



VCert[®] User Guide

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Overview of vCert®

Welcome to vCert. In the next few sections, we'll provide an overview of exemption certificates, who qualifies to claim exemptions, and inherent problems with claiming the exemption – information you need to understand the power of vCert.

How exemption certificates are supposed to work

Most states have sales tax on sales of goods or services. However, there are three reasons why a sale may be exempt from sales or use tax:

- The product or service is exempt
- The person or company purchasing the product is exempt
- The product or service is used for an exempt purpose

Buyers can elect to not pay sales or use taxes if they are resellers. Some states also exempt certain businesses such as agriculture, research and development, mining and extraction, and/or utilities from paying sales or use tax. Finally, depending on the state, religious organizations, non-profit educational institutions, charitable organizations, state and local governments and Native American tribes may also be exempt from paying sales tax.

Claiming an exemption is not as easy as saying, "I'm exempt." States require proof of exemption status in the form of an Exemption Certificate. Responsibility for exemption certificates rests on both the buyer and the seller. The buyer is responsible for making sure that the goods or services being purchased qualify to be covered by an exemption certificate. It's up to the seller to not only ask for the exemption certificate – but to also make reasonable efforts to ensure that it is valid, and to maintain the exemption certificate records for a specific number of years, depending on state requirements. Buyers who can't provide the right form or provide correct information must pay sales tax – even if they rightfully have exempt status – which means that the seller must report it.

The seller can avoid collecting and remitting sales tax if these conditions are met:

- The purchaser correctly fills out and signs all the boxes on the exemption certificate
- The purchaser provides the completed certificate to the seller
- The state in which the purchase is made allows the reason for the exemption

Here's the problem: Every state has different rules and certificates. To make matters worse, some states have over 20 separate certificates depending on the type of exemption claimed. Here are some of the problems people encounter:

- Determining the correct certificate to use can be confusing. The names of the certificates are often similar, and choosing the wrong one can result in an invalid claim.
- Most certificates need to be manually completed, and the instructions are often difficult to understand. As a result, many of the certificates are not completed correctly, which may cause them to be rejected in a sales tax audit.

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- Maintaining, storing – and finding them when needed – is a major problem for sellers. If a seller is audited and can't locate certificates, he or she can be subject to substantial tax and penalties.
 - The hassle of filling out the certificates may cause some customers to buy elsewhere – lost sales mean lost income.

How vCert solves these problems

Scenario #1: Your company is under audit. The auditor questions specific exempt sales from three years ago, and requests a copy of the exemption certificate. You go through your archives searching for the certificate and can't find it, resulting in the sale being disallowed and projected to the entire audit period.

Scenario #2: Your company is under audit. The auditor questions specific exempt sales from three years ago, and requests a copy of the exemption certificate. You find the certificate, but the auditor disallows the document because it is on the wrong form (you obtained a W9 from the customer instead of a state approved exemption certificate). The sale is disallowed and projected to the entire audit period.

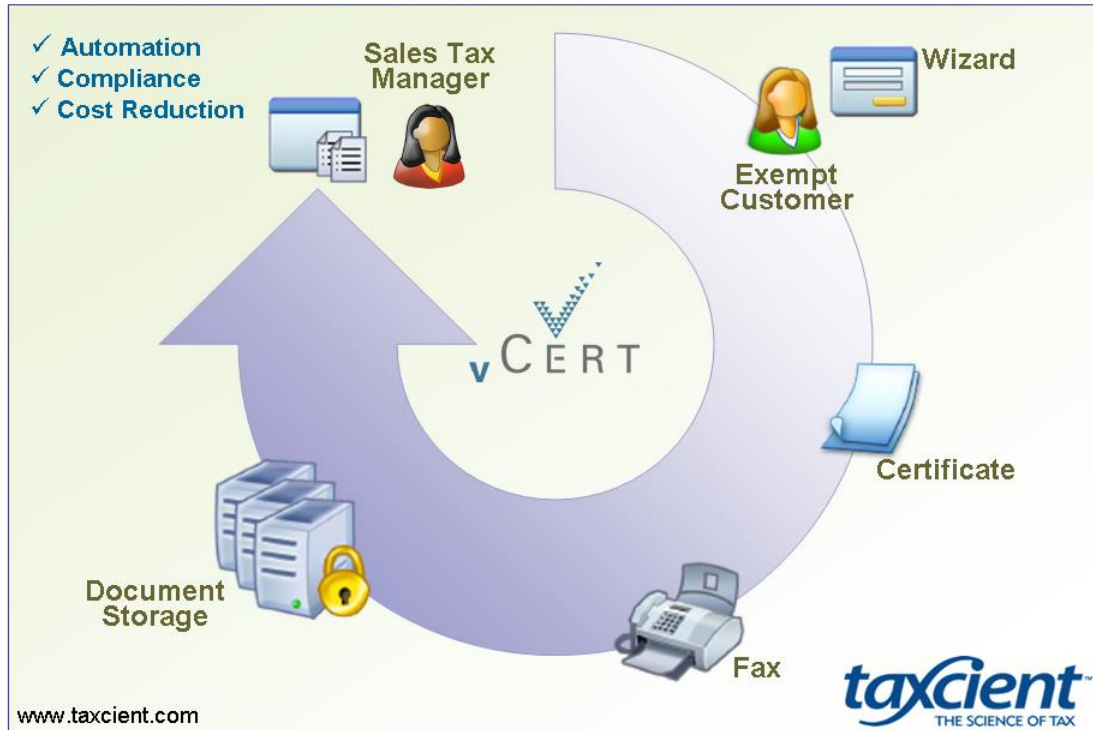
Scenario #3: Your company is under audit. The auditor questions specific exempt sales from three years ago, and requests a copy of the exemption certificate. You have used vCert to obtain the certificate, and find it by entering the customer name or customer ID in vCert. Because the customer went through the vCert wizard to obtain the exemption certificate, the certificate is on the right state form. The sale is supported and not projected as an error in the audit.

That's the power of vCert. vCert not only helps your customers choose the correct exemption certificate, it collects and stores the exemption certificates so you can access them when you need to – reducing your audit liability and increasing compliance.

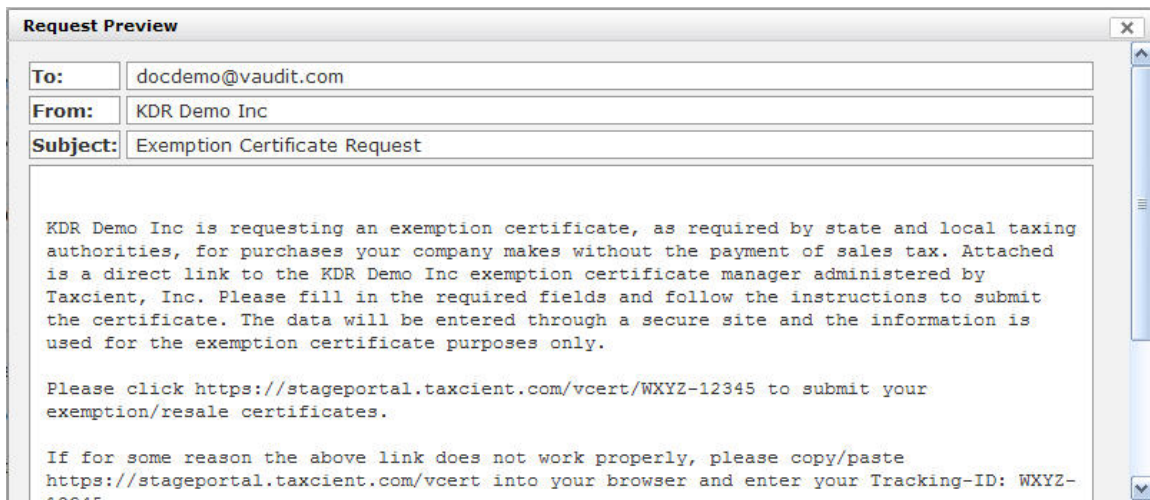
In addition, vCert tracks and updates legislative revisions to exemption certificates so your customers always use the most up-to-date form.

vCert Workflow

Following is an illustration showing the entire vCert process, from initiating a request for a customer to provide an exemption certificate, to receiving the certificate:



You can initiate a request via e-mail, fax, or regular mail. The request is in the form of a letter, shown below, describing the request and containing a link to the secure site where customers launch the exemption certificate manager. This example shows an e-mail request.



When the customer goes to the site, he/she is prompted to answer a series of questions in a wizard format. After the last question, vCert supplies the customer with the correct certificate and prompts the customer to print the certificate.

After the customer prints and signs the certificate, he/she faxes the certificate to a secure vCert server – and that’s it. After the certificate is at the server, vCert scans, indexes, and assigns the certificate to the customer’s records, then sends you and the customer an e-mail indicating that the certificate has been received.

For each step, you can check where the customer is in the process, and send follow-up requests to customers who are taking their time getting their certificate to you. After you receive the certificate, vCert continues to monitor it by making sure it’s valid, tracking its expiration date, and helping you send a renewal notice when it is expired or rejected.

Initiating an exemption certificate request

With the help of Taxcient staff, your existing exempt customer master file will be uploaded into the system during implementation so you can easily request exemption certificates.

You can send exemption certificate requests via e-mail, fax, and regular mail. This section covers each method.

Before you begin: You launch exemption certificate requests using Customer IDs you assign to your customers. Make sure you have the Customer ID before you begin. To send an exemption certificate request to a new customer, make sure to enter a unique Customer ID.

Logging on to vCert

1. At the top of the Taxcient home page (www.taxcient.com), click the LOGIN link.

[HOME](#) | [LOGIN](#) | [CONTACT](#)

2. Enter your user name and password.

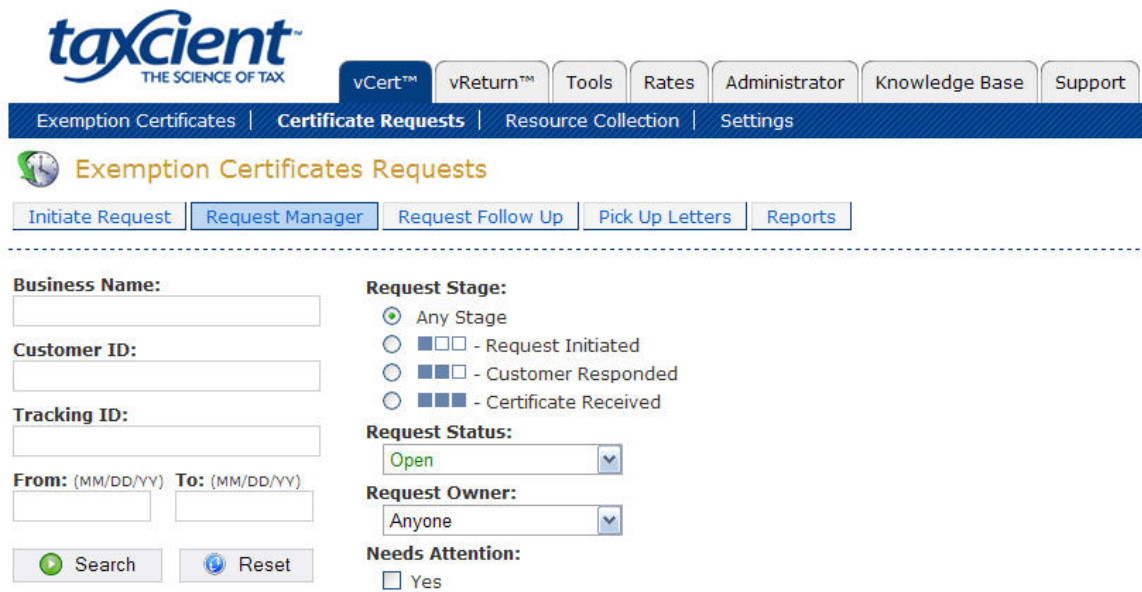
LOGIN

USERNAME or EMAIL:

PASSWORD: 

Remember username on this computer

This displays the **Request Manager** page, where you can track exemption certificate requests using a variety of inputs. We'll discuss these later in "Tracking customer requests."



The screenshot shows the Taxcient vCert Request Manager interface. At the top is the Taxcient logo and navigation tabs for vCert, vReturn, Tools, Rates, Administrator, Knowledge Base, and Support. Below this is a blue navigation bar with links for Exemption Certificates, Certificate Requests (highlighted), Resource Collection, and Settings. The main heading is "Exemption Certificates Requests" with sub-tabs for Initiate Request, Request Manager (highlighted), Request Follow Up, Pick Up Letters, and Reports. The form contains several fields: Business Name, Customer ID, Tracking ID, and date range (From/To). It also includes radio buttons for Request Stage (Any Stage, Request Initiated, Customer Responded, Certificate Received), a dropdown for Request Status (Open), a dropdown for Request Owner (Anyone), and a checkbox for Needs Attention (Yes).

3. Click the **Initiate Request** tab.



Initiating a request

Note: If you are sending exemption requests via mail to a large number of customers, contact your Taxcient Customer Service Representative. Your Taxcient representative can send mailed customer requests in bulk, freeing up your system for other tasks.

You can choose to initiate multiple mail requests in succession, then download them later for printing. You also have the option to download individual files, create a single file with multiple letters, or create custom letters using MS Word's Mail Merge feature.

1. Enter a Customer ID in the **Customer ID** box, then click **Lookup Customer**. If this is a new customer, make sure to assign a unique Customer ID.

Customer ID:

This displays the **Customer Contact List**. If the customer was included in the master file loaded during implementation, clicking a row automatically fills in the customer contact information. The Record Source column tells you where the customer information came from. For example, Exemption Certificate means that the customer information came from an exemption certificate faxed to vCert. Use the scroll bar to see all the columns in the list.

#	Record Source	Business Name	Attention	
1	Request Communication	Documenter, Inc.	George Smith	5555 5
2	Customer Record	Documenter, Inc.		5555 5
3	Exemption Certificate	Documenter, Inc.	George Smith	5555 5
4	Request Communication	Documenter, Inc.		5555 5
5	Customer Record	Documenter, Inc.		5555 5

2. If there is contact information for the customer, click the row you want. The available information is automatically transferred to the appropriate boxes.

Business Name: <input type="text" value="XYZ Inc."/>	Address Line 1: <input type="text" value="33 33rd Ave."/>
Attention: <input type="text"/>	Address Line 2: <input type="text"/>
E-mail Address: <input type="text" value="docdemo@vaudit.com"/>	City: <input type="text" value="Los Angeles"/> State: <input type="text" value="CA"/> Zip: <input type="text" value="90024"/>
Fax: (xxx-xxx-xxxx) <input type="text"/>	Telephone: (xxx-xxx-xxxx) <input type="text"/>

3. **E-mail:** If there is no record for this customer, make sure the **Business Name** and **E-mail Address** boxes are filled in.

Fax: Make sure the **Business Name**, **Attention** and **Fax** boxes are filled in.

Mail: Make sure the **Business Name**, **Attention**, **Address**, **City**, **State**, and **Zip** boxes are filled in.

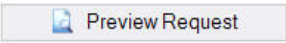
Request Body:

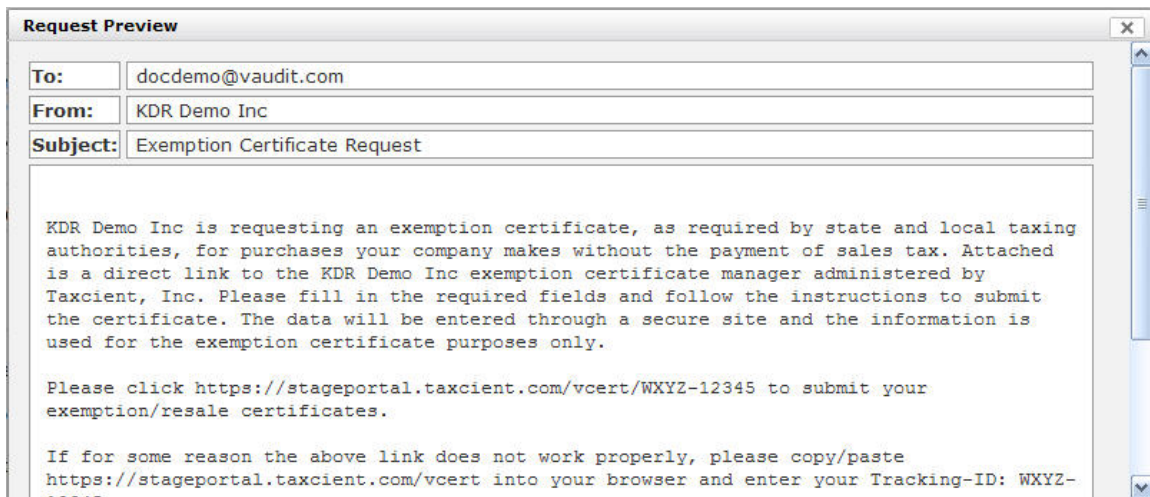
800 chars left

Send Method: EMAIL FAX MAIL

Letter Template: standard ▼

Include Barcode:

4. You have the option to enter a message to the customer in the **Request Body** box. Use this box to enter additional instructions to the customer. The information appears above the main body of the letter.
5. For **Send Method**, click **EMAIL**, **FAX**, or **MAIL**.
6. vCert comes with a standard letter template. If you want to use it, keep the option for **Letter Template** set to **standard**. To send a custom letter, click **custom**. To use this option, there must be text in the **Request Body** box.
7. In most cases, the **Include Barcode** check box should not be checked. This is for customers who do not want to enter the vCert system because they have valid exemption certificate forms already pre-filled with permit numbers. Checking this box attaches a cover sheet to the e-mail, which maps the customer's form to their Customer ID so they can send in their own forms. Make sure to review forms sent using this method to ensure they are valid.
8. To preview the letter, click  .
9. **E-mail:** This displays the e-mail in a separate window. The e-mail is shown below.



Fax: The preview fax is a PDF file. You're prompted to open the file or save it to disk. Click **Open** or **Save**. If you click **Save**, provide a location for the file, then click **Save**. The fax has a cover sheet followed by this letter:

Due to recent sales and use tax audits and legislative revisions to sales and use tax exemption certificates, we formally request an updated sales and use tax exemption certificate from you in order to bring our files into compliance. While your company may have previously issued an exemption certificate, the current regulatory environment mandates that we ask for your cooperation in providing an updated certificate utilizing our new system for gathering and tracking the exemption certificates. Please utilize this system as it ensures that we are in compliance with the most current exemption forms and laws pertinent to each particular jurisdiction.

To submit the updated sales and use tax exemption certificate, please visit the following website:

<https://stageportal.taxcient.com/vcert>

Enter Tracking-ID: WXYZ-12345

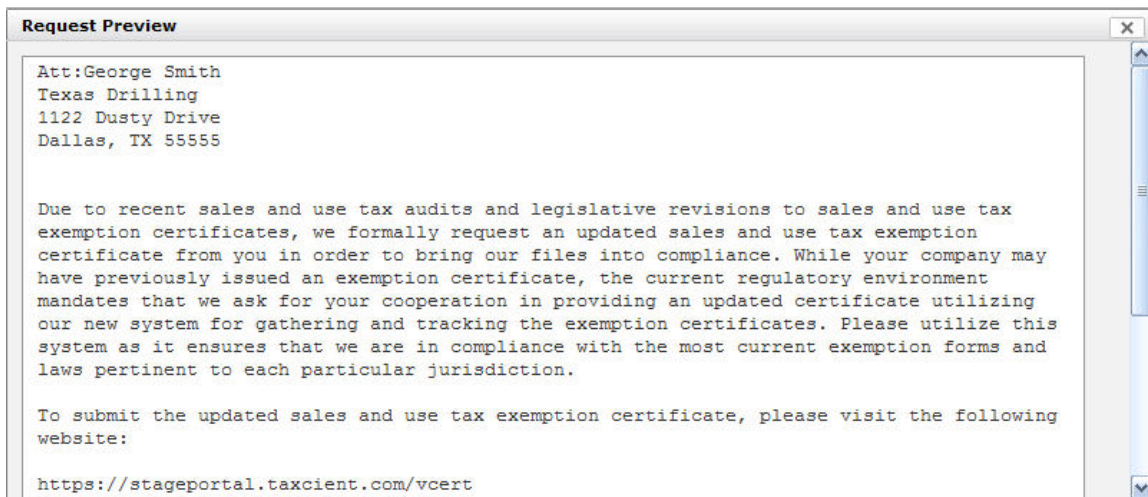
Once you have completed the questionnaire, please print, sign and fax the form to the toll-free fax number listed on the filing instruction form.

Should you have any questions, comments or concerns please feel free to contact me directly. Thank you in advance for your cooperation.

Sincerely,

KDR Demo Inc

Mail: This displays the letter in a separate window.



10. When you're ready to send the message, click

 Submit Request

The request is sent to your customer, launching the exemption request process.

11. If the request is successful, vCert displays this message:

Your request has been submitted successfully.
To submit another request, [click here](#).

E-mail/Fax: If you want to send another request, select **click here**. Doing so returns you to the **Initiate Request** page.

If you sent the request via mail, you also see this message:

Request letter is ready to [pickup](#).

12. Do one of the following:

- To submit another request, select **click here**.
- To print the letter, click **pickup** and continue with the following steps.

13. You're prompted to open the file, or save it to disk. Click **Open** or **Save**.

- If you clicked **Open**, the file opens and you can view and print the letter.
- If you clicked **Save**, you're prompted for a file location. Provide a location for the file, then click **Save**. Open the letter, print it, and then send it to your customer.

You can choose to print the letter later by accessing it under the **Pick Up Letters** tab. See "Downloading and printing letters" for more information.