

# Vertex<sup>®</sup> Exemption Certificate Manager



## Reduce Audit Penalties and Improve Compliance

As organizations become increasingly decentralized and their volume of transactions increase, managing sales tax exemption certificates becomes an impossible task without an automated solution. Manually storing, retrieving, and monitoring expiration dates is an error-prone process which increases the probability of incurring penalties and fines during sales and consumer use tax audits (see below right).

Vertex Exemption Certificate Manager (ECM) allows you to manage your organization's sales and use tax exemption and resale certificates in a powerful, yet easy-to-use Web-based application. Vertex ECM is a paperless solution that electronically stores sales and use tax exemption certificates. You simply scan the certificate and add the image file to the database.

### Exemption Certificate Management Made Simple

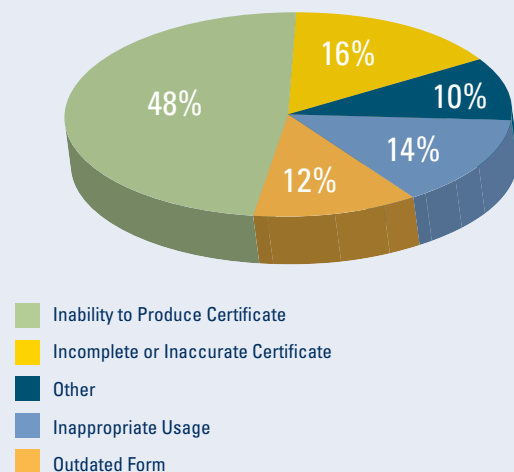
Vertex ECM eliminates the time-consuming and labor-intensive process of manually managing paper certificates. Its advanced features and benefits include:

- **Electronic storage:** Vertex ECM provides access to all of your exemption certificate data through a Web browser. After initial setup, exemption certificates may be scanned into the system for easy access. The result is a centralized, real-time database that you can maintain from any location.
- **Easier compliance:** With the essential information about your entities, customers, and certificates all in one place, compliance can be monitored more efficiently. For example, Vertex ECM automatically tracks and calculates expiration dates, recommends updates, and validates certificate number format.

### Mismanaged Exemption Certificates Cause Substantial Audit Penalties

Research shows that 25-30% of audit penalties are directly attributed to poor management of exemption certificates. Nearly half of these penalties are due to the inability to simply produce a certificate. The other reasons include inappropriate usage of certificates, outdated forms, and incomplete or inaccurate certificates. These errors can incur stiff audit penalties, and put your company at risk of noncompliance with Sarbanes-Oxley requirements.

#### Exemption and Resale Certificate Audit Assessments



Source: Independent Vertex Market Research

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- **Automated notifications:** When a certificate is incomplete or due for renewal, the system automatically generates a letter or email to the customer requesting updated certificate information. Automated reminders can be sent in bulk to any number of customers and may be set to process when expirations are approaching in the next 30, 60 or 90 days.
- **Enterprise-wide access:** The Vertex ECM Web-based architecture allows for an easy deployment in an intranet/internet environment, allowing decentralized organizations to make real-time information available to all stakeholders. And a scalable, multi-tiered configuration makes Vertex ECM the perfect solution for large-scale deployments.
- **Built-in integration with external applications:** Vertex ECM is integrated with Vertex Indirect Tax *O Series*®. This feature means there is no latency for calculating taxes, which minimizes disputes, credits, and changes to transactions. For Vertex *Q Series*® tax calculation system customers, Vertex ECM can integrate with your accounts receivable, billing system, point-of-sale system, customer database and Vertex Tax Decision Maker™ (TDM) tax exception system. Taxpayers can schedule data transfers from Vertex ECM to Vertex TDM in order to reflect proper exemption data. This single point of exemption certificate data entry can greatly reduce the effort and coordination required by duplicate data.

## Greater Accuracy and Increased Compliance

Additional features include:

- Auditor Extract that allows for the export of certificates, including images, by jurisdictions, dates, customers, and other criteria to support audits
- Library of sales tax forms by jurisdiction that you update electronically each month with research provided by Vertex tax research professionals
- Local and state forms
- Identification of certificates by transaction type (sales, lease, rental), imposition type, and tax type (sales, use tax)
- Support for multi-jurisdiction certificates, Direct Pay Permit management, and storage of customer billing and shipping information
- Support for Single Use Certificate (by invoice number), Limited Certificate for taxability Drivers, and Blanket Certificates

To learn how Vertex® Exemption Certificate Manager can help you reduce the risk of penalties and noncompliance, contact a Vertex representative at 800.355.3500 or visit [vertexinc.com](http://vertexinc.com).

## The Tax Technology Leader

Founded in 1978, Vertex is the leading provider of corporate tax software and services worldwide. We help companies realize the full strategic potential of corporate tax by serving every major line of business tax including; income, sales and use, value added, and payroll. The company's offerings are showcased by Vertex Enterprise™, a data driven, open-architecture approach to tax technology that integrates all direct and indirect tax processes and technologies on a single platform.

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