

Task	Hours or Units	Hourly rate	Year 1	Year 2
			Total	
Management time to review obligations and set plan of action, monitor progress	240	\$ 100	\$ 24,000	5000
Expert advice on categorization and classification of products	50	\$ 350	\$ 17,500	
Review CSP, benchmark, evaluate, submit request for proposal, review proposals, select CSP	80	\$ 60	\$ 4,800	
Buy software, pay initial setup fee to CSP	2	\$ 8,500	\$ 17,000	
Add new database fields [Taxable Status CA] etc for each state for each of 40,000 products	600	\$ 30	\$ 18,000	2000
Categorize products into sales tax categories	600	\$ 30	\$ 18,000	\$ 2,000
Implement software, test across all platforms and browsers, in house developers	400	\$ 70	\$ 28,000	
CSP per transaction fee at \$0.05 per transaction (assume Avalara = CSP)	1000000	\$ 0.05	\$ 50,000	\$ 50,000
Avalara fees to submit tax forms assume 40 forms monthly	480	\$ 32.00	\$ 15,360	\$ 15,360
Accounting monthly tax payments - 2 days work each month	192	\$ 40	\$ 7,680	\$ 7,680
Accounting work to resolve sales tax issues (states) 2 hours x 45 states x 12 months	1080	\$ 40	\$ 43,200	\$ 43,200
Additional customer service time to resolve sales tax issues (customer) 30 hours a week	1560	\$ 22	\$ 34,320	\$ 34,320
Management of exemption certificates for all states, 20 hours a week	1040	\$ 22	\$ 22,880	\$ 22,880
Software maintenance, updates, testing with new releases	120	\$ 100	\$ 12,000	\$ 12,000
Sales Tax Audit support - assume 1 minor audit every 20 years / state at 50 hours = 2 audits per year	100	\$ 100	\$ 10,000	\$ 10,000
Undercollected taxes, penalties and interest	1	\$ 20,000	\$ 20,000	\$ 20,000
Additional Fees to auditor to audit sales tax liability for 50 states	50	\$ 160	\$ 8,000	\$ 8,000
Additional time for monthly financial reporting	96	\$ 100	\$ 9,600	\$ 9,600
			\$ 360,340	\$ 242,040