

# DAVO Sales Tax Frequently Asked Questions

Here are the top FAQs about our App:

**1. When will DAVO Sales Tax begin collecting my sales tax?**

DAVO will begin collecting your sales tax on the first calendar day of the month after you sign up. For example, if you sign up on March 15th DAVO will begin collecting on April 1st.

**2. When does DAVO Sales Tax collect my sales tax?**

DAVO collects on a daily basis. DAVO fulfills your legal obligations daily; keeping sales tax revenue separate and secure from your general operating funds. We ensure the funds are always available when DAVO remits sales tax revenues to the state.

**3. How does DAVO Sales Tax collect the funds to pay my sales tax?**

DAVO initiates an ACH debit notice to your designated bank account for the amount of the sales tax you collect on a daily basis. These funds are then used to pay your State Taxation agency on your behalf. Please refer to our [Terms and Conditions](#) for further clarification if necessary.

**4. Why is the Dollar amount debited from my bank account today different from the Dollar amount detailed in the Success Notification I received by email this morning?**

The Success Notification is to inform you that an ACH debit was initiated based upon your previous day's sales tax data. The actual ACH debit may take up to 4 business days to complete.

**5. Will my sales tax funds be secure?**

Yes. DAVO fulfills all of your fiduciary responsibilities to the State by holding your sales tax funds separate from your general operating funds in a secure tax holding account at Wells Fargo Bank.

**6. Can I have my sales tax collected weekly instead of daily?**

No. DAVO is designed to help you manage your sales tax on a daily basis ensuring sales tax revenue is always available when it is time to pay the State.

**7. Will my data be secure?**

Yes. DAVO utilizes industry best practices for securing our systems and customer data including storage encryption of account data, SSL for all Web interactions and layered firewall protection to secure the web and database environments. Additionally, DAVO

runs frequent, periodic backups to insure data survives most catastrophic system events and can provision a disaster recovery environment within a day if necessary.

**8. Will DAVO Sales Tax calculate the sales tax on every item or tell me if an item is taxable?**

No. DAVO does not calculate or determine the taxability or tax rates of the items you sell. It is imperative that you have your Point of Sale ("POS") system or Accounting Software package programmed with the correct tax rates so that we provide accurate information to the State when filing your tax returns. DAVO will collect, file and pay the amount of sales tax based upon the data retrieved from your POS or Accounting Software package. If you have questions regarding tax rates or taxability, please consult your tax professional or state department of revenue for advice. Please see our [Terms and Conditions](#) for tax liability responsibilities.

**9. Does DAVO Sales Tax take into account all sales categories including cash and credit/debit as well as taxable, non-taxable, tax exempt and multiple tax rates?**

Yes. DAVO utilizes all the sales data from the end of day close-out of your POS system or accounting software package which includes gross sales, tax exempt and non-taxable sales, sales at multiple tax rates, cash sales, credit/debit card sales, gift certificates and gift card sales, returns and refunds.

**10. What information will I have to provide at the end of each month to allow DAVO Sales Tax to file my return with the state?**

This is dependent upon what information your particular state requires. Certain state forms require more than just supplying sales tax data, but also include "use tax", goods sold to the US Government, etc. This is information that you would have filled in on a tax form previously but is outside the daily sales data being provided to DAVO and will have to be entered at the end of each month.

**11. How do I know that DAVO Sales Tax has filed my sales tax on time and in full?**

You will be notified by email when DAVO has completed your sales tax filing. You will receive a copy of your sales tax return as well as a time-stamped confirmation of payment.

**12. Does DAVO Sales Tax have access to all the sales data in my POS or Accounting Software package?**

DAVO does have access to individual transaction data, but does not have access to credit or debit card account information or customer account or profile information.

**13. Will DAVO defend me if I have a State Sales Tax audit?**

No. DAVO will provide you with electronic records of all your State Sales Tax filings. Most states will use your POS and/or Accounting Software systems and your transactional data for an audit.

**14. Does DAVO Sales Tax file an annual report on my behalf?**

No, annual reports if necessary are your responsibility. DAVO will provide you with a record of your sales tax filings.

**15. What if there are not enough funds in my account for the daily ACH debit of sales tax?**

DAVO will notify you if there are insufficient funds and there will be a \$3 surcharge for each NSF. In order to file and pay DAVO will need to collect these missing amounts.

DAVO maintains the right to terminate your DAVO Sales Tax service if funds are unavailable. Please refer to our [Terms and Conditions](#).

**16. What if my State declares a tax holiday or changes the tax rate?**

You are responsible to make the changes to the tax rate in your POS system.

**17. If my State offers discounts for on-time/early filing will I receive the discount when DAVO Sales Tax files on my behalf?**

Yes. On-time and early discounts will be credited back to you monthly.

**18. If my sales tax collection rounds up to the nearest penny how does DAVO Sales Tax account for this in my sales tax obligation to the State?**

DAVO follows best practices as outlined by your state - many states require the amount collected to be remitted to them regardless of the rounding impact.

**19. How can I monitor the daily transactions?**

You will receive a daily email confirming the amount of sales tax reported from your POS that will be debited from your account. You can also monitor the ACH withdrawals from your bank account. The ACH amount you see may reflect the sales tax from the previous 24 or 48 hours. The DAVO team monitors all ACH transactions on a daily basis.

**20. How do I make changes to my account information; login and password, bank account, etc.?**

You must contact DAVO by email or phone to make changes to your account.

**21. Does DAVO offer POS support?**

No, we do not. However, our knowledgeable staff will work to help resolve a failed sales tax transaction issue. If we cannot quickly provide a solution you will be advised to contact your POS technical support team.

**22. How does DAVO handle tax included in item price?**

Customers should use their Point of Sale (POS), or other systems built in sales tax functionality to make sure sales tax is calculated and reported correctly. Please contact us for assistance if needed.

**23. What is DAVO responsible for in the case of an audit?**

DAVO is responsible for anything related to the Sales Tax Return formatting, filing on-time and sale tax liability payment. The customer is responsible for the accuracy of the data.

**24. Does DAVO Sales Tax work for customers with multiple locations?**

Yes! We file by Tax Payer ID and can consolidate multiple locations to one tax return.

**25. What if we owe back Sales Tax?**

We can ensure you pay current taxes on-time moving forward, as not to fall further behind. We also can work with you and your state to negotiate and fulfill a back payment plan. DAVO can automatically impound your back tax owed on a daily basis, a gentle approach allowing you to catch up. This iteration of DAVO Sales Tax will be available in the near future.

**26. What if we have other bills that we want to pay by collecting daily like DAVO Sales Tax?**

We can help with that too! In the near future DAVO will be launching its DAVOPAY suite of products. Just like DAVO Sales Tax, we can automatically collect and pay other bills as well. Please contact us for further information.