

CASE STUDY

Tax Over-Payment = Financial Leakage

Scenario

SpendMend was engaged by a Southern California hospital to recoup erroneously paid sales and use tax dollars. The review included all sales tax paid on an invoice and 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 it was exempt under California regulations. SpendMend petitioned the BOE for a refund of these inaccurate tax payments. Additionally, SpendMend communicated this error to the hospital to immediately correct the accrual process.

Result

SpendMend worked directly with the BOE on behalf of the hospital – responding to all notices and shielding the hospital’s accounting staff from distraction. Guiding the claim through the BOE’s complicated process, SpendMend secured a \$425,000 refund for the hospital. A 100% return on the tax paid in error for the entire review period. The hospital is now confident they are utilizing the correct process, eliminating future errors.



Analytics



Spend Optimization



Accounts Payable Audit



Contract Compliance



Sales & Use Tax



Wireless Account Management
& Spend Optimization