

CASE STUDY



Tax Over-Payments Identified, Managed, and Returned



Scenario

SpendMend was engaged by a southern California hospital to recoup erroneous paid sales and use tax dollars. The review included all sales tax paid on invoice as well as all use tax accrued and remitted to the California Board of Equalization (BOE).

Findings

During the review, SpendMend discovered the hospital was incorrectly accruing use tax on invoices from a large distributor who had California nexus. SpendMend reviewed the item on which the hospital was self assessing tax and found the items were exempt under California regulations. SpendMend petitioned the BOE for a refund of these inaccurate tax payments. Additionally, SpendMend communicated this error to the hospital in order to immediately correct the accrual process.

Result

SpendMend worked diligently with the BOE on behalf of the hospital - responding to all notices and not disrupting the routine of the hospital's accounting staff. Guiding the claim for refund through the complexities of the BOE's process, SpendMend was able to secure a \$425,000 refund for the hospital. This amount represents 100% of the tax paid in error on this issue for the entire review period. Going forward, the hospital is now confident that the process they are utilizing is correct.



Wireless Account Management & Spend Optimization



Accounts Payable Audit



Contract Compliance



Sales & Use Tax



Spend Optimization



Analytics



946 52nd Street SE
Grand Rapids, MI 49508
(616) 257-6300 | (888) 257-6748
www.spendmend.com