

McGraw Hill Education automates business travel payroll tax with Concur & Blackspark.

Ever travel to New York or California for work? Filing a tax return may not have been top-of-mind, but these states and others have become more stringent about enforcing tax laws on business travelers creating a liability for individuals and organizations alike.

About McGraw Hill Education

McGraw-Hill Education delivers personalized learning experiences that help students, parents, educators and professionals drive results. With more than 6,000 employees across 44 countries in North America, India, China, Europe, the Middle East and South America, many of whom travel for extended periods conducting research, McGraw-Hill Education struggled to keep track of times when employees triggered payroll tax requirements outside their home states and countries.

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Shivani Bhatia, Global Disbursements Director

Challenge: Complying with Traveler Taxation

The state of New York, for instance, is among the most aggressive states in terms of tax collection. It's no wonder – business traveler payroll tax comprises around 7% of the state's annual budget so they actively pursue companies and individuals to ensure they're receiving their tax revenue.

This can mean millions of dollars of potential exposure for companies and their affected employees if companies fail to withhold the taxes and if employees fail to file non-resident personal income tax returns.

BLACKSPARK

IGNITING A WORLD OF IDEAS

Company Name

McGraw Hill Education

Solutions

borderFile by Blackspark

ADP Payroll

Concur® Travel

Concur® Expense

Industry

Publishing

Company Size

6,000

Location

US Based

Employees in 44 countries

Why Concur & BlackSpark?

- Only means to automatically calculate tax requirements based on an employee's travel history.
- Reduced time-consuming custom reporting requests from HR
- Rapid deployment

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For McGraw-Hill Education with a staff of 6,000 employees that partner with educators across the U.S., compliance previously meant navigating 50 states with 50 different sets of filing rules. “My team would get bombarded with requests for reports – and we’re Finance, not HR or Payroll,” says Shivani Bhatia, Global Disbursements Director. “We had to analyze the data and run one-off reports for HR all the time. It was very time consuming.”

Solution: Concur + Blackspark Eliminate Manual Data Crunching

As a Concur Travel & Expense client, McGraw Hill was able to leverage Concur App Center partner Blackspark to automate the analysis of their data to determine where an employee’s travel had triggered a requirement to withhold taxes. Bhatia discovered Blackspark’s borderFile solution at Concur Fusion, Concur’s annual client conference, and had them perform a risk assessment.

“They collected a couple weeks worth of our Concur data and came back with some surprising information,” she says. “There were areas of risk that we wouldn’t have even known about, such as states where we hadn’t focused our efforts that represented significant risk, including Massachusetts and Ohio.”

And it’s not just high-paid CEOs and entertainers at risk. “We knew there were a group of travelers that could create some risk, but when the results came back from Blackspark’s assessment, we realized they weren’t all high-level executives like we expected,” says Shivani. “The report identified mid-level managers who would work in other states for several weeks at a time for projects, with salaries high enough to create a pretty substantial liability for us. We ended up changing our definition of high-risk travelers.”

Gaining efficiency in their non-resident withholding process was “so easy,” Bhatia says. “We pretty much just had to flip a switch. The whole process took less than 20 minutes.”

Data collected from Concur includes trip duration and location. When borderFile is connected to Concur, it deploys immediately and begins analyzing booked travel as it happens, prompts employees to confirm work versus personal time, and even gathers historical travel data to present a complete compliance picture quickly and with minimal effort. Payroll teams can simply import a file from borderFile to their payroll software to automatically withhold the necessary amounts. By leveraging the employee and travel data already in Concur, borderFile immediately enabled McGraw Hill’s HR team to master payroll compliance while capitalizing on their existing technology investment.

Results: Automated in Less Than 20 Minutes

“I didn’t believe it when I heard the integration would be quick to deploy,” Bhatia says. “But it was so easy to plug in. We were immediately up and running after just 20 minutes on the phone.”

Today McGraw Hill Education continues to leverage the power of Concur and Blackspark to manage their business traveler payroll compliance.

“From a Finance perspective we love it because we don’t have to be involved anymore,” she says. “No more building custom reports and trying to figure out what HR is looking for. No more pivot tables. Using borderFile to leverage the data that exists in Concur has been the best way to manage our liability and gain confidence that we’re doing the right thing. And our payroll and HR teams love it because it saves them time too.”

