



CASE STUDY

CITY AND COUNTY OF SAN FRANCISCO TREASURER AND TAX COLLECTOR

CITY & COUNTY GOVERNMENT STREAMLINES PAYMENTS AND DOCUMENT MANAGEMENT

50%

RECEIVABLES STAFF
REDUCTION

75%

ACCELERATION OF
BUSINESS REGISTRATIONS

Fast Facts: The City and County of San Francisco Treasurer and Tax Collector's office handles 11 different types of taxes and fees, and processes 1.4 million property and business tax payments and fees each cycle totaling over \$4.8 billion deposited annually.

The ability to efficiently collect and deposit revenues is essential to ensuring that the City and County of San Francisco operates at the highest standard possible. Taxes fund government services such as schools, street cleaning, and park improvements, as well as affordable housing, arts programs and investments in tourism.

Business Results: The combination of Deluxe's integrated receivables and document management systems has empowered the office to eliminate its reliance on temporary workers to meet payment deadlines, reduce overall staffing for receivables processing by 50 percent, and reduce the time needed for new business registrations by up to 75 percent.

In addition, its backlogs of exception items have been eliminated and customer service response time has accelerated. The processing of electronically submitted taxes, fees, inquiries and new business applications is now paperless and automated.

The Challenge

Like most municipalities, San Francisco previously relied on disparate systems and paper-intensive processes to collect taxes and fees. This approach created processing delays that impacted taxpayer satisfaction. The entity also was concerned about potential violations of the state's Sunshine law (California's version of Freedom of Information). Managing information across multiple systems increased the chances that staff would miss requested information or that information would not be purged in accordance with government policy, obligating the entity to provide it as part of a Sunshine request.



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This organization’s old systems created other challenges. “We previously brought in temporary work staff every time we had a major payment deadline,” explained Tajel Shah, Deputy Director for the City and County of San Francisco. The San Francisco Treasurer and Tax Collector’s disparate legacy systems also made it difficult to research answers to taxpayer questions. “Our customer response times were slow and were getting complaints from taxpayers,” Shah said.

“We had an antiquated environment with a variety of mismatched systems and manual, paper-intensive processes and workflows,” said Shah. “We desperately needed an updated solution.”

The Solution

In 2013, after an extensive evaluation of available solutions, the San Francisco Treasurer and Tax Collector deployed Receivables360® from Deluxe. The solution includes a best-in-class remittance automation platform and enterprise content management (ECM) solution targeted to financial services applications. The combined platform includes an enhanced inline exceptions processing module that automatically routes suspended transactions into a workflow for review and processing.

Before deploying the Deluxe platform, items with incomplete remitter data were physically carried to other business units to determine ownership. Deluxe’s platform electronically presents the items to the appropriate business unit, which can append instructions on how payments should be applied. The platform allows the government entity to place time limits on the review of items. As a result of the inline exceptions tool, this government entity has virtually eliminated its backlog of exceptions items.

The San Francisco Treasurer and Tax Collector initially focused on streamlining its property tax processing. A few months after going live with the Deluxe solution, the San Francisco Treasurer and Tax Collector extended the platform to support a new business tax with a unique workflow. “Our legacy system could not support the data for this new tax,” Shah said. “We realized that we could leverage our imaging platform as an interim system of record to bridge the gap for this new tax.” Additionally, the San Francisco Treasurer and Tax Collector uses Deluxe’s platform to process business taxes. It uses the Receivables360® imaging workflow and capture with optical character recognition (OCR) to automatically index and process handwritten tax documents.



After documents are indexed, the platform electronically uploads to the San Francisco Treasurer and Tax Collector's line of business application. Extending Deluxe's solution to other departments across the enterprise eliminated redundant handling of mail and the routing of physical documents between multiple floors across two buildings. As a result, business sections no longer must wait for mail to be delivered and sorted in order to begin processing. This has accelerated processing by at least one business day.

Deluxe also automates the processing of electronically submitted taxes, fees, inquiries and new business applications. The government entity collects seven of its taxes and fees online through applications that allow taxpayers to electronically submit filing data and payments. The online applications connect directly with Receivables360® to enable real-time review of information and trigger any workflows required. A document composition module built into the imaging workflow enables the San Francisco Treasurer and Tax Collector to automatically generate and print letters to taxpayers populated with data from the online application and from third-party databases. Integrating Deluxe's workflow and document composition tools with the online applications enables the government entity to immediately respond to filings and taxpayer inquiries.

José Cisneros, Treasurer for the City and County of San Francisco, believes that the next step, which will allow individuals to register new businesses online, will become increasingly important. "The concept of filing with paper is becoming alien to people," Cisneros explained. "Individuals can now establish a business without seeing a bureaucrat or submitting a single piece of paper. The online platform handles the application, payment processing, archival, signature and workflow—all without needing to see us." The new business registration process using Deluxe's solution launched in March, 2016.

The Benefits

As a result of deploying the Deluxe solution, the San Francisco Treasurer and Tax Collector's December 2014 property tax collection cycle was the fastest in its history. The Deluxe platform also enabled the San Francisco Treasurer and Tax Collector to:

- Reduce by approximately 50 percent the amount of staff required to process taxes and fees
- Minimize the volume of payment exceptions that business units were required to handle



- Enhance customer service through fewer payment exceptions
- Reduce the time required to process new business applications by up to 75 percent
- Decrease its payment processing backlog by a business week

Eliminating The Need For Temporary Workers

Consolidating information that was stored in disparate systems also enables the San Francisco Treasurer and Tax Collector's staff to respond more quickly to taxpayers and resolve challenges.

Additionally, the efficiencies provided by the Deluxe platform eliminated the need for the government entity to hire temporary staff for peak volumes. "The process is much smoother and more accommodating to the ebbs and flow of our volume. For instance, the inline exceptions module allows us to quickly correct exceptions and move on," Shah said. "Processing all of our work with our regular staff also reduces costs and eliminates the time spent educating temporary staff."

Deluxe's document composition module also streamlines exceptions handling. By law, duplicate or incorrect payments must be returned to taxpayers, along with a letter explaining the returned payment. In the past, it took a "small army" several weeks to prepare exceptions letters. With Deluxe's platform, the letters are generated automatically within 48 hours, helping ensure that taxpayers don't miss their filing deadline and receive a penalty. Cisneros calls this a "win-win."

The combination of Deluxe's flexibility, intelligent workflow processing and integration with downstream systems also provides a foundation that enables the government entity to more quickly support the processing of new types of taxes. "We don't set tax policy," Cisneros said. "Changes in the economy, the tax code and state regulations require our systems and processes to be flexible."

"Nobody likes paying taxes. The least we can do is make the experience as painless as possible for taxpayers. Thanks to Deluxe, tax collection is a fast, easy-to-understand and seamless process for taxpayers, with the ability to get quickly get answers to their questions," Cisneros said.



The Bottom Line

“The San Francisco Treasurer and Tax Collector’s mission is to facilitate voluntary compliance with tax laws by simplifying processes and procedures and providing exceptional service,” Cisneros said. “By exceeding our processing expectations, Deluxe enables us to meet our mission.”



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