Computer Sciences Corporation (CSC) faced tax challenges arising from acquisitions that added 400 federal and state returns and 100 global entities; a U.S. consolidated return with over 300 domestic and foreign subsidiaries; 95 U.S. Schedule M calculations; and 150 global tax adjustments.

Identifying their pain points helped CSC initiate a plan to resolve them. Among their goals:

- Ensure accurate, timely reports and controls to reduce SOX risks
- Develop reliable reporting for legal entities
- Reduce massive spreadsheet dependency
- Define and automate tax data processes

After looking at corporate tax solutions, CSC chose the Corptax® single system to align all processes and let them “get ahead of the work”.

Start Smarter, Finish Faster, Minimize Risk

CSC implemented Corptax to automate processes throughout the tax lifecycle. In addition to seamless execution, the software increased awareness about provision and what to watch for during the compliance cycle. “The software helps employees better grasp the concept of provision—where it starts, how it’s calculated, book income, book adjustments, perms, temps, attributes and so on. By understanding business factors that drive the provision, the team finds ways to save the company money on the return,” said Annette Toner, CSC Principal, Tax Technology Lifecycle Transformation.

As a result, CSC met their defined goals and turned time savings into better analysis and understanding from a global perspective. “If you’ve got a client who’s using Compliance and not using Provision, I would encourage them to strongly consider moving to the Provision product,” added Toner. “When non U.S. returns hit the software, it will be easier to do the provision for that country—plus, it really simplifies return to provision.”

CSC also witnessed their SOX compliance shift from cumbersome to controlled. By delving deeper into the single solution from Corptax, CSC achieved visibility and version control—making it easy to document, track and automate workflows, requests, reviews and approvals. “You can get everything you need out of the software. It’s eye opening how much easier it is to understand your data points and to look for ways to save money and time,” explained Toner. “It makes a big difference. We’ve definitely minimized risk.”

Three-Dimensional Cube-Style Entity Reporting

Managing domestic and international general ledger data was particularly complex. They receive over 30 domestic general ledger trial balances containing detail from seven separate GL sources. Moreover, they wrestle with trial balance import and reconciliation of foreign GL data, non-standard accounting practices and over 200 international tax packages. It was taking two to three months to import and reconcile trial balances.
With Corptax® Data Exchange, CSC automates the collection of Hyperion data, check totals, new acquisition attributes and more—and they’re reconciled before the 10-K is issued. The process—from receipt of trial balances to reconciliation—goes much more quickly.

Touching on automated entity creation for provision, Toner said, “We create entities by business unit, using custom data tags and rules-based groups. We no longer manually go to custom groups and move that entity into the system. Now we set up a couple of columns and simply check the boxes that belong to a given entity—all on the same screen. The new entity gets automated into the right group with no extra work—it’s easy.”

On the provision side, Corptax Entity Management makes it simple for CSC to:
• Create groups by region and sub-region for regional SEC financial reporting
• Define groups based on attributes, such as NOLs and VAs
• Create a Paragraph 22 entity group for FIN 18 reporting

Vanquish Spreadsheet Volume—Automatically Push, Pull, Reconcile and Report on Data

According to Toner, before adding Corptax® Office, “employees were opening every state return to ‘pluck off’ needed numbers: taxable income, total tax payments, leftover NOLs, etc. Now, they extract all key data points from each state return and every entity automatically—saving weeks of time and work, while improving accuracy.”

A “super-highway” providing two-way dataflow between Excel® and Corptax, Office allows CSC to dramatically cut spreadsheet volume. On the “pull” side, they retrieve accurate data from Corptax at the push of a button for federal, state and non-U.S. preparation of compliance and provision. On the “push” side, they move data from workbooks into Corptax automatically—eliminating spreadsheets, data entry errors and constant double-checking.

CSC counts on Corptax Office to:
• Enter provision deferred amounts for non-U.S. entities quickly
• Input every Schedule M on the federal return
• Complete state apportionment efficiently
• Reconcile monthly U.S. book income and key tax sensitive accounts

“We love Corptax Office,” said Toner. “Not only does it have a small learning curve, it saves us time we now use in more valuable ways.”

Results At-A-Glance
• Reduced spreadsheet volume, increased accuracy and lowered risk based on streamlined and automated processes and workflows
• Improved provision process to yield higher-quality return that captured savings for the company
• Achieved accurate, timely SOX-related reports and controls
• Automated entity creation and management for provision
• Used time-savings for review, analysis and value-added activities

“If you use Corptax Compliance, I strongly encourage adding Provision. It’s eye opening how much easier it is to understand your data points, minimize risk, and find ways to save time and money.”