

Streamlined Sales Tax Governing Board, Inc.

Core Team Interim Review of Appendix F Data

Beginning with the 2015 Appendix F data files that are due on February 15, 2016, the Core Team will perform an interim review of the annual Appendix F data files (Audit Transaction Data, Compensation, and Control Totals). The interim review being completed by the Core Team covers preliminary procedures that the Core Team would do as part of each CSP's contract compliance audit and in preparing the states for their tax compliance audits. By doing this analysis each year and identifying possible issues sooner rather than later, it gives the CSP an opportunity to get these issues corrected as soon as possible – not only for the current year, but going forward as well.

The purpose of the interim review of the data is to:

1. Identify possible problem areas with the data sooner rather than later so that the CSP can determine the reason the problem happened so that it hopefully does not repeat itself and re-run the files (if necessary) while the data is still relatively current. (Note: The other option is to wait 2 – 3 years until the next contract compliance audit and state tax compliance audits take place and have the questions come up then.); and
2. Help ensure that the Core Team (and states) have complete and properly formatted data at the beginning of the next contract compliance audit (and state tax compliance audits) so valuable time is not spent re-running the files once the audits begin. This will help the Core Team and state auditors better follow their timelines.

In the long run, this process should help minimize the amount of CSP resources required to re-run files because the CSP will know up front what is being checked by the Core Team and can make sure the files are correct the first time.

Items to be Reviewed

1. **Completeness of data** - The Core Team will review all Appendix F files provided (Audit Transaction Data, Compensation, and Control Totals) and determine if any files are missing or appear incomplete. The Appendix F Audit Transaction Data will be summarized by state and compared to the Control Total files. Each CSP will be provided with a report by state that shows the total amount and count of the Appendix F Audit Transaction Data and whether or not the data ties to the Control Totals. If there are discrepancies between the Audit Transaction Data file and the Control Totals, the CSPs will be asked to respond to the Core Team's findings and re-run the data, if necessary. Any corrected files will need to be provided to the Core Team per Appendix F.
2. **Potential Data issues** – The Core Team will review all Appendix F files provided (Audit Transaction Data, Compensation, and Control Totals) to identify other potential data issues for the Core Team and/or state auditors. Below are the areas that the Core Team will review and provide feedback, including the detail of the data with issues, for each of the CSPs.

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If there are data issues in the areas below, the CSP will be asked to respond to the Core Team's findings and, if necessary, re-run the data.

- Transaction data is not within the proper period (e.g., 2014 transactions included in 2015 files)
- Transaction data has missing periods
- Compensation data does not cover the entire period
- Control total file does not cover entire period
- Data files contain sales relating to other states (e.g., AR sales included in GA's files)
- Missing SER filing period
- Exemption information is incomplete for entity exemptions
- Missing data such as Ship to Address
- A separate mapping file is missing (if required)

Reporting Results to CSPs

Once the Core Team has completed their interim review, a report will be sent to each CSP and include results of the completeness of data review and any other potential data issues identified. This information will not be provided to the state auditors. The CSPs will be asked to respond to the report within 30 days. The CSP responses should include an explanation of any completeness of data errors, new Appendix F data files if necessary, and an acknowledgement that the Appendix F files are ready to be forwarded to the Member States.

Providing Appendix Data Files to States

Once both the Core Team and CSPs are satisfied that the Appendix F data files are complete and properly formatted, the Core Team will provide the data files to the Member States via the Share File site.