

MANAGED AUDIT OVERVIEW

A managed audit allows you to perform some, or all, of the audit functions. It is a contract between you and the Department.

Our auditor will:

- ▶ Explain the procedures
- ▶ Give you specific written instructions
- ▶ Work with you to determine the audit functions you can perform
- ▶ Provide assistance throughout the audit

BENEFITS

1. A better understanding of how state tax laws apply to your business activities.
2. Less disruptive to your regular business operations since you'll be able to manage your own resources.
3. If the audit results disclose additional tax is due, we will:
 - ▶ Waive up to \$5,000 in audit interest
 - ▶ Not add assessment penalties, including the 5 percent assessment issuance penalty

Note: To receive these benefits, the managed audit must be completed according to the terms of the agreement and full payment must be received at the time the resolution agreement is signed.

QUALIFYING FOR A MANAGED AUDIT

Our auditor will assess your business' resources and ability to perform some, or all, of the audit functions. The complexity of your business operations and applicable tax laws will be taken into consideration. Once this review is completed, our auditor may propose a "managed" audit rather than a "traditional" audit.

IF YOU QUALIFY

You and the Department's auditor sign a contract that obligates you to perform specific audit functions in an agreed period of time, usually 60 days. The contract provides:

- ▶ Work performed by the business is subject to verification by our auditor
- ▶ We will waive the first \$5,000 of interest on a tax assessment, net of credits
- ▶ We will not add assessment penalties, including the 5 percent assessment issuance penalty

Note: The audit results are subject to an internal review process.

AUDIT RESULTS

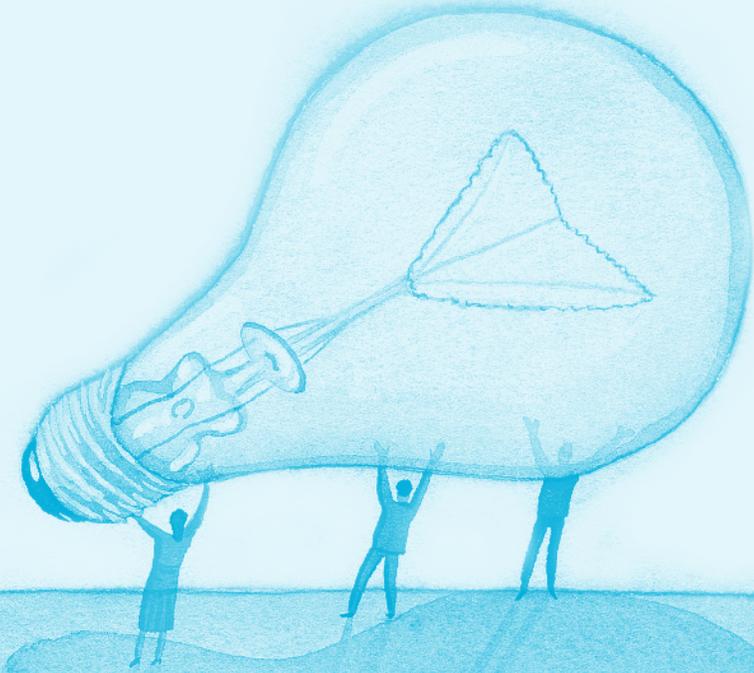
IF YOU OWE TAX

The Payment of the tax must be made at the time a resolution agreement is signed. This agreement acknowledges the procedures have been performed as agreed between the business owner and the auditor.

Note: In the case of a tax overpayment, interest will be calculated and refunded at the statutory rate.

IF YOU DON'T OWE TAX

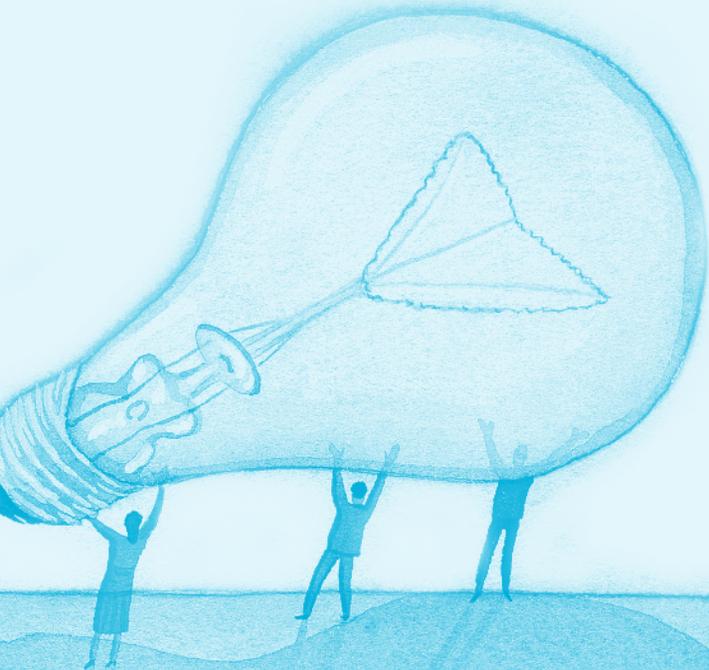
The Department will send you a confirmation letter.



“Coming together
is a beginning.

Keeping together
is progress.

Working together
is success.” - Henry Ford



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Printed on recycled paper

Prepared by the Taxpayer Services Division

AUBR0020 02/08

MANAGED AUDIT PROGRAM

The Washington State Department
of Revenue's Managed Audit
Program lets you play an active
role in the audit process.

