

CASE STUDY

Processing Paper-Based Tax Returns for Connecticut

TDEC processed over 1.6 million tax returns over the course of this five-year contract, achieving 99.94% accuracy and 100% delivery in 2015.

Challenge: In 2010, the State of Connecticut Department of Revenue Services (DRS) was moving toward a future when most tax returns would be filed online. In the interim, its 7 different paper-based tax filings, individual and business, amounted to hundreds of thousands of returns and millions of documents annually that needed to be digitized and processed. Most of this work was concentrated to four months of the year, making the use of full time state employees not economically feasible

Solution: The DRS decided to outsource the process and invited commercial businesses to bid on a contract to provide data capture, verification, imaging and indexing services. Given the sensitive nature of taxpayer information, DRS required that bidders meet stringent security safeguards in all aspects of the work from document pickup to attended-mode scanning to data transmission, and then successfully pass all equipment inspections and performances.

TDEC met all of these requirements and was awarded a 3-year contract with the option to extend. As part of the contract, TDEC agreed to maintain Acceptable Quality Levels 99.7% field level data entry accuracy and to meet tight turnaround times, 2 to 20 days depending upon the tax return.

Results: A TDEC subcontractor, based in Hartford, CT, and Massachusetts, picked up and scanned tax returns in batches and uploaded the images and index shell to a secure FTP site. From there, TDEC personnel, led by a dedicated Project Manager, captured the data from the scanned images according to DRS specifications, at its secure site in Oakland, MD. The final data was then transmitted back to DRS via a secure FTP within the strict time-lines. Despite the fluctuating volume of work, 80% of which was done between March and June, TDEC was able to staff this project with a deep bench of personnel that were flexible, well trained and highly motivated.

The nature of the work required highly accurate data entry. To achieve this, all work was subjected to a 100% data capture verification process approved by DRS. After the initial data entry, a second operator capturing the data was alerted if the information entered did not match the first pass. Any procedural errors were brought to the attention of the employee and supervisor for resolution, correction and additional training as required.

TDEC handled DRS's tax processing for a total of 5 years, including two 1-year options until the State transitioned to online tax filing for the 2016 tax year. During the course of the contract, TDEC processed over 1.6 million documents and met or exceeded all Acceptable Quality Levels. In its last contract year, TDEC achieved 99.94% accuracy and 100% delivery within required timeframes.