# 

# Certified Service Provider

# Contractor Questionnaire

|  |  |
| --- | --- |
| Contractor: |  |
| Contract Period: | January 1, 2014 to December 31, 2016 | |
| Contact Name: |  |
| Contact Phone: |  |
| Questionnaire due date: | February 10, 2017 |

Once complete, upload this document to your company’s Core Team folder on the SSTGB ShareFile site and send an email to the Core Team indicating the questionnaire is available.

1. [B.1] Has your Company performed all of the sales and use tax functions of each Seller with whom your Company has contracted as a CSP for each Member State and Associate Member State in which the Seller is registered to collect sales and use tax (other than the Seller’s obligation to remit tax on its own purchases)? If not, or if there were a few instances where your Company did not, please explain.

Yes  No  Explanation:

1. [B.1] Please provide details if you entered into an agreement with any sellers (who are not registered as Volunteer Sellers, as defined in Section D.2(b), in a Member State or Associate Member State) **not to** provide CSP services on behalf of the Seller in a Member State or Associate Member State. *(This question focuses on calendar year 2014, prior to the change, effective January 1, 2015, that allows CSPs to classify non-volunteer sellers as model 4s.)*

Yes  No  Explanation:

1. [B.1] Did you notify the affected Member State(s) or Associate Member State(s) within ten (10) business days after agreeing with a Seller (who is not registered as a Volunteer Seller) not to provide CSP services for that seller? If not, please provide an explanation.

Yes  No  Explanation:

1. [B.1] Please provide an explanation of how your Company documented that notification was made timely.

Explanation:

1. [B.1(1)] Have you set up and integrated a certified automated system (CAS) with each seller’s system, including a product mapping process which is defined as classification of an item or transaction within a certified category as provided in Section 502 of the SSUTA?

Yes  No  Explanation:

1. [B.1(1)] Explain how product mapping is performed? Explanation:
2. [B.1(3)] Have you filed the required sales and use tax returns as provided for in Section 318 of the SSUTA on behalf of each Seller for whom you provide tax calculating and reporting services at the time and in the manner specified by the Governing Board, each Member State, and each Associate Member State in which the Seller is registered to collect sales and use tax? If not, or if there were a few instances where your Company did not, please explain.

Yes  No  Explanation:

1. [B.1(3)] Have you remitted the Seller Taxes on behalf of each Seller for whom you provide tax calculating and reporting services at the time and in the manner specified by the Governing Board, each Member State, and each Associate Member State in which the Seller is registered to collect sales and use tax? If not, or if there were a few instances where your Company did not, please explain.

Yes  No  Explanation:

1. [B.1(3)] Please explain the documentation you maintain (error files, etc.) in cases where tax returns, information returns, or remittances fail or were sent late.

Explanation:           

1. [B.1(3)] What steps does your Company take for monitoring and correcting instances where tax returns, informational returns or remittances fail or are sent late? Explanation:
2. [B.2] Has your Company executed a Contract with each Seller addressing the services to be performed and does that Contract include the required statement outlined in Section B.2 of your Contract with the Governing Board? If not, or if there were a few instances where your Company did not, please explain.

Yes  No  Explanation:

1. [B.5] In such instances where a State debited your bank account more than once for the same tax payment, were there any instances where your Company was unable to pursue corrective action to issue an effective stop payment on the duplicate payment? If so, please explain.

Yes  No  Explanation:

1. [B.5] In such instances where your Company was able to pursue corrective action to stop payment on the duplicate payment, did any state hold your Company liable, or issue any fines or penalties, on account of the stopped payment? If so, please explain.

Yes  No  Explanation:

1. [B.5] Were there any instances where a state provided incorrect primary or back-up contacts for your Company to notify during an attempt to stop payment on a duplicate payment? If so, please explain.

Yes  No  Explanation:

1. [D.1] Were there any instances where your company determined errors in compensation? If so, please list the errors and the dates corrected.

Yes  No  Errors and dates corrected:           

1. [D.4] Does a procedure exist to account for the loss of volunteer status? If so, please describe.

Yes  No  Description:

1. [D.4] Have you included in your contracts with Sellers an obligation to report their status in writing within thirty (30) days of your request? If not, please explain.

Yes  No  Explanation:

1. [D.4] Has your Company obtained from each Seller that meets the 24-month or post 24-month annual lookup a response regarding the statement of its status in each Member State and Associate Member State? If not, please list those Sellers that failed to respond or responded past the thirty-day response period.

Yes  No  Explanation:

1. (D.4) Were all notifications of change in status communicated to the respective states no later than 10 business days after receipt of the statement from the Seller?

Yes  No  Explanation:

1. [D.4] Has your Company notified each affected Member State and Associate Member State of such changes in status for those Sellers? If not, please list those States.

Yes  No  Explanation:

1. [D.5] Please explain if you deviated from the compensation formula outlined in D.5.(a) through D.5.(h), on any Volunteer Seller.

Explanation:           

1. [D.6] Are you following for all Volunteer Sellers the example outlined in D.6. (see below) on allocating compensation rates when the rates reach the adjustment levels? If not, please explain your allocation methodology.

Yes  No  Explanation:

|  |
| --- |
| ***For example, if taxes are remitted monthly and the total amount of Taxes Due from a Volunteer Seller to all Member States and Associate Member States combined rises from $225,000 at the end of one month to $300,000 at the end of the following month, the Contractor shall receive eight percent (8%) of $25,000 ($2,000) and seven percent (7%) of $50,000 ($3,500) as compensation and the remainder ($69,500) shall be remitted to the Member States and Associate Member States for that month.*** |

1. [D.6] When allocating rate changes between all Member States and Associate Member States are you using the method outlined in D.6. (see below)? If you are using an allocation methodology that you believe is more accurate, please explain.

Yes  No  Explanation:

|  |
| --- |
| ***“…the adjustment shall be applied proportionately among the Member States and Associate Member States regardless of which individual purchases were made before or after the adjustment level was reached during the period.”*** |

1. [D.7] Were there any exceptions in resetting compensation rates at January 1, 2014, 2015, or 2016 for any of your volunteer sellers? If so, please list those sellers:

Yes  No  Explanation:

1. [D.8] What criteria does your company use to determine if the Seller is part of a group of Affiliated Volunteer Sellers? For example, do your new client procedures and/or information sheets include questions or prompts to confirm with the Seller whether they would be classified as an Affiliated Volunteer Seller?

Criteria:           

Please supply a listing of all known Affiliated Volunteer Sellers.

Affiliated Volunteer Sellers:           

|  |
| --- |
| ***“Affiliated Volunteer Sellers shall be treated as a single Volunteer Seller if they would qualify as “related persons” under section 267(b) or 707(b) of the Internal Revenue Code.”*** |

1. [D.9] Please provide a listing of Volunteer Sellers your company has charged a fee for processing non-taxable transactions that have exceeded thirty percent (30%) of all transactions processed annually for the Volunteer Seller in a particular state.

Volunteer Sellers charged a fee:           

1. [D.9] In the event that a new Volunteer Seller anticipated non-taxable transactions to be in excess of thirty percent (30%) in its first year or for subsequent years, was it documented whether a Volunteer Seller’s actual non-taxable transactions were in excess of thirty percent (30%)?

Yes  No  Explanation:      

1. [D.9] Did you notify the Executive Director prior to negotiating with the Volunteer Seller to determine a mutually agreeable fee for processing the non-taxable transactions? If not, or if there were a few instances where your Company did not, please explain.

Yes  No  Explanation:

1. [D.10] If for any reason you had a Seller lose their status as a Volunteer Seller in a Member State or Associate Member State, please list them along with the date you were notified about their change in status.

Yes  No  Sellers and dates of notification:      

1. [D.12] Were there any months that your Company was not able to provide electronic compensation calculation reports to Testing Central? If so, please indicate the specific sellers and the months involved: Sellers and months involved:
2. [D.13] Did your company meet this requirement of providing tax collection and remittance services to those Sellers [to whom your Company provides CSP services] in a new Member State or new Associate Member State, in the same manner as you provided such services in the previously existing Member States and Associate Member States? If not, please explain.

Yes  No  Explanation:

1. [E.1] Did your Company remit all sales and use taxes due and receivable from the Sellers to the Member States and Associate Member States when due? If not, or if there were a few instances where your Company did not remit when due, please explain.

Yes  No  Explanation:

1. [E.1] Please provide details if your Company did not provide remittance of sales and use taxes to the Member States or Associate Member States within ten (10) business days after the date of written notice of delinquency, including a listing of delinquent returns.

Details:      

List of delinquent returns:      

1. [E.2] If one or more of your Sellers did not remit to your Company all or part of the Seller’s Taxes when due, did you notify each affected Member State and Associate Member State and the Seller of the failure to remit within ten (10) business days after the due date of the remittance to the Member State or Associate Member State? If so, also indicate the Sellers, the States, and the dates that you contacted them.

Yes  No  Seller:      

States:            Dates of contact:     

1. [E.2] If upon notification by a Member State or an Associate Member State that one of your Sellers has failed to remedy the delinquencies for more than one payment period, has your Company discontinued providing services for that Seller? If so, please indicate the name(s) of the Seller(s).

Yes  No  Seller:

1. [E.2] In the event that services to a Seller were discontinued, did your Company discontinue providing services to the Seller for all Member States and Associate Member States in which your Company was receiving compensation under this Contract? If so, please indicate the Seller(s) for which services were discontinued, the States from which your Company was receiving Compensation related to this Seller under this contract, and the dates that you discontinued providing services for the Seller. If not, please explain.

Yes  No

Seller:

States:

Date service was discontinued:

Additional Explanation:

1. [E.2] Did your Company notify the Executive Director of the Governing Board if your Company had discontinued providing services to such a Seller? If so, please indicate the dates and Sellers for which you contacted the Executive Director that your Company discontinued providing services to specific Sellers.

Yes  No

Seller:

Dates:

1. [E.3] Did your Company, within ten (10) business days from the date of notification by a State, revise the Automated System to conform with changes to its tax rates, boundaries, or taxing jurisdiction assignments which have been listed in the state’s rates and boundaries databases; the taxability matrix; or the classification of the taxability of a category of items or transactions pursuant to Sections 328 and 502 of the SSUTA? If so, please indicate the States that sent your Company notifications, including the dates.

Yes  No

States:            Dates:      

1. [E.3] Please provide details in cases where your Company failed to make such changes within the ten (10) business day period. Specifically, indicate whether your company was granted additional time.

Details:      

1. [E.4] Did your Company remit an incorrect amount of sales or use tax related to your Company’s reasonable reliance on an issue made available for review but not discovered in the certification process? Please provide details in cases where your Company failed to make changes within the ten (10) business day period to correct the issue causing the incorrect amounts to be charged and collected.

Yes  No

Details:

1. [E.5] Did your Company notify the Executive Director that a seller or former seller for whom CSP services were provided had filed for bankruptcy?

Yes  No  Explanation and dates of notification:

1. [E.6] Did your Company notify the Executive Director in writing for sellers it is no longer providing CSP services?

Yes  No  Explanation and dates of notification:

1. [E.7] Did your Company notify the Executive Director that a seller or former seller for whom it provided CSP services has gone out of business?

Yes  No  Explanation and dates of notification:

1. [E.11] Did your Company notify the Governing Board of the assignment of this contract or enter into any subcontract for any services that have a material impact on tax calculation, system security, databases, telecommunications, systems development, systems testing, systems maintenance, systems operation, or any other critical functions?

Yes  No  Explanation:

If so, was written approval received from the Governing Board?

Yes  No  Explanation:

Was the assignment or subcontracting to be performed outside of the United States, whether or not of a material impact?

Yes  No  Explanation:

1. [E.12] Was or is your Company the subject of a merger, consolidation, reorganization or other combination, or the subject of an acquisition?

Yes  No  Explanation:

1. [E.18] Is your Company in compliance with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority?

Yes  No  Explanation:

1. [E.24] Did your Company enter into a contract with a state or government authority that is not a Member State or Associate Member State, to provide sales tax collection and remittance services for that state or government authority?

Yes  No  Explanation:

1. [E.24] Did your Company provide a copy of that contract to the Governing Board within ten (10) days of the execution date of that contract? If so, please explain and provide the date(s) that these sales tax collection and remittance services began.

Yes  No  Explanation:

Dates collection and remittance began:

1. (E.26) Does your Company maintain any computer systems, data files or back-up sites related to the performance of this Contract outside of the U.S.?

Yes  No  Explanation:

1. [E.30] Does your Company have in place and does it administer a sales and use tax trust bank account to process all Seller Taxes due and owing to the Member States and Associate Member States?

Yes  No

1. [E.30] Is the trust account a separate bank account established at a banking institution?

Yes  No  Explanation:

Banking institution name and location:           

Account number:      

1. [E.30] Is the current trust account different than the trust account approved by the Governing Board?

Yes  No  Explanation:

1. [E.30] Is the trust account established as an account that requires the deposit of all Seller Taxes processed by your Company, and segregates all Seller Taxes from your Company’s own funds?

Yes  No  Explanation:

1. [E.30] Is there a corresponding general ledger account on your Company’s accounting system that provides a clear audit trail of all deposits of Seller Taxes, remittances of taxes to the Member States and Associate Member States, transfers of the CSP’s compensation from the trust account to your Company’s general business accounts, and all other account transactions?

Yes  No  Explanation:

1. [E.30] What are the security limits of the trust bank account?

Limits:

Have the trust fund deposits exceeded the security limits?

Yes  No  Explanation:

1. [E.30] Is the account administered according to generally accepted practices that segregate duties among administrators of the trust bank account?

Yes  No  Explanation:

1. [E.30] Does the trust bank account have in place the necessary electronic controls to prevent unauthorized access to and transfers from the account?

Yes  No  Explanation:

1. [E.31] Does your Company have in place a performance bond and/or security as defined in Section E.28 (please provide a copy of the policy or other approved security)?

Yes  No  Details:

1. [E.31] Please indicate the effective coverage period of this performance bond or other security. Coverage Period:
2. [E.31] What is the amount of the performance bond/security? Include any changes in dollar amount between January 1, 2014 and the present date.

Explanation:

1. [E.33] Please provide a sample of your Company’s advertising, marketing, or other communications, whether public or private, for services provided to Sellers.

1. Please add any other information not specifically asked for in this questionnaire that you feel would be of help during this audit.

               