

# Welcome

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## **Automating Tax Reporting with OneSource TaxStream Part 1: FAS 109 Provision**

January 29, 2009

# Why not use Spreadsheets?

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- Risks of utilizing spreadsheets grow as tax laws become more complex
- Spreadsheet errors increase in direct proportion to the number of people using the spreadsheet and the number of years it has been used
- SEC: 1/3 of companies reporting material weaknesses resulting in financial restatements cited tax reporting processes and controls as one of their problems
- More time spent on mechanics rather than efficiently allocating time to tasks such as analyzing complex tax calculations and forecasting

# Benefits of Automated Process

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- **SAVE TIME:** 50% time savings year-round
- **MANAGE RISK:** controls ensure SOX compliance
- **INCREASE ACCURACY:** numbers can't be hidden
- **SUPPORT:** auditors can “drill down” to details
- **IMPROVE DATA FLOW & STORAGE:** optimize provision work flow with one central database including attached documents stored permanently

# Titus and TaxStream

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- Titus is a Channel Partner with TaxStream, providing a full range of consulting services around the TaxStream product suite.
- Services include:
  - ✓ Implementation support
  - ✓ Process improvement
  - ✓ Accounting services
  - ✓ Sarbanes-Oxley assistance

# Titus and TaxStream

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- Titus and TaxStream bring complementary skill sets to the implementation process
- Titus Provides:
  - ✓ Expansive FAS 109 tax accounting knowledge
  - ✓ Federal, state and local, and international tax expertise
  - ✓ Business knowledge to ensure that complex reporting is accurate and in the optimal format.
- Taxstream provides:
  - ✓ Internal first hand knowledge of the software
  - ✓ Report modifications to meet client needs
  - ✓ Software customization

As a Team, Titus and TaxStream ensure a seamless implementation process

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# Why TaxStream?

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- Only provision software used by all Big 4 firms and 40% of Fortune 500
- Multi-user platform installed internally or Web accessed
- Streamline data from GLs, Excel, remote collection and manual user interface
- TaxStream software automatically ties out all reports and calculations to eliminate broken formulas or variance reports
- TaxStream manages and analyzes deferred balances including rolling deferred balances forward and automating NOLs and valuation allowances on jurisdictional, entity and/or filing group basis

# Non-Linear Multitasking Controlled by Assigning User Access Privileges

- Limit user access to data periods and legal entities  
200+ users tested concurrently
- Grant reviewers or auditors a read only access level or batch print reports

**Batch Print**

**SubConsolidations**

Division  
Domestic  
Europe  
Foreign  
SC\_Elimination Co  
SC\_domestic

**Dataset**

**Currency**

Select a currency type ...

**Units**

000 (Interim Topside)  
D1000 (ABC Corporation)  
D10000 (Domestic 10)  
D2000 (DEF Corporation)  
D3000 (GHI Corporation)  
D4000 (JKL Corporation)  
D5000 (Domestic 5)  
D6000 (Domestic 6)  
D7000 (Domestic 7)  
D8000 (Domestic 8)  
D9000 (Domestic 9)  
F1000 (German Corporation)  
F2000 (UK Corporation)  
F3000 (Japan Corporation)  
F4000 (German Holdco)  
new (Acquisition)

**Reports**

Tax Provision  
Tax Provision (detail)  
GAAP To STAT Provision  
GAAP To STAT Provision (detail)  
Effective Tax Rate (detail)  
Deferred Balances Fed (exp)  
Def Balances Pre-Tax (exp)  
Def Balances Fed+State+fbos (exp)  
Temp Diff Smry FFG Fed  
Temp Diff Smry FFG Fed+State  
Temp Diff Smry FFG State  
Foreign/Domestic Summary  
Liability (exp)  
Unit Questionnaire Summary

Close Print...

**Administration - Manage Users**

User ID	Name	Type	Email	Phone
admin		Administrator		
taxstream.eadmin	Edward Admin	Administrator		
taxstream.readwrite	Larry Readwrite	Read/Write	lreadwrite@taxstream.net	201-610-1211 xlarry

**Details**

User ID : taxstream.readwrite

User Type : Read/Write

User Name : Larry Readwrite

User Email : lreadwrite@taxstream.net

User Phone : 201-610-1211 xlarry

Active :

Change Password

**Access Rights**

Res: Reporting Dataset List

Permit	Name
<input type="checkbox"/>	Alt Provision
<input type="checkbox"/>	2008 Provision
<input type="checkbox"/>	Compliance
<input type="checkbox"/>	2009 rollover
<input type="checkbox"/>	2007 Data to roll to ...
<input type="checkbox"/>	2008 Interim Test
<input type="checkbox"/>	Test
<input checked="" type="checkbox"/>	Provision
<input type="checkbox"/>	2002FY
<input type="checkbox"/>	2003 FY
<input type="checkbox"/>	2008 Q1

# Fully Comprehensible and Searchable Audit Trail

Administration - View Audit Trail

View By: Dates: (MM/DD/YYYY)

UserName: <all>   
 Component: NOL Temporary Differe   
 Dataset: 2008 Provision   
 Unit: <all>   
 State: <all>   
 from: 1 / 1 /2008   
 to: 1 /22/2009

Transaction Type	Component Type	Dataset	Unit		State	User	Component Code	Tag/Code	Date
			Component Type Field	Original Value					
ADD RECORD	NOL Temporary Differences	2008 Provision	D3000 : GHI Corporation			admin	NOL2005	I	SEPTEMBER 04, 2008 09:53:47
		Current or NonCurrent		C					
		Beginning Balance		0					
		Activity		-100000					
		Deferred Only Adjustment		0					
		Balance Sheet Only Adjustment		0					
		Beginning Deferred Tax Rate		.35					
		Ending Deferred Tax Rate		.35					
		Tax Year Generated		2000					
		Tax Year Expires		2000					
ADD RECORD	NOL Temporary Differences	2008 Provision	D5000 : Domestic 5			admin	NOL_SYS	A	SEPTEMBER 04, 2008 09:53:47
		Current or NonCurrent		NC					
		Beginning Balance		0					
		Activity		0					
		Deferred Only Adjustment		0					
		Balance Sheet Only Adjustment		0					
		Beginning Deferred Tax Rate		.35					
		Ending Deferred Tax Rate		.35					
		Tax Year Generated		2007					
		Tax Year Expires		2007					
	NOL								

# Manage Changing Structures and Complexities without DB Changes

Administration - Manage Units

Code	Name	Unit Type	Country Name	Currency
000	Interim Topside	Domestic	UNITED STATES	USD
D1000	ABC Corporation	Domestic	UNITED STATES	USD
D10000	Domestic 10	Domestic	UNITED STATES	USD
D2000	DEF Corporation	Domestic	UNITED STATES	USD
D3000	GHI Corporation	Domestic	UNITED STATES	USD
D4000	JKL Corporation	Domestic	UNITED STATES	USD
D5000	Domestic 5	Domestic	UNITED STATES	USD
D6000	Domestic 6	Domestic	UNITED STATES	USD
D7000	Domestic 7	Domestic	UNITED STATES	USD
D8000	Domestic 8	Domestic	UNITED STATES	USD
D9000	Domestic 9	Domestic	UNITED STATES	USD
F1000	German Corporation	Foreign	GERMANY	EUR
F2000	UK Corporation	Foreign	UNITED KINGDOM	GBP
F3000	Japan Corporation	Foreign	JAPAN	JPY
F4000	German Holdco	Foreign	GERMANY	EUR
new	Acquisition	Domestic	UNITED STATES	USD

Create New

Data Entry

Code: ELIMCO    Name: Elimination Company

Unit Type: Domestic    Country: US - UNITED STATES    Currency: USD - United St

Save New    Cancel

# Facilitate the Transfer of Data out of the General Ledger(s)

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- A one timing mapping exercise allows TaxStream to accept flat file extracts from the general ledger
  - TaxStream flexibility allows for the automation of just your tax accounts or your entire trial balance
    - Mappings act as a simple filter to accept flat file exports from the GL regardless of the package(s) in use
  - Import a snapshot of the trial balance once a period or as often as the balances fluctuate
    - TaxStream can even configure a direct link to your general ledger for seamless downloads of the most up to date data

# Import Mass Amounts of Data Via Excel Templates, when Practical

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- Utilize the familiar features of excel to copy and paste information such as ending deferred rates or ending state apportionment factors
- Imbed robust work papers inside TaxStream templates to reduce the headache of disconnected calculations

51	F2000	P7000	D	P	30000
52	F1000	P2000	D	P	400000

#U# Unit \ #UPD# Unit Perm Diffs / WorkPapers / #UTD# Unit Temp Diffs / #UNOLTD# Unit NOL TempDiffs / #UATTD# Unit AfterTax TempDiffs / #UTA# Unit Tax Adjs /

- Utilizing TaxStream automation allows for increased attention to complicated calculations

# Manage Multinational Processes with Real Time Data Flow

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# TaxStream Streamlines Remote Data Collection into the Consolidation

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- **Eliminate** tax packages by granting local users access to a web extension of ONESOURCE TaxStream Provision
  - Manage privileges by user to entities, data periods, jurisdictions, and adjustments.
  - Custom questionnaires collect qualitative information
  - Configurable sign of process
- **Tailor** instructions and input fields on every page at the corporate level to reduce the confusion of an internationally diverse process
- Data is automatically consolidated at the corporate level for real time review of the entire process
- Local users also have access to the same reports for insight into their own provision and rate reconciliation in local and reporting currency

# TaxStream Integrates With All Major Return Vendors

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- Simple parameter switches toggle on return integration as a part of any standard license
  - Parameter switches are kept password protected to protect users from accidentally changing system settings
  - TaxStream flexibility allows clients to use any return vendor and to switch at any time going forward
    - Advanced integration available for InSource Return clients via seamless web-feeds for enhanced efficiency.

# Quickly Toggle Report Views

- Between local and reporting currency:

Control Center

dataset: 2002FY (2002FY)

unit: F1000 (German Corporation)

State: GER (German Profit Tax)

subcon: Division

currency: Local Currency

**Provision Report (EUR)**

2002FY, TaxStream, F1000 German Corporation

Pre-Tax Book Income  
- Deductible State Tax  
+ Permanent Differences

Control Center

dataset: 2002FY (2002FY)

unit: F1000 (German Corporation)

State: GER (German Profit Tax)

subcon: Division

currency: Reporting Currency

**Provision Report (USD)**

2002FY, TaxStream, F1000 German Corporation

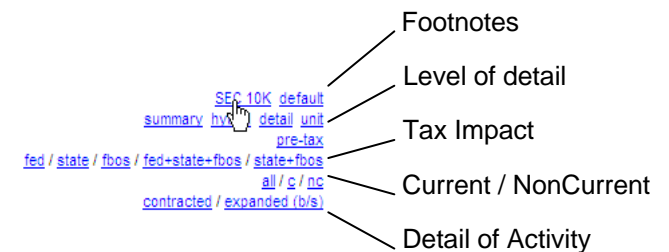
Pre-Tax Book Income  
- Deductible State Tax  
+ Permanent Differences

- Between various levels of detail:

## Deferred Balances Report - Pre-Tax (USD)

2002FY, TaxStream, D1000 ABC Corporation

Code	Name	Beginning Balance	Ending Balance
R01	Loss Carryforwards	0	0
R02	Valuation Allowances	0	0
R03	Reserves	994,000	3,284,000
Unassigned	Unassigned	(900,000)	(2,119,500)
<b>Total:</b>		<b>94,000</b>	<b>1,164,500</b>



# View Reports on a Legal Entity, Sub-Consolidated, or Consolidated Basis

- Manage groupings based on function or region

Administration - Manage Sub-Consolidations

Member? Unit Code Unit Name

Europe [add] [update] [delete]

Division  
Domestic  
Europe  
Foreign  
SC\_Elimination Co  
SC\_domestic  
Unitary

Member?	Unit Code	Unit Name	
<input type="checkbox"/>	000	Interim Topside	D
<input type="checkbox"/>	D1000	ABC Corporation	D
<input type="checkbox"/>	D10000	Domestic 10	D
<input type="checkbox"/>	D2000	DEF Corporation	D
<input type="checkbox"/>	D3000	GHI Corporation	D
<input type="checkbox"/>	D4000	JKL Corporation	D
<input type="checkbox"/>	D5000	Domestic 5	D
<input type="checkbox"/>	D6000	Domestic 6	D
<input type="checkbox"/>	D7000	Domestic 7	D
<input type="checkbox"/>	D8000	Domestic 8	D
<input type="checkbox"/>	D9000	Domestic 9	D
<input checked="" type="checkbox"/>	F1000	German Corporation	F
<input checked="" type="checkbox"/>	F2000	UK Corporation	F
<input type="checkbox"/>	F3000	Japan Corporation	F
<input checked="" type="checkbox"/>	F4000	German Holdco	F

- Breakout detail from consolidation / sub-consolidations

Consolidated Provision Report (USD)

2008 Provision, TaxStream

	TOTAL:	D1000:	D10000:	D2000:	D3000:	D4000:	D5000:	D6000:	D7000:	D8000:	D9000:	F1000:
	TOTAL	ABC Corporation	Domestic 10	DEF Corporation	GHI Corporation	JKL Corporation	Domestic 5	Domestic 6	Domestic 7	Domestic 8	Domestic 9	German Corporation UK C
Pre-Tax Book Income:												
123456789: Revenue Amounts	19,000,000	0	0	0	19,000,000	0	0	0	0	0	0	0
800000: Revenue	0	0	0	0	456,891	-456,891	0	0	0	0	0	0
910000: Current Tax Expense	-122,684	0	0	0	-61,342	-61,342	0	0	0	0	0	0
920000: Deferred Tax Expense	11,520	0	0	0	5,760	5,760	0	0	0	0	0	0
930000: Salaries	247,800	0	0	0	123,900	123,900	0	0	0	0	0	0
940000: Rent	68,318	0	0	0	0	68,318	0	0	0	0	0	0
987654321: Revenue	1,750,000	0	0	0	1,750,000	0	0	0	0	0	0	0
ACCT0001: Current Tax Expense	510,631,019	0	0	0	0	0	0	0	0	0	0	510,631,019
UPTBI: Unit-level Pre-Tax Book Income	102,641,359	100,000,000	1,000,000	175,000	1,000,000	225,000	12,500	-500	-11,000	50,000	25,000	462,759
Total Pre-Tax Book Income	634,227,332	100,000,000	1,000,000	175,000	22,275,209	-95,255	12,500	-500	-11,000	50,000	25,000	511,093,778

# Post Custom Journal Entries Outside of TaxStream

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- Configure Journal Entries to be generated every period
  - Dictate the level of detail at which the entries will be booked
  - Upload style sheets so that TaxStream will export in the exact file format that is required to close the loop between systems