



THE POWER OF BEING UNDERSTOOD

SALES AND USE TAX PROCESS REVIEW

Protect your bottom line with effective sales and use tax process controls

Do you have a process in place to self-assess owed sales tax if a vendor fails to charge and collect it?

Is there a solid audit trail identifying transactions modified by users in your accounting system?

Are you facing a sales and use tax audit? Has it been three years or more since you were last audited?

Do you regularly validate or confirm exemption certificates you receive?

Sales and use tax is a complex function that is affected by and impacts numerous areas of business operations and accounting. Over time, growth into new markets, expansion of products and services, employee turnover, lack of multistate tax expertise on staff can, if not frequently addressed, cause your internal sales and use tax compliance processes to become disconnected from your business activities and current tax law. As a result, your business may be under- or over-reporting sales and use tax, which creates compliance risk and may cause a competitive disadvantage in situations where fully compliant competitors are able to charge less for the same products or services.

RSM offers a comprehensive sales and use tax process review that detects gaps in your internal compliance processes and identifies process improvement and risk remediation opportunities. In less time than it typically takes to file your monthly sales and use tax returns we can provide you with a customized roadmap for proactive tax planning and effective audit management.

Benefits of this service may include:

- Increased profit
- Increased cash flow
- More accurate tax assessments
- Tax advantage in the marketplace
- Compliance process efficiencies
- Reduced state tax audit exposure
- Reduced state tax compliance burden

Ask the right questions

At RSM, we understand that your people are the best source of knowledge about your processes and we understand your team is busy. Our method of information gathering is efficient and respectful of your team's time constraints.

We use role-specific surveys that quickly and easily help your team give us the basic information we need for your comprehensive review. We conduct targeted individual and group interviews to outline the systems, policies, procedures, data and resources that drive your current processes. We use this information to analyze where those processes may break down in practice and to suggest solutions to make improvements.

Typically, our interviews will include representatives from the following roles and functions, as appropriate to your business:

- Tax directors and managers
- Accounts payable
- Accounts receivable
- Purchasing

- Compliance
- Fixed asset management
- Information technology
- Records management
- Sales-order processing
- Project management and accounting
- Sales and use tax qualifying

All of this is done at your location over two to three days with minimal disruption to your team.

Understand the big picture

We provide you a snapshot of the details of each tax-related function that impact your sales and use tax process. Our professionals analyze your current processes against best practices with consideration to current tax law for all the states in which you have sales and use tax obligations and we identify and quantify gaps, inaccuracies and inefficiencies that can invite risk.

Our team strives to deliver a proactive plan to help you resolve risk and improve your sales and use tax function within a week of completing the on-site review. Due to our impartial status and breadth of experience with sales and use tax requirements nationwide, we can rapidly identify areas of concern, which may include:

- Failure to adequately update and document current tax compliance processes
- Regular and systematic reviews of the configuration and setup of an external tax compliance system
- Proper accrual and remittance of consumers use tax on untaxed purchase transactions
- Use of incorrect or outdated tax rates
- Validation of processes for collection, analysis and maintenance of resale and exemption certificates

Recommend process improvements

Understanding your risk is only part of the solution. You must also know the best way to alleviate risk and improve your overall sales and use tax process. RSM's process review includes a detailed report that outlines recommendations, including priority level, type of risk (audit or financial), impact areas and the cost savings associated with mitigating the inefficiencies identified. From the easy fix to the more strategic decisions involving investments in people or systems, our professionals can guide your decision makers through the process of determining where to take action.

Recommended efficiency and compliance improvements may cover a wide range of actions, some of which can be implemented internally while others may require additional support. RSM has state and local tax professionals in more than 70 offices throughout the nation, and can provide appropriate, experienced professionals to help your team manage change or implement systems and procedures. Where appropriate, we can also provide outsourced or co-sourced staffing solutions to fill resource gaps on an interim or ongoing basis.

Experience the power of being understood®

RSM combines experience, methodology and a true spirit of collaboration to conduct sales and use tax process reviews that are as efficient as they are valuable.

Our sales and use tax specialists will work with your team to gain a thorough understanding of your business, your existing processes and your opportunities for improvement. With this knowledge you can implement corrective procedures before liabilities can accumulate.

That is the power of RSM. *The power of being understood®*

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