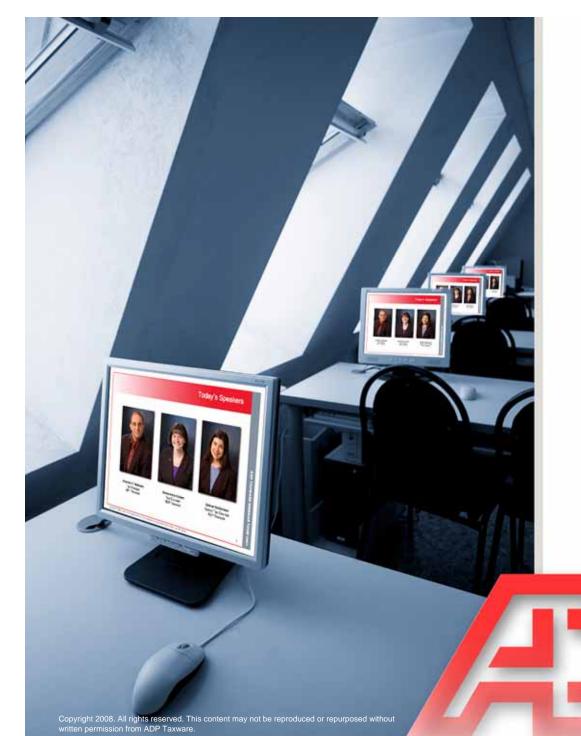**Jane Van Saun**
Marketing Manager
ADP Taxware

Taxware Webinar Tour

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Today's Speakers

Todd Nelson
Product Support Manager
ADP Taxware

JoAnn Gard
Product Support Manager
ADP Taxware

Agenda

- **About Technical Support**
- **Web Support Center**
- **Monthly Update Process**
  - Incremental Updates
  - Master File Replacements
- **Upgrading Core Systems**
  - C
  - PL/SQL
  - Cobol
  - RPG

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Overview: Sales & Use Tax System

- Solution for managing sales & use tax compliance in the USA and Canada
- Used by thousands of companies, particularly in the manufacturing, retail, and technology industries
- Helps clients manage ever-increasing tax complexity
  - 748 rate changes in the U.S. alone last year
  - Changing tax rules for both product and purchaser
  - Sales tax holidays
  - Complex rules exempt a product in one place and tax it in another
  - Threat of audits
  - Potential situation of overcharging customers
  - Sarbanes-Oxley Section 404 compliance

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Benefits of using ADP's Sales and Use Tax System

- **Save time** – Free up your tax professionals to control decisions and eliminate time-consuming compliance activities

- **Reduce risk** – Avoid mistakes, costly audits, and legal action

- **Get the right rate** – Stay up-to-date and stay compliant

- **Automation** – Bolts onto your company's ERP system and makes more accurate sales and use tax calculations

Polling Question 1a

Requirements
- Log in from same e-mail address that you used to register
- Stay for the full hour
- Answer 2/3 or 3/4 polling questions

Receive your certificate via e-mail in approx. 30 days.

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Please tell us about yourself?

A. **I currently use ADP's Sales and Use Tax System**

B. **I currently use another sales tax engine**

C. **I currently use a manual process**

D. **Not applicable**

Polling Question 1b

Requirements
- Log in from same e-mail address that you used to register
- Stay for the full hour
- Answer 2/3 or 3/4 polling questions

Receive your certificate via e-mail in approx. 30 days.

Are you the person who performs maintenance on the Sales and Use Tax System?

A. **Yes**

B. **No**

C. **Not applicable**

Technical Support for ADP's Sales and Use Tax System

- **Telephone – 781-557-2620**

- **Email – taxwaresupport@adp.com**

- **Hours of operation: 8:00 A.M. – 8:00 P.M. EST**

- **24/7 Support available as an option**

- **Web Support Center – https://wsc.taxware.com/**

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What's Available on the Web Support Center?

- **Licensed Products**
- **Updates (Master, Archive, Runtime, & Update Schedule)**
- **PDF Documentation**
- **Support**
  - Open a support call
  - Email addresses
  - Business hours
  - Holiday schedule
  - Knowledge base (in process)
- **Training Registration and Schedule**
- **Release Notes**

What Exactly Needs to be Updated?

Standard Master Files

- **Tax Master File (NEWMAST)**
  - Contains jurisdiction based tax rate information.
  - Used by C, COBOL, PL/SQL & RPG

- **Product Taxability File (PRODSEQ)**
  - Contains Product (rules based) tax rate information.
  - Used by C, COBOL, PL/SQL & RPG

- **ZIP Master File (ZIPSEQ)**
  - Contains Zip and Geo Codes
  - Used by C, COBOL & RPG

- **TMDFL**
  - Contains Zip and Rate information
  - Used by Oracle Applications

System Update Files

- **Tax Update File**
  - Contains update records for the Tax Master File
  - Used by C, COBOL, PL/SQL & RPG
- **Product Update File**
  - Contains update records for the Product Taxability File
  - Used by C, COBOL, PL/SQL & RPG
- **Zip Update File**
  - Contains update records for the Zip Code File
  - Used by C, COBOL & RPG

Update Procedures

- **Tax File**
  - Download from the Internet, the update file is Udxxx.exe, where xxx is the update number

  - After extracting you will receive the following files:
    - ✓ salestax.txt—the cover letter
    - ✓ sumchg.txt—a list of changes effective in this update
    - ✓ taxMMYY.xxx—the update file, where MMYY is the month and year of the update and xxx is the update number

Applying Tax File Updates: C System

- **Rename the file to taxupdt_(update number) i.e. taxupdt_532**

- **Copy the re-named tax update file to the indata directory**

- **Open Toolkit**

- **Click tools, update files, Tax Master Files**

- **Review the output file tax020.out in the tkout directory to make sure no errors occurred**

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Applying Tax File Updates: Cobol

- **Copy the tax update file (ud###) to the file AVPTRANS on the host system**

- **Run the program TAX021 to apply the updates**

- **Review the output file RPT021 to make sure no errors occurred**

Applying Tax File Updates: RPG

- **Copy the tax update file (ud###) to the file TRANSACT in the library AVPTAX on the AS/400**

- **Run the program TAX020 from the maintenance menu to apply the update**

- **Using the command WRKSPLF, from a command line, review RPT020 to make sure no errors occurred**

Applying Tax File Updates: PL/SQL

- **Copy the tax update file (ud###) to the file UTL directory**

- **To apply PL/SQL Tax File updates:**

  - Using a script, or directly from the SQL prompt, call the TAXSP_partial_tax_update stored procedure to update only the changed rate data
  - Review the report file, ud###.rpts to make sure no errors occurred

Update Procedures: Product File

- **Download from the Internet, the update file is Udxxx.exe, where xxx is the update number**

- **After extracting you will receive the following files:**

  - produpdt.txt—The cover letter

  - sumchg.txt—List of changes effective in this update

  - prodMMYY.xxx—The update file, where MMYY is the month and year of the update and xxx is the update number

Applying Product File Updates: C System

- **Rename the file to produpdt_(update number) i.e. Produpdt_232**

- **Copy the re-named product update file to the indata directory**

- **Open Toolkit**

- **Click tools, update files, Product Taxability File**

- **Review the output file tax007.out in the tkout directory to make sure no errors occurred**

Applying Product File Updates: Cobol

- **Copy the product update file (ud###) to the file PRODUPDT on the host system**

- **Run the program TAX007 to apply the updates**

- **Review the output file RPT007 to make sure no errors occurred**

Applying Product File Updates: RPG

- **Copy the product update file (ud###) to the file PRODUPDT on the host system**

- **Run the program TAX007 from the maintenance menu to apply the updates**

- **Using the command WRKSPLF, from a command line, review RPT007 to make sure no errors occurred**

Applying Product File Updates: PL/SQL

- **Copy the product update file (ud###) to the file UTL directory**

- **Using a script, or directly from the SQL prompt, call the TAXSP_partial_prod_update stored procedure to update only the changed product code data**

- **Review the report file, ud###.rpts to make sure there were no errors occurred**

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Update Procedures: Verazip File

- **Download from the Internet, the update file is Udxxx.exe, where the xxx is the update number**
- **Unzip using Winzip**
- **After unzipping the following files will be extracted:**
  - Verazip.txt - The cover letter
  - Cntyseq – County file
  - ZipMMYY.xxx - The update file, where MMYY is the month and year of the update and xxx is the update number
  - Zpexseq - List of Zip Codes valid for a state even though they are outside of the range of valid zip codes
  - Zpexs34 - List of Zip Codes valid for a state even though they are outside of the range of valid zip codes(version 3.4.X)

Applying Verazip File Updates: C System

- **Copy the four update files to the Indata directory**

- **Rename the file zipupdt_(update number) i.e. zipupdt_245**

- **Open Toolkit**

- **Click tools, update files, zip master file**

- **Click tools, load files, verazip, county file**

- **Review the output file zip040.out in the tkout directory to make sure no errors occurred**

Applying Verazip File updates: Cobol

- **Copy the update files (ud###) to the corresponding files on the host system (zipupdt, cntyseq and zpexseq)**

- **Run the programs Zip040, Zip080 and Zip110 to apply the updates**

- **Review the output file Zip040 and console messages to make sure no errors occurred**

Applying Verazip File updates: RPG

- **Copy the update files (ud###) to the corresponding files on the   host system (zipupdt, cntyseq and zpexseq)**

- **Run the programs Zip040, Zip080 and Zip110 to apply the updates**

- **Review the output file Zip040 and console messages to make sure no errors occurred**

Polling Question 2

Requirements
- Log in from same e-mail address that you used to register
- Stay for the full hour
- Answer 2/3 or 3/4 polling questions

Receive your certificate via e-mail in approx. 30 days.

Currently, how confident are you in performing updates to the Sales and Use Tax System?

A. **Very confident**

B. **Somewhat confident**

C. **Not confident**

D. **Not applicable**

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Master File Replacements Procedure: Tax Master File

- **Download from the Internet, the full file replacement Newmast.**

- **After extracting you will receive the following files:**

  - Sales tax.txt - The cover letter

  - Sumchg.txt - List of changes since last update

  - Newmast - The tax master file

  - Txupdtno - Control file

Applying Tax Master Files: C System

- **Copy newmast and txupdtno to the indata directory**

- **Open Toolkit**

- **Click tools, Load files, Tax Master Files**

Applying Tax Master Files: Cobol

- **Copy the tax master file (ud###) to the file Newmast on the host system**

- **Run the program TAX021 to apply the master file**

- **Review the output file RPT021 to make sure no errors occurred**

Applying Tax Master Files: RPG

- **Copy the tax master file (ud###) to the file Taxmspf in the library AVPTAX on the AS/400**

- **Run the program TAX020 from the maintenance menu to apply the master file**

- **Using the command WRKSPLF, from a command line, review RPT020 to make sure no errors occurred**

Applying Tax Master Files: PL/SQL

- **Copy the tax master file to the file UTL directory**

- **Using a script, or directly from the SQL prompt, call the TAXSP_full_tax_update stored procedure**

- **Review the report file, newmast.log to make sure no errors occurred**

Master File Replacement Procedures:
Product Master File

- **Download from the Internet, the full file replacement Prodseq**

- **After extracting you will receive the following files:**
    - produpdt.txt - The cover letter
    - sumchg.txt - List of changes since last update
    - prodseq - The product taxability master file

Applying Product Master Files: C

- **Copy prodseq to the indata directory**

- **Open Toolkit**

- **Click tools, Load files, Product Master files**

Applying Tax Master Files: Cobol

- **Copy the product master file to the file prodseq on the host system**

- **Run the program tax006 to apply the master file**

- **Review the output file RPT006 to make sure no errors occurred**

Applying Tax Master Files: RPG

- **Copy the product master file to the file prodseq in the library AVPTAX on the AS/400**

- **Run the program TAX006 from the maintenance menu to apply the master file**

- **Using the command WRKSPLF, from a command line, review RPT006 to make sure no errors occurred**

Applying Tax Master Files: PL/SQL

- **Copy the product master file to the file UTL directory**

- **Using a script, or directly from the SQL prompt, call the TAXSP_full_product_update stored procedure**

- **Review the report file, prodseq.log to make sure no errors occurred**

Master File Replacement Procedures:
Zip Master File

- **Download from the Internet, the full file replacement Zipseq**

- **After extracting you will receive the following files:**

  - verazip.txt - The cover letter

  - cntyseq - List of counties

  - zipseq - The zip master file

  - zpexseq - Zip code exception file

  - zpexs34 - Zip code exception file for version 3.4.x

  - zipupdtno - Control file (C only)

Applying Zip Master Files: C System

- **Copy zipseq to the indata directory**

- **Open Toolkit**

- **To load the ZIP Master Files, click Install, then click Load ZIP Master file.**

- **To load the County File, click Install, then click Load County file.**

- **Replace the existing zpexseq file with the new one. (There is no program to run for this file.)**

- **Replace the existing zpexs34 file with the new one. (There is no program to run for this file.)**

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Applying Zip Master Files: Cobol

- **Copy the zip master (ud###) to the file Zipupdt on the host system**

- **Run the program Zip010 to apply the master file**

- **Review the output file Zip010 to make sure no errors occurred**

Applying Zip Master Files: RPG

- **Copy the zip master (ud###) to the file Zipseq in the library AVPTAX on the AS/400.**

- **Run the program Zip010 from the maintenance menu to apply the update.**

- **Using the command WRKSPLF, from a command line, review Zip010 to make sure no errors occurred**

Polling Question 3

Requirements
- Log in from same e-mail address that you used to register
- Stay for the full hour
- Answer 2/3 or 3/4 polling questions

Receive your certificate via e-mail in approx. 30 days.

How do you obtain information for performing maintenance or upgrades to the Sales and Use Tax System today?

A. **ADP Tech Support**
B. **ADP Documentation**
C. **Both**
D. **Other**
E. **Not applicable**

Control/Runtime Files

Q: **Are there other files that require maintenance?**

A: Yes, we call these Control/Runtime files. They require maintenance on a periodic basis.

Q: **What do Control/Runtime Files do?**

A: - Control functionality

- Direct processing logic

- Provide control without altering programs

Q: **Can Control/Runtime files be customized?**

A: Yes, some Control/Runtime files can be customized. It is recommended to backup your old file before replacing it with a new one.

Examples of Control or "Runtime" Files

- ## Sales/Use Tax System

  - TAXFRTPD - Freight File

  - File that indicates, by state, whether taxes are to be charged on freight

  - TAXHOLDY - Tax Holiday File

  - Contains information about the tax holidays that have been enacted per state (works with product matrix files)

  - PRODDESC - Product Description File

  - Contains a list of product descriptions, essential for Product Code Mapping. This is the file to add Custom Product Code descriptions to.

Update/Runtime File FAQ's

Q: **How do I know if I need to replace or update a particular file?**

A: ADP recommends that a file be replaced as soon as it is available. In any case, ADP recommends that you backup files prior to replacement.

Q: **How do I find out what particular files are used for?**

A: Please refer to the appropriate manual or the Web Support Center for an explanation of each file.

Q: **Is it better to do Master File replacements or updates?**

A: This is a business decision based on what your company deems is best. If you have any customizations you will have to re-apply them monthly if you choose master files.

Q: **Why do I need to update my files every month?**

A: So that you will have the latest rate, zip and product matrix data.

System Upgrades

Q: **Why should I upgrade to the latest patch version of the Sales and Use Tax System?**

A: ADP Taxware software is updated periodically to reflect the latest law changes, patches and bug fixes.

Q.   **Will I lose all my existing data if I upgrade my version of the Sales and Use Tax System?**

A: No, All of your existing data can be carried over to the latest version of the software as long as you are using the same operating system.

System Upgrades (continued)

- ADP does release regular upgrades to the programs. For tax compliancy reasons, sometimes a patch level will be released as needed. (Example: When TN changed tax rates last minute in 2002.) Due to the nature of taxation, the system evolves as rates and jurisdictions change.

- The Sales and Use Tax System is a dynamic application and will be updated often. It is always highly recommended to always be at latest patch level of a System release. Customer and Technical Support can provide user with latest patch level information.

Upgrading the Sales and Use Tax System

- Get organized

- Get involved early

- What do you need?

- How can ADP help you?

- How can you help ADP?

Get Organized

- Archive current system
  - Do not install over existing system prior to back up
  - Most important directories:
    - Indata
    - Outdata
    - Audit
    - tkout (C system)
    - stepfrnt

- Prepare test environment
  - Emulate production environment
    - Copy data files
    - Copy audit file

What Do You Need?

- Work Plan
    - Determine point in fiscal calendar when upgrade is required
    - Milestones
        - Install software
        - Test the software (standalone) through calling program

- Identify Resources (It's a TEAM effort)
    - Tax
    - IT

What can you do for ADP?

- Provide points of contact
  - Tax
  - IT

- Stay abreast of ADP release notices
  - Software updates
  - File Updates

- Feedback on Product Enhancements

- Feedback on Support Services (please let us know what kind of a job we are doing).

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What can ADP do for you?

- Software

- Training
  - Onsite, Regional, and in our Wakefield, MA office

- Implementation Support
  - Technical Support
    - 8:00 A.M. – 8:00 P.M. EST
    - 24/7 support available as an option
  - ADP Implementation Services
  - Consulting Partners

- Ongoing Maintenance Support

Contact Information

- Todd Nelson

   Manager Technical Support

   781-557-2820 - Desk

   978-210-6610 – Cellular

   todd_nelson@adp.com

- JoAnn Gard

   Manager Technical Support

   781-557-2835 - Desk

   978-210-5080 – Cellular

   joann_gard@adp.com

Polling Question 4

Requirements
- Log in from same e-mail address that you used to register
- Stay for the full hour
- Answer 2/3 or 3/4 polling questions

Receive your certificate via e-mail in approx. 30 days.

Has this webinar increased your confidence level in performing maintenance and upgrades?

A. **Yes**

B. **No**

C. **Not applicable**

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Final CPE Question

Requirements
- Log in from same e-mail address that you used to register
- Stay for the full hour
- Answer 2/3 or 3/4 polling questions

Receive your certificate via e-mail in approx. 30 days.

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

A. **Yes**

B. **No**

C. **Not applicable**

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Questions & Answers

Todd Nelson
*Product Support
Manager
ADP Taxware*

JoAnn Gard
*Product Support
Manager
ADP Taxware*

Closing Items

- Reminder: CPE certificates will be e-mailed within 30 days for those of you who met all of the requirements.

- Complete our on-line survey – you could win a **prepaid $100 TotalPay debit card.**
- Next Webinar: **ADP Taxware and Oracle: A Closer Look**
- **Wed., September 18, 12-1pm EST.**

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2/13	Automating Your Entire Sales Tax Process
3/12	The Growing Influence of SST
4/16	The Ever-Changing Puerto Rico Taxes
5/14	What American Companies Need to Know About VAT
6/12	ADP Taxware and SAP: A Closer Look
7/9	Case Study
8/6	Sales and Use Tax System: Insider's Tips
9/18	ADP Taxware and Oracle: A Closer Look
10/29	What US Companies Need to Know About Doing Business under the North American Free Trade Agreement (NAFTA)
11/12	Drop Shipments
12/3	POS Case Study

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- For information and on-line registration, go to **adptaxware.com** and click on the "Seminars" link.

Also check out our new Training Summit…

- Week-long training events taking place in major cities across the country:
  - **October 20-24 in New York City**
- A great way to for your staff to get up to speed on the Sales and Use Tax System that we discussed today, as well as our Taxware Enterprise and TaxSolver products
- For information and on-line registration, go to **adptaxware.com**, click on the "Training Summit" logo on the front page