

ProviNET mitigates the risks of rapid growth

IT services provider automates sales tax and exemptions with Avalara



Tax Challenges

- Compliance risk
- Manual, time-consuming processes

Business Systems

- ConnectWise
- Microsoft Dynamics Great Plains

Avalara Products

- Avalara AvaTax
- Avalara CertCapture

Results

- Confident compliance
- Streamlined processes
- Easy integration

As wholly owned subsidiary of a large, senior living provider, ProviNET Solutions provides tailored technology services—ranging from consulting services to managed IT services and virtual private cloud hosting. Based in the Chicagoland area, its customers not only include regional businesses but hundreds of non-profits all over the United States. What started as an in-house IT department for its parent company has grown into a thriving business in its own right, and that growth has been accelerating recently.

As ProviNET expanded both its geographic footprint (adding customers in new states) and its offerings (hardware, software, and services), the company's sales tax obligations grew more complex, increasing the complexity of tax-compliance. In this new light, manual processes for calculating sales tax and managing exemptions came to be viewed as too risky and too onerous.

Binders and spreadsheets

"It was an arduous task," says Barb Cullinan, who leads business services at ProviNET. It was her job to take the transaction information from the organization's enterprise resource planning software; ConnectWise and push the sales tax to Microsoft Dynamics Great Plains. "Then, every month we had to reconcile the two," making sure that everything taxable was being taxed, and that everything exempt was not. To make things even more complicated, ProviNET is also a reseller, so sometimes they have to pay use tax.

"As our organization sold product or performed services for customers out of state I would occasionally find discrepancies," Barb remembers, "and then I had to spend time searching for the source and making corrections." If, for example, a tax-exempt customer had mistakenly been charged sales tax, "it was a big effort to unwind things."

From a pure compliance standpoint, perhaps the greatest risk was how the company managed its exemption certificates. "I kept them in a large binder on my desk," laughs Barb. "And I once had someone print out a spreadsheet to help me keep track of who was tax-exempt and why... that was a little messy."

Automation and integration

In the summer of 2016, ProviNET upgraded to a newer version of Microsoft Dynamics Great Plains, which paved the way for a system that could automate both the calculation of sales tax and the management of exemptions. The company chose Avalara AvaTax to automate sales tax calculations and Avalara CertCapture for

managing exemption certificates and compliance, based largely on their ability to integrate easily with existing ERP and accounting systems. Implementation from start to finish took less than three months.

“It was a very smooth process,” says Barb, “a breeze compared to implementations I’ve gone through in the past. My Avalara implementation manager was with me every step of the way, making sure the various systems communicated clearly and reliably with each other.”

Getting time back... and peace of mind

Avalara AvaTax has helped ProviNET do away with potentially risky manual processes for calculating and applying sales tax. “I rarely have to spend any time looking for the source of a discrepancy,” says Barb. “It used to be a fairly regular occurrence, but I’m actually shocked now when it happens... which means AvaTax is doing its job.”

Barb says her next priority on the sales-tax front is to complete an internal audit—with help from Avalara—to identify the states where ProviNET needs to register after the South Dakota v. Wayfair, Inc. decision. “It’s advantageous for any company that has to collect sales tax to make sure you’re registered in the states that you need to be,” she says. “The fines can be steep. The states want their money, and it’s better to be safe than sorry.”

On the exemptions front, CertCapture has made Barb’s binder obsolete. Once an exemption certificate is loaded into the system (as a PDF), CertCapture manages renewals and communicates with AvaTax automatically. “It will even send out a renewal reminder—an email with a link so the customer can upload directly to CertCapture—without us having to do anything.”

“I still have the binder on my desk, though,” Barb laughs. “It’s like a souvenir now.”

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– Barb Cullinan
Business Services Lead
ProviNET Solutions



Avalara Tax Compliance Suite

A complete, end-to-end sales and use tax compliance solution – built to grow with your business.

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Avalara Returns handles monthly sales & use tax filing, payments, and notice management.

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