

Automated Sales Tax Solution Meets Compliance, Reporting Requirements

While there are many accounting and financial matters associated with the way a company's products or services are sold, one of the most complex is sales tax. Recently, when the sales method changed from a reseller model to opening up its own sales channels, Protect-A-Bed created nexus in several states and needed an automated sales tax solution to meet reporting and compliance requirements. That solution was SpeedTax, a Software-as-a-Service sales tax management add-on for Sage Accpac.

Expansion and Compliance

How can a company that must focus on day-to-day accounting and financial matters address something as complex as sales tax reporting and compliance? How can it find a way to report its collections in the most efficient manner possible?

Under its corporate parent, JAB Distributors, LLC, Protect-A-Bed produces mattress, crib and pillow protectors that provide consumers with a healthy, comfortable sleep environment.

“From the start, it was very obvious that SpeedTax’s compatibility with Accpac ERP was going to solve our problems,” says Anneke Chamy, CPA, CFA, MBA, and Chief Financial Officer at JAB.



Developed in South Africa in 1980, Protect-A-Bed was established in the United States in 2000. Today, the company offers bedding protectors to help create an anti-allergy sleep zone for people of all ages. Now sold in 27 countries, Protect-A-Bed products are listed as a Class 1 Medical Device with the U.S. Food and Drug Administration and Health Canada.

While products are still sold nationwide through brand-name retailers, Protect-A-Bed expanded its own sales channel in October 2008 when it opened up its New York City showroom, and a new Chicago office that houses 31,000 square feet of warehouse storage.

The expansion enabled Protect-A-Bed to increase its footprint, but also created changes in the way the company reported and complied with sales tax. Because nexus was created in New York, JAB had to address sales tax in that state. The company's relationship with SpeedTax-reseller Arxis Technology brought automation and efficiency to JAB's already-present Sage Accpac ERP system.

Challenge

Finding an automated sales tax solution to run with Accpac ERP.

Solution

SpeedTax and its SaaS-based environment integrated seamlessly with Accpac to manage rates, calculations and other state-related requirements.

Results

Savings in time and resource allocations, and efficient and correct reports. The development, installation and implementation process took less than 30 days.

Customer

JAB Distributors, LLC –
Protect-A-Bed

Authorized Reseller

Arxis Technology
2468 Tapo Canyon Rd.
Simi Valley, CA 93063
www.arxistechnology.com



"From the start, it was very obvious that SpeedTax's compatibility with Accpac ERP was going to solve our problems," says Anneke Chamy, CPA, CFA, MBA, and chief financial officer at JAB. "We did not have the time or resource allocations to develop our own solution and certainly would not want to perform manually calculations. Simply put, the SpeedTax implementation was efficient and cost effective."

A Sales Tax Solution in Less Than One Month

For more than four years, Sage Accpac ERP and Sage CRM have been integral to JAB Distributors, so finding an automated sales tax solution to run alongside Accpac was Chamy's primary goal. She turned to Jan Goodman of Arxis Technology, a California-based provider of technology consulting services. Already working with Chamy and her staff on various projects, Goodman presented SpeedTax as the de facto solution.

"This is a case of an opportunity meeting an opportunity and creating a win-win for everyone," says Goodman. "Having seen and done due diligence with SpeedTax, I liked the product because it quickly addressed JAB's compliance issues."



From development to installation to implementation, the solution came together in less than one month. Goodman handled all aspects related to operations, while Chamy managed the overall process.

"It's impossible to keep up frequent rate changes when you have nexus in several states, so tracking and auditing transactions, and ensuring accuracy in sales tax collection and remittance, was our primary concern," says Chamy.

Chamy says managing the costs associated with order entry and invoicing also saves time because the staff only needs to know whether a returning customer or new customer should be taxed.

"The rest is taken care of; we do not have to spend time trying to find the correct tax rate and possibly creating another tax authority in the ERP system before creating the customer and entering the order," she says. "Accounting accuracies bring peace of mind, but they also enable orders to go out faster, which means our customers are happier."

Benefitting from the ASP Environment

As Protect-A-Bed retail locations continue to grow to other states, so will SpeedTax and its scalability. The solution runs in an SaaS environment to automatically apply the most up-to-date changes in sales tax rates and calculations to any transaction, as well as *any* unique state requirements.

Some work must be done on the company side to ensure SpeedTax remains efficient. For example, Goodman worked with Chamy to make sure the elements of JAB's records that needed to interface with the solution included all necessary information, including customer addresses, and flags for taxable or non-taxable customers.

"You also need to make sure your registrations in all the states where you have nexus is up to date, and make a list of all ancillary solutions to your accounting system, including shipping and EDI, so that the automated sales tax solution will also work in those environments," says Chamy. "Be sure to think through any customization you have made in your system to ensure the solution will work with those customizations."

Chamy believes her greatest benefit with SpeedTax is peace of mind – today when she sees how SpeedTax runs with Accpac, and months from now when she trusts in accurate monthly reporting. In today's economy when CFOs and accounting professionals wear many hats, Chamy and her staff does not have the time or inclination to keep up with details such as sales tax. As a result, cost savings will be readily apparent through the automated environment.

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