

DOTAX Increases Return Processing Efficiency and Improves Customer Response

Summary

The State of Hawaii's tax return processing solution, which integrates FileNet, IBML scanners and Datacap Taskmaster, substantially increased efficiency and dramatically improved the Department of Taxation's customer service response time.

The Challenge

The Hawaii Department of Taxation (DOTAX) serves 1.2 million residents with four tax centers, located on the islands of O`ahu, Maui, Kauai and Hawaii. These four locations process more than a million returns a year in the tropical paradise known for its white sand beaches, magnificent waterfalls, active volcanoes, and lush green golf courses.

As a tax department subject to the annual schedules for tax filing, DOTAX experiences an ebb and flow of activity throughout the tax year, with the highest volume of processing from March through May. Hawaii has the added logistical challenge of tax centers located on four different islands scattered across hundreds of miles of the Pacific Ocean.

Prior to implementation of the automated recognition and data correction system in 2006, significant contractual staffing was required to manually key data during the peak tax filing seasons. DOTAX tax returns were hand stamped with the Document Locator Number (DLN), manually keyed via double-blind data entry, requiring two passes of manual data entry to achieve an adequate level of accuracy, and then sent for filing to a paper storage warehouse on O`ahu.

This labor-intensive processing resulted in prolonged intervals between submitting a return and receiving a refund, a key metric for taxpayer satisfaction. Additional customer service hurdles were faced by the Taxpayer Services Branch of DOTAX, responsible for resolving taxpayer questions and error resolution issues. Inquiries would often involve a time-consuming search and manual retrieval for the paper tax return from the storage facility on O`ahu. Waiting times as long as a week for document retrieval were not unusual and longer for the neighbor island offices, depending on the location of the document.

DOTAX set out aggressive goals for their automation project: they wanted to trim costs, reduce the need for temporary manual labor, accelerate processing time and expedite customer service.

The Solution

DOTAX engaged Virginia-based system integrator CGI-AMS. The eighth largest IT consulting firm in the world, CGI has a strong track record in state government tax and revenue implementations, most recently with a highly successful implementation at the Virginia Department of Taxation.

Robert Tross, Senior Consultant for CGI-AMS, had previously helped DOTAX implement a high-volume scanning solution including IBML ImageTrac scanners and identified a need to reduce the volume of paper and speed processing time. "We spent five years re-designing and implementing an entirely new tax system for DOTAX. During the installation of our Advantage Revenue system, we identified a need to start reducing the volume of paper," said Robert.

CGI-AMS recommended an ECM solution integrating Datacap Taskmaster, FileNet Content Manager and IBML high volume scanners. CGI-AMS proposed Taskmaster for the State of Hawaii because of its seamless, proven integration with FileNet, intuitive user interface, rules-based flexibility and the advanced administrative queuing and indexing controls.

In test preparation for the 2006 tax year, DOTAX began scanning two prior years of tax returns into FileNet starting in August 2005. Taskmaster easily retrieved and matched past returns based on the stamped DLN from prior years.

With the successful back scan test, DOTAX was ready to begin a phased rollout for the 2006 tax season. In 2006, over 1 million returns were processed with the new solution, with approximately 2.3 million recognizable pages and attachments. Implementation will continue to roll out over the next year, but DOTAX is already seeing substantial return on their investment. For example, the productivity in processing business tax forms has increased three-fold.

DOTAX uses a number of Taskmaster's unique features to realize this productivity. Taskmaster's Paper Grey fonts, used in the redesigned tax forms, allow for easier dropout of the form outline in the document image and enhance the hand-print recognition.

In setting up the system, CGI-AMS used Datacap Reusable Rules to build a workflow that meets DOTAX requirements for the proper division of labor. For example, when Datacap validation rules discover a tax payer error - either through a failed math check, look-up or cross-field validation the return is routed to one class of operator, however, if the recognition confidence requirements are not met, it is routed to another operator with a lower job classification - helping to save DOTAX labor dollars. "Datacap Rules significantly reduced the time required to configure the system and allowed for maximum system flexibility," added Bob.

The captured information is simultaneously routed to the Advantage Revenue System for processing, as well as combined with the tax form document image as index values and delivered to FileNet for easy retrieval.

The Result

In its first year of use, the solution has already achieved DOTAX's goals. Contractual labor costs decreased significantly for documents that are now being data captured, which has allowed our contractual workers to focus on documents that are not being data captured. As a result of the efficiencies, only 9 of the 27 legacy Unisys data entry terminals are now used. Taskmaster was designed to help DOTAX handle the extreme demands of peak season. With recognition servers running overnight, Taskmaster now

can process close to 10,000 returns in an eight hours shift. Previously, manual data entry operators were limited to a mere 50 returns an hour with the double-blind manual keying method. The DLN is imprinted on the forms automatically by the IBML scanner and captured as an index value by Taskmaster for easier retrieval in the FileNet system. This has reduced paper storage and retrieval costs by 50% and ensured that all data is backed up properly.

In addition to faster data entry, DOTAX employees now can access tax return information in FileNet in seconds as opposed to hours, as they no longer need to wait for retrieval and neighbor island offices now have the same retrieval capabilities as those working within the main O`ahu office. Now inquiries can be answered during the initial call, making a huge difference to customer support. "This solution has increased efficiency and customer satisfaction while reducing cost," added Joan M. Bolte, Taxation Services Administrator, Tax Services & Processing Division, State of Hawaii - Department of Taxation.

About Datacap Inc.

Since 1988, Datacap Inc. has provided leading document capture and forms processing software solutions to organizations worldwide. Datacap Taskmaster software efficiently transforms paper into information, reducing data entry costs and improving information accuracy. A client/server, rules-based document capture workflow platform, Taskmaster provides highly flexible solutions for both image indexing and data entry automation. Taskmaster also enables scanning, indexing and administration from a browser and integrates with all leading document management solutions. <http://www.datacap.com>