



Taking the Pain Out of Tax with Workday



The only constant in life is change. **And change happens a lot — especially when it comes to tax.** This can not only lead to havoc for tax and IT processes but also a higher risk of audit penalties that can impact the bottom line.

Another day, another change

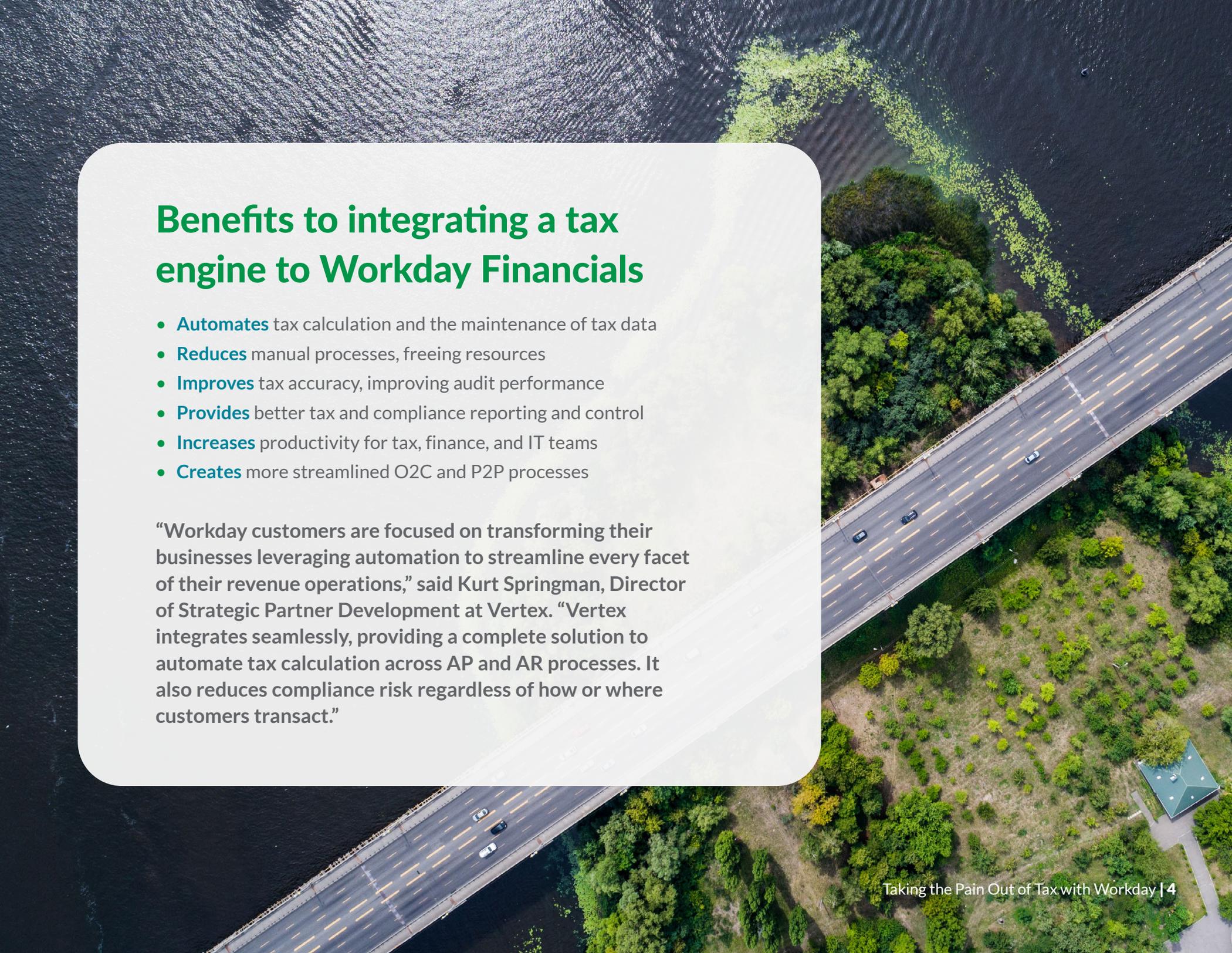
In the U.S., 45 states as well as the District of Columbia impose a sales tax, and 38 states add local taxes on top. That's more than 12,000 U.S. taxing jurisdictions to keep track of. Plus, they constantly change their rates and regulations. For companies doing business globally, there's over 19,000 taxing jurisdictions with different rates, regulations, and requirements. It's up to businesses to keep up with the latest tax rates and requirements to calculate sales, use, and value added tax (VAT) accurately on every transaction.



Integrating a 3rd party tax calculation engine

Many companies solve the problem by integrating a 3rd party tax engine to automate the maintenance of sales, use, and value added tax calculation in Workday Financials. The changing tax content is automatically maintained and updated in one central tax engine, then leveraged for each Workday transaction across AR and AP processes. It serves as the single source for the latest tax data, complex tax calculations, and robust tax reporting for compliance and audit-readiness. This not only improves tax accuracy and streamlines tax determination and compliance processes across sales and purchases, but also reduces the burden on IT teams.





Benefits to integrating a tax engine to Workday Financials

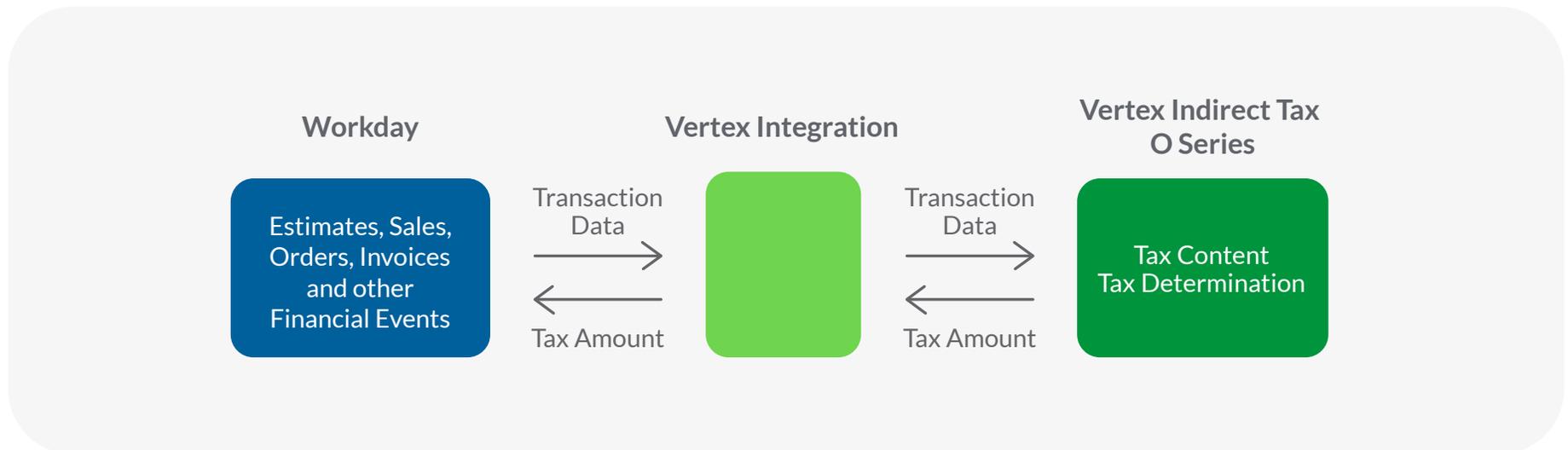
- **Automates** tax calculation and the maintenance of tax data
- **Reduces** manual processes, freeing resources
- **Improves** tax accuracy, improving audit performance
- **Provides** better tax and compliance reporting and control
- **Increases** productivity for tax, finance, and IT teams
- **Creates** more streamlined O2C and P2P processes

“Workday customers are focused on transforming their businesses leveraging automation to streamline every facet of their revenue operations,” said Kurt Springman, Director of Strategic Partner Development at Vertex. “Vertex integrates seamlessly, providing a complete solution to automate tax calculation across AP and AR processes. It also reduces compliance risk regardless of how or where customers transact.”

How the Vertex solution for Workday Financials works

Tax determination is quite complex because it relies on a multitude of taxability rules and transaction data points. But the whole process happens in real time once Workday Financials is connected to the Vertex tax engine. Here's how it works:

1. Workday Financials sends the transaction data to Vertex via the integration.
2. Then, Vertex applies address cleansing to ensure the ship-to address is complete and accurate, and mapped to the correct taxing jurisdiction.
3. Then, Vertex automatically calculates the tax based on the transaction details using the embedded tax rules and rates and sends the tax amount back to Workday Financials through the integration to complete the sales and purchase transaction.

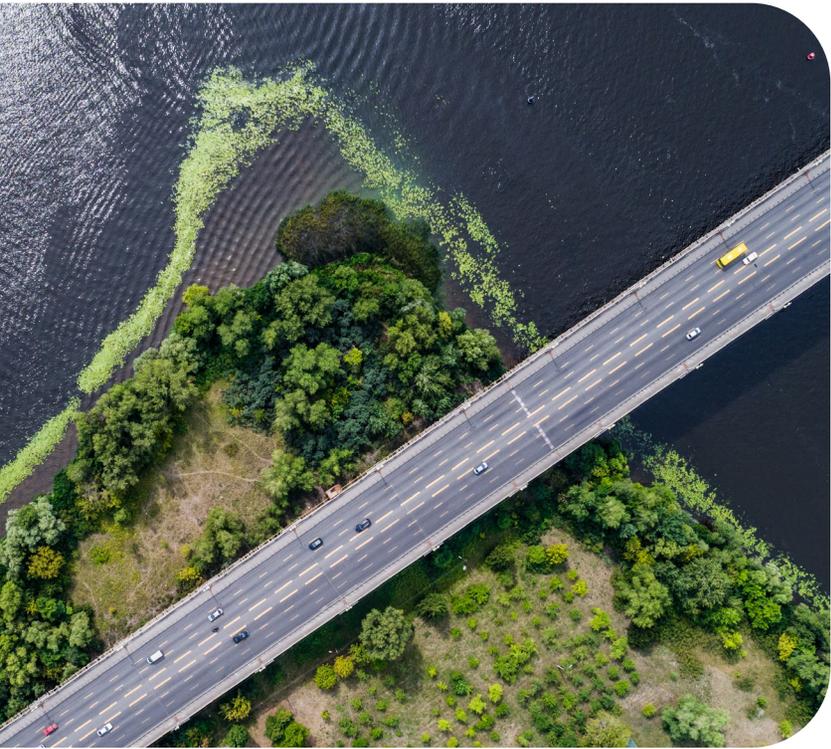


Vertex pulls the transaction details from Workday to calculate sales tax in Vertex O Series and send that tax amount back to Workday.



- Whenever a change is needed, Vertex modifies the integration as needed and the new release is made available to all users.
- The integration undergoes continuous improvement based on application performance monitoring, so it always reflects the most up-to-date capabilities to deliver peak performance.
- Updates to the functionality of the integration reflect feature requests from across the Vertex-Workday customer base, so every user benefits from the best practices of the collective group.
- IT departments are freed from the cost, skill requirements, and man-hours required to maintain tax content in Workday Financials.

As you can see, by leveraging the standardized Vertex integration, Workday Financials users establish a tax technology landscape that can support both sales and purchasing, and can easily scale for growth and change.



Leveraging the power of Vertex for Workday Financials

In the hustle and bustle of attracting, serving, and billing customers, businesses don't want tax calculation errors to slow things down. By leveraging Vertex for Workday Financials, businesses reduce manual processes, stabilize process efficiency, improve audit performance, and reduce risk. They also establish a tax process that's more reliable and scalable to support business growth. Vertex has a 40-year history of automating tax calculation and is a proud Workday Select partner. Vertex solutions seamlessly integrate with Workday, offering flexible deployment options and scalability to support enterprise growth across the organization and around the world.



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