



### CHECK 21

Advancements in check processing technologies enable SMBs to enjoy the benefits of Check 21.



### INVOICE PROCESSING

A consulting firm saved 1,000 man-hours with an AP invoice processing solution.



### DOCUMENT MGT.

What can the financial services industry teach you about the benefits of customer-facing applications of document management technology?

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# Integrated Solutions

## FOR ENTERPRISE CONTENT MANAGEMENT

Form **6251**

(Rev. January 2006)  
Department of Internal Revenue

Name(s) shown  
**JOHN I**

### Part I Alternative I

- 1 If filing Schedule A (Form 10891, line 1) on Form 1040, enter the amount of the deduction.
- 2 Medical and dental expenses.
- 3 Taxes from Schedule A (Form 1040, line 13).
- 4 Enter the home mortgage interest deduction.
- 5 Miscellaneous deduction (Form 1040, line 13).
- 6 If Form 1040, line 38, is more than \$1,000, enter the amount of the deduction.
- 7 Tax refund (Form 1040, line 10).
- 8 Investment interest expense (Form 1040, line 13).
- 9 Depletion (Form 1040, line 13).
- 10 Net operating loss deduction (Form 1040, line 15).
- 11 Interest from specified private annuities (Form 1040, line 13).
- 12 Qualified small business stock (Form 1040, line 13).
- 13 Exercise of incentive stock options (Form 1040, line 13).
- 14 Estates and trusts (amount from Form 1040, line 13).
- 15 Electing large partnerships (amount from Form 1040, line 13).
- 16 Disposition of property (difference between Form 1040, line 13, and Form 1040, line 13).
- 17 Depreciation on assets placed in service (Form 1040, line 13).
- 18 Passive activities (difference between Form 1040, line 13, and Form 1040, line 13).
- 19 Loss limitations (difference between Form 1040, line 13, and Form 1040, line 13).
- 20 Circulation costs (difference between Form 1040, line 13, and Form 1040, line 13).
- 21 Long-term contracts (difference between Form 1040, line 13, and Form 1040, line 13).
- 22 Mining costs (difference between Form 1040, line 13, and Form 1040, line 13).
- 23 Research and experimental costs (Form 1040, line 13).
- 24 Income from certain installment sales (Form 1040, line 13).
- 25 Intangible drilling costs preference (Form 1040, line 13).
- 26 Other adjustments, including income tax (Form 1040, line 13).
- 27 Alternative tax net operating loss (Form 1040, line 13).
- 28 Alternative minimum taxable income (Form 1040, line 13).

### Part II Alternative Minimum Tax

- 29 Exemption. (If this form is for a corporation, see instructions.)

IF your filing status is:  
Single or head of household  
Married filing jointly or qualifying widow(er)

### Filing

Check one box.

### Exemption

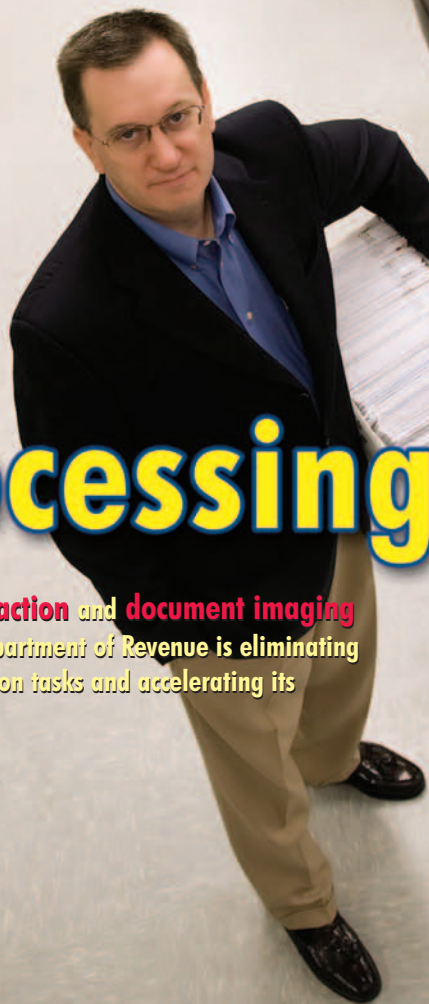
If more than one dependent is claimed on this return, see page 19.

### Income

Attach Form(s) W-2 here. Also attach Forms W-2G and 1099-R if tax was withheld.

If you did not get a W-2, see page 22.

Enclose, but do not attach, any



By upgrading its **mail extraction** and **document imaging** equipment, the Georgia Department of Revenue is eliminating manual document preparation tasks and accelerating its processing cycle.

Tim Shields, director of processing for the Georgia Department of Revenue (GADOR), estimates that the agency's automated mail extraction and document imaging system has already saved GADOR several hundred thousand dollars.

Figure Your Net Profit  
Some information was reported to you on Form W-2 and the "Statutory Employees in the instructions for

# Eliminate Prep Time From Forms Processing

By upgrading its mail extraction and document imaging equipment, the Georgia Department of Revenue (GADOR) is eliminating manual document preparation tasks and accelerating its processing cycle.

by Ken Congdon

Regardless of how much people talk about us living in an electronic age, the fact of the matter is every business still receives paper mail. Furthermore, much of this paper mail contains documents that have a direct impact on the bottom line of an organization. Invoices, checks, and remittances are just a few examples of documents businesses receive in the mail every day. The speed at which mail is internally sorted and distributed to the appropriate personnel for processing can affect your cash flow, credit standing, and customer service. For many companies, a few modestly paid employees are all that is necessary to ensure mail reaches its intended final destination in a timely manner. However, for larger, mail-intensive organizations, it's not that easy. Manually sorting and processing hundreds of thousands, or even millions, of pieces of mail on an annual basis requires substantial staffing. Even then, the prospect of managing all of this paper leads to lost or misplaced documents and slows the overall flow of mail throughout an organization. Just think of the challenges your company would face if it were responsible for processing a minimum of 5 million pieces of mail each year? This unnerving prospect is a reality for GADOR. Recently, the agency turned to mail extraction and document

imaging technology to automate steps in its mail processing cycle and improve its productivity.

## MANUAL DOCUMENT PREP TAKES TIME, LABOR

GADOR is the principal tax collecting agency for the State of Georgia, and the vast majority of the incoming mail it receives comes in the form of personal and corporate tax returns. Until about five months ago, GADOR employed a largely manual method for processing these tax forms. Each day, mail would arrive at the GADOR mailroom, where employees would cut each envelope open using OPEX Omaton electronic letter openers. Contents of each envelope were then manually extracted and sorted by document type. At this point, checks were separated from the tax returns and sent to the payment processing department. Employees would also hand-stamp each tax document with the date of receipt and manually insert separator sheets to distinguish one tax return from another. (A separator sheet is a bar-coded piece of paper used in document imaging that instructs a scanner how to group the pages being imaged.)

After separator sheets were inserted, the tax forms were batched into groups of 50 to 100 and sent to the scanning room where

they were imaged (for archive and retrieval purposes only) on high-speed document scanners. After imaging, the paper tax forms were rebatched and routed to a data entry group that would manually key in the information contained on the form (e.g. tax ID number, the tax period for the return, payment or refund amount, etc.) into GADOR's tax management system.

This manual process required a great deal of labor, particularly during peak tax processing periods. "During the months surrounding the April 15th IRS tax deadline, it was common for us to hire between 250 and 300 temporary workers," says Tim Shields, director of processing for GADOR. "It was also necessary for us to employ these temps for several months in order to process the majority of the tax returns received during this period."

In addition to requiring substantial manpower, GADOR's manual tax processing was inefficient and slow. "We were constantly moving large quantities of paper back and forth between different departments in the agency, which made it easy for documents to be misidentified, misplaced, or keyed incorrectly into our system," says Shields. "Furthermore, we realized it was taking us entirely too long to get our payments deposited and refunds processed using this

## Installation Profile

**Technology User:** The Georgia Department of Revenue (GADOR) is the principal tax collecting agency for the State of Georgia.

**Problem:** GADOR's manual method of processing the more than 5 million paper tax returns it annually receives impeded payment and refund cycles and required between 250 and 300 temporary laborers during peak tax periods.

**Solution:** GADOR implemented 15 OPEX AS3690i document scanners. These scanners combine automated mail extraction with high-speed document imaging and are helping GADOR eliminate much of the manual document preparation work that is required to process tax returns. As a result, GADOR is able to process its tax forms nearly twice as fast, while reducing its temporary staffing requirements.

Photos by Pete Winkel

manual method. During non-peak periods, it was taking an average of several days just to get the mail opened and forms sorted, another day or two to scan the documents, another day to manually key the information into our database, and one more day to get the check off to the bank.”

### RAPID IMAGING DEPLOYMENTS CREATE UNFORESEEN CHALLENGES

GADOR knew the speed and efficiency with which it processed tax documents had to improve. The agency identified that most of the bottlenecks in the existing process could be eliminated if it could find a way to get the tax documents and payments out of the envelopes and into the workflow faster. In response, Shields contacted the vendor he already relied on for mail opening equipment, OPEX Corp., for advice. During these conversations, Shields was introduced to OPEX AS3690i document scanners. These devices combine automated mail extraction with a high-speed document imaging platform (see sidebar on this page). An OPEX sales representative demonstrated the capabilities of the AS3690i machines for Shields and developed a spreadsheet that detailed the throughput, cost reductions,

and productivity increases GADOR could expect by deploying varying quantities of the scanners.

After carefully considering the OPEX matrix, GADOR decided in October 2006 that 15 AS3690is, combined with InputAccel automated data capture and extraction software from EMC Captiva, would meet the department's processing needs. However, GADOR wanted to ensure the system would be up and running in time for the next peak tax period, which would start at the end of January 2007.

GADOR got a purchase order for the system issued in less than 90 days, which in government circles is almost unheard of for a procurement of this size (i.e. more than \$1 million). The equipment was delivered, installed, and up and running by mid-January. GADOR was able to meet its tight timeline, but as is often the case, certain details have a tendency to be overlooked when so quickly implementing a system of this magnitude.

For example, during system demonstrations, GADOR was impressed by reductions in manual data entry promised by the InputAccel automated data capture software. However, this software was pro-

grammed to capture data off 8.5-by-11-inch documents. GADOR was unaware at the time that its tax booklets were actually printed on a folded 11-by-17-inch document that had its edges trimmed, creating a page slightly smaller than 8.5-by-11. GADOR is reprogramming the software to read its odd-sized booklets, but this type of tweaking is difficult to do in a production environment. As a result, GADOR has been forced to manually key information into its database using the images of tax forms rather than enjoying the full benefits of true OCR (optical character recognition). This demonstrates the importance of using your own documents in any scanning or data capture product demonstrations.

Another area Shields admits he should have been more attentive to was the impact new technology would have on the employees responsible for mail processing. “When we originally conceived the system, we figured we would have some of our mail openers and OPEX Rapid Extraction Desk [RED] operators run the AS3690i machines,” says Shields. “However, most of these employees never had to use technology in their jobs, and the concept of operating a document scanner was foreign to

## Combine Mail Extraction With Image Capture To Create A Digital Mailroom

The Georgia Department of Revenue (GADOR) selected the OPEX AS3690i as its scanning platform for tax form processing, but it wasn't the only scanner the agency considered. Other scanning devices, including the latest models of the high-speed scanners the agency was already using in its manual process, were among other products the agency evaluated. Many of these devices offered scanning speeds considerably higher than the AS3690i's 90 ppm (pages per minute) in bitonal and grayscale and 80 ppm in color rates. However, the AS3690i offered something all these other models didn't — integrated automated mail extraction.

The OPEX AS3690i comes equipped with an automated envelope drop feeder, integrated with a mail extraction desk, and a high-speed document scanner. By combining mail extraction with image capture, it is no longer necessary to route paper outside the mailroom to be processed. A single operator can open, extract, identify, cap-

ture, orient, and sort mail contents in one step.

“If you have a large volume of documents that are already prepped for scanning, then there are other devices on the market that can image this paper faster and more cost effectively than the OPEX AS3690i,” says Tim Shields, director of processing for GADOR. “However, if you are tasked with taking document contents out of an envelope and sorting and orienting these documents before you scan them, then the OPEX AS3690i is designed specifically to accelerate this process. It provides a digital mailroom platform that uses the envelope the documents were mailed in as a separator sheet to distinguish between transactions. This approach also helps optimize the integrity of each mailroom transaction because it reduces the human error often associated with manual sorting.”



**The OPEX AS3690i integrates a high-speed document scanner with an automated envelope drop feeder and a mail extraction desk.**

For More Info. On OPEX Corp.

Go To [www.opex.com](http://www.opex.com)

them. Looking back, more hands-on training for these employees would have helped shorten the technology learning curve and would have helped us realize productivity gains at a faster pace.”

## **AUTOMATED MAIL EXTRACTION, IMAGING ACCELERATES CYCLE TIME**

Despite the challenges GADOR has encountered, its new mail processing system has proven to be successful. When income tax or tax remittance mail enters the GADOR mailroom, it now goes directly to the OPEX AS3690i machines. A separate group of employees is no longer needed to simply open and sort mail and insert separator sheets. Instead, envelopes are opened by the AS3690i scanners, contents are extracted and scanned, and the scanner recognizes the image of the envelope itself as the separator sheet to distinguish between transactions. The AS3690is are also programmed to automatically date stamp all documents and sort checks into their own bin after scanning. This eliminates the need for employees to hand stamp documents and manually separate payments from the rest of the tax forms.

As a result of this reduction in manual document sorting and preparation, GADOR has been able to reduce its temporary staffing needs. “With the 15 OPEX AS3690is, 15 scanner operators are basically doing the opening, sorting, and document prep work that it used to take 30 people to do manually,” says Shields. “This increase in productivity will allow us to reduce our temporary staffing requirements by nearly 25%. Plus, we’ve been able to release the temps we do hire



**“With our new automated mail extraction and imaging system, checks are being deposited the same day they are received. ...”**

**Tim Shields, Georgia Department of Revenue**

almost a month sooner because we are processing our forms and payments quicker. During our non-peak season, it used to take four or five days for us to get a tax form fully processed and a check deposited in the bank. With our new automated mail extraction and imaging system, checks are being deposited the same day they are received.”

Shields estimates that the new system has already saved GADOR several hundred thousand dollars in labor costs this year and he expects full payback on the system within 18 months. Additional ROI will be gained once GADOR is able to perform true

OCR and programs the system to be compatible with all its form types. Currently, only personal income tax and remittance documents are processed using the OPEX AS3690is. GADOR is in the process of configuring the system to handle its sales, corporate, and fiduciary tax returns as well. The agency is also planning to enhance the system with Check 21 capabilities within the next year. This upgrade will allow check payments to be processed and electronically transmitted to the bank directly from the OPEX AS3690i machines as opposed to having to go through a separate payment cycle, further accelerating GADOR’s overall processing speed.

Most organizations don’t have the mail processing requirements that GADOR does, but if the mail you receive is important to the success of your business, you may want to review your own internal procedures for handling this mail to ensure it’s as efficient as it can be. As GADOR discovered, technology often plays an important role, but sometimes a quick revision in the procedures you have in place to process mail is all that is required to increase efficiency. Take this opportunity to review your current mailroom processes and identify areas for improvement. The results can help make you more profitable. □



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