

SCAN, CAPTURE, RETRIEVE : STEPS TO EFFICIENT FORMS PROCESSING

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Agenda

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IN DOR metrics

3.6 million coupon returns

- 19 different form types
- Imaged and processed on remittance platform

2.1 million full page returns (600k with 2D)

- 18 different form types
- Keyed from paper via three outsourced vendors

Over 50 million pages processed annually

Project objectives

Implement document scanning and retrieval system to:

- Help ensure security of taxpayer data
- Minimize capital investment
- Simplify return processing through automation and recognition technology
- Reduce outsourced data keying costs
- Improve taxpayer satisfaction through faster processing and quicker issue resolution
- Reduce fraud

Roles and responsibilities

IN DOR

- Program sponsor
- Operations management
- UAT test development and execution
- System infrastructure set up and support
- Additional template development

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- Prime contractor
- Overall program management
- Operations consulting
- Image archive

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- Scanning and data capture software platform
- Scanning hardware
- Customized solution development

Initial project phases

- Exception pull request automation
 - Tabletop scanners
- Full page form scanning and automated data capture
 - IBML Trac 3 high speed scanning
- Automated capture of W-2 and 1099 data

Exception pull process

Previous Process

- 100,000 exception pull requests annually
- Locate/pull item
- Copy and deliver to requestor
- Re-file item

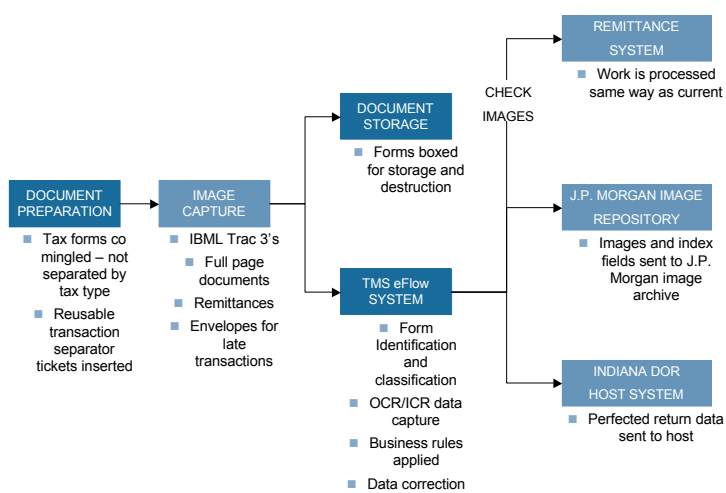


New Process

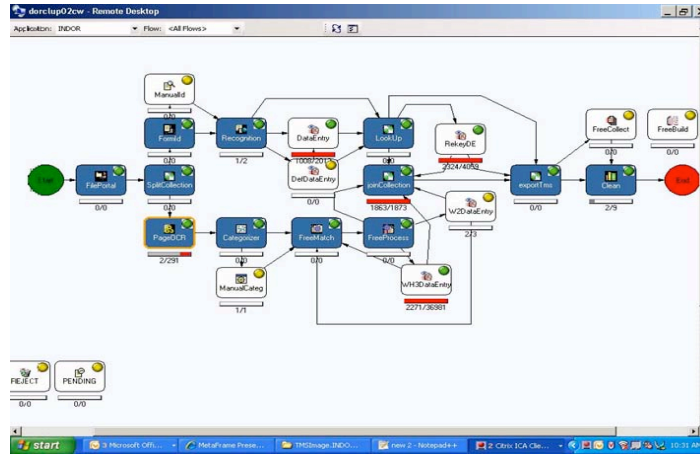
- Locate/pull item
- Scan document on tabletop scanner
- Auto-capture DLN number
- Send to image archive
- Requestor accesses image online

Users now receive access to forms within hours – more than 500% improvement!

Full page solution



Data capture workflow



SCAN, CAPTURE, RETRIEVE STEPS TO EFFICIENT FORMS PROCESSING

Data entry

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Data entry

Completion4 - 0105280900060000_0003_even

um was filed, enter \$1,000 per qualifying person: see instructions on page 9).....	10	4000	00	L 15	850000
tion for certain dependent children (see instructions on page 9)	11	3000	00	L 16	297500
below for additional exemptions if, by December 31, 2008:				L 17	87500
65 or older or <input type="checkbox"/> blind Spouse was: <input type="checkbox"/> 65 or older or <input type="checkbox"/> blind	12	1000	00	L 18	
number of boxes checked <input checked="" type="checkbox"/> x \$1,000.....				L 19	
below for additional exemptions if, by December 31, 2008:				L 20	
65 or older and line 1 above is less than \$40,000				L 21	
65 or older and line 1 above is less than \$40,000				L 22	35000
of boxes checked <input type="checkbox"/> x \$500.....	13		00	L 23	50000
Total Exemptions	14	8000	00	L 24	15000
State Taxable Income	15	87500	00	L 25	
gross income tax: multiply line 15 by 3.4% (.034).....	16	2975	00	L 26	
tax. See instructions on page 23.....	17	875	00	L 27	
out-of-state purchases. See instructions on page 9.....	18			L 28	
employment taxes: attach Schedule IN-H (see instructions on page 10).....	19			L 29	
earned income credit payments from W-2(s) (see instructions on page 10).....	20			L 30	
iana's CollegeChoice 529 credit. Attach Schedule IN-529R (see page 10).....	21			L 31	
ough 21. Enter here and on line 33 on the back.....	22	3850	00		
Total Tax	23	500	00		
withheld (from box 17 of your W-2s or from 1099s).....	24	150	00		
ax withheld (from box 19 of your W-2s or from 1099s).....	25				
aid for 2008: include any extension payment made with Form IT-9.....	26				
1 for the elderly: see instructions on page 11.....	27				
redits: attach Schedule IN-EIC and enter amount from Section A, line A-2.....	28				
idential income tax credit: see instructions on page 11.....	29				
opment for a growing economy credit: see instructions on page 12.....	30				
n expenditure credit: see instructions on page 12.....	31	100	00		
enter the total from Schedule 2, line 7 and attach Schedule A ?					

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Accessing return images

INDIANA DEPARTMENT OF REVENUE

Search: **INDOR Tax Documents**

DLN	Contains	
DLN	Contains	
TAX YEAR	Equal To	
PROCESS DATE	Between	
TAXPAYER ID	Contains	
LNANE / BUSN NAME	Contains	
FIRST NAME	Contains	
FORM TYPE	Equal To	** All **
AMOUNT DUE	Between	
REFUND AMOUNT	Between	
CORR INDICATOR	Equal To	** All **
CORR TYPE	Equal To	
CORR STATUS	Equal To	** All **
LIABILITY NO	Equal To	
ROUTING NO	Equal To	
ACCOUNT NO	Equal To	
CHECK NO	Equal To	

DISPLAY: Maximum Results: 25, Order Results By: Ascending, Sort Results: DLN

ACTIONS: , ,

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Accessing return images

DLN	PLN	TAX YEAR	PROCESS DATE	TAXPAYER ID	LNAME / BUSN NAME	FIRST NAME	FORM TYPE	AMOUNT DUE	REFUND AMOUNT	COR
09K7025278001	09K7025278001	2009	06/10/09			JAMES	IT40	101.00	0.00	Y
09K7025307001	09K7025307001	2009	06/10/09			GENE	IT40	289.00	0.00	Y
09K7025310001	09K7025310001	2009	06/10/09			JAVIER	IT40PHR	6.00	0.00	Y
09K7025317001	09K7025317001	2009	06/10/09			JAMES	IT40	544.00	0.00	Y
09K7025321001	09K7025321001	2009	06/10/09			MALCOLM	IT40	1645.00	0.00	Y
09K7025322001	09K7025322001	2009	06/10/09			LYMAN	IT40	54.00	0.00	Y
09K7025324001	09K7025324001	2009	06/10/09			JEROME	IT40	1883.00	0.00	Y
09K7025327001	09K7025327001	2009	06/10/09			GREGORY	IT40	160.00	0.00	Y
09K7025329002	09K7025329002	2009	06/10/09			MARK	IT40	370.00	0.00	Y
09K7025330001	09K7025330001	2009	06/10/09			HARRY	IT40PHR	46.00	0.00	Y
09K7025339001	09K7025339001	2009	06/10/09			KEVIN	IT40	202.00	0.00	Y

SCAN, CAPTURE, RETRIEVE STEPS TO EFFICIENT FORMS PROCESSING

Accessing return images

	Yourself	Spouse
1. Enter your federal adjusted gross income from federal Form 1040EZ, line 4	5489	59
2. Deductions: Enter the amount from line 3 of the federal Deduction Worksheet on the back of this form	5489	59
3. Subtract line 2 from line 1 and enter total. If less than zero, leave blank	1000	00
4. Enter \$1,000 if filing a single return OR \$2,000 if filing a joint return	4689	59
5. Indiana taxable income: subtract line 4 from line 3 and enter total. If less than zero, leave blank	152	64
6. State adjusted gross income tax: multiply line 4 by 5.4% (234) and enter total		
7. County income tax (see instructions on page 2)		
8. Use tax due on out-of-state purchases (see instructions on page 2)	152	64
9. Total tax: Add lines 6, 7, and 8 and enter total	185	77
10. From W-2s: all Indiana state tax withheld	240	48
11. From W-2s: all Indiana county tax withheld		
12. Indiana earned income credit from Box B of the EIC Worksheet on the back of this form		
13. Total Credits: Add lines 10, 11 and 12 and enter total here	240	48
14. If line 13 is larger than line 9, subtract line 9 from line 13. This is an overpayment. If line 13 is larger than line 13, skip to line 15	87	78
15. Amount from line 14 to be donated to the Indiana Nongame Wildlife Fund		
16. Subtract line 15 from line 14. This is your refund	87	78

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Challenges

- Compressed implementation schedule
 - No opportunity for form design and control
- Legislative change impacted implementation priority
- Multiple system integration tasks
- Educating IN DOR on new system/workflow
- Shift from heads down data entry to data correction and validation
- Hiring and training temporary data key staff
- Staffing multiple shift operation

Outcome... Success!

- 1.7 million returns processed – all on time
 - Over 1 million individual full page returns
 - Over 600,000 withholding returns
 - Over 3.5 million wage statements
- Field recognition rates
 - Full page structured forms (templates) – 81%
 - Semi-structured forms (W-2, 1099_) – 62%
- Immediate access to return images for issue resolution and taxpayer servicing
- 100% elimination of outsourced data entry costs for individual returns processing

Lessons learned

Category	Issues	Resolution
Implementation Approach	<ul style="list-style-type: none"> Many moving parts Short implementation timeframe 	<ul style="list-style-type: none"> Tight project management Daily status meetings Immediate issue escalation Outstanding teamwork
Vendor Form Quality	<ul style="list-style-type: none"> Inaccurate form ID Inconsistent field layout 	<ul style="list-style-type: none"> Improve vendor communication and certification process
Form Design	<ul style="list-style-type: none"> Checkboxes and lines interfering with character recognition Inadequate spacing in header area 	<ul style="list-style-type: none"> Redesign key forms to improve recognition
Reject Processing	<ul style="list-style-type: none"> Document preparation errors cause rejects Boxing process made finding rejects for reprocessing difficult 	<ul style="list-style-type: none"> Redesigned boxing report for easy reject retrieval Improve feedback to doc prep operators to reduce errors

Lessons learned

Category	Issues	Resolution
Operator Productivity	<ul style="list-style-type: none"> Operators deleting and rekeying entire fields rather than correcting errors 	<ul style="list-style-type: none"> Shift operator compensation model to be form-based vs. keystroke-based
Staffing	<ul style="list-style-type: none"> Wide range of operator productivity Fill rates varied by day/shift 	<ul style="list-style-type: none"> Use productivity statistics to select and retain top keyers Fine tune staffing model to leverage staff availability
Problem Resolution	<ul style="list-style-type: none"> Previous organization had multiple areas responsible for taxpayer filing problem resolution Various work units corrected taxpayer filings 	<ul style="list-style-type: none"> Reorganize department to concentrate filing problems in one area Contact taxpayers to correct filings

Future plans

- Expand platform
 - all full page forms
 - data capture of coupon forms processed on remittance system
- Standardize format of all output files to XML
- Add District Office image capture of returns

Questions

