**Analysis and Recommendation**

**Employee Suggestion titled “Digital Date Stamp of Returns”**

**Suggestion Number 50-20-13-006
Submitter, David W. Collins**

**Background**

Suggestion, received from David Collins through the Employee Suggestion Program (ESP) to digitally apply an official IRS received date to e-fax returns using the Digital Date Stamp application through the Adobe PDF application.

**Current Revenue Officer process:**

Revenue officers (ROs) receive faxed returns that have to be sent to the Campus for adjustments (i.e. abatements, reconsiderations etc.), ROs must:

1. First print the return,
2. Physically date stamp the return with the official IRS date stamp, and
3. Scan the return and efax it to Brookhaven Campus for processing. (this process takes on average approximately 6 minutes)

**Process if this Digital Date Stamp is implemented:**

Revenue officers will receive faxed return:

1. Apply the date stamp to the return on their computer, and
2. Forward return to Brookhaven Campus via efax.

This digital date stamp eliminates the process of revenue officers first having to print the return, physically date stamp it with the Group’s official IRS date stamp and scanning it in order to efax the return to the Campus for processing.

**Program Tested**

Pilot/Test period: September 30, 2014 through June 30, 2015 (9 months)

Test group consisted of:

1. A total of three Revenue Officer Field Groups in two Posts of Duties
2. The Automated Substitute for Return Tax Examiners in the Brookhaven Campus

This pilot was conducted as a limited scope pilot using returns faxed to revenue officers by taxpayers (or their representatives) to replace returns that were originally assessed as a ‘Substitute for Return’ or ‘Automated Substitute for Return’. Often times, revenue officers would forget to date stamp these returns before faxing to the Brookhaven Campus.The error rate for these reconsideration returns with missing or illegible IRS received dates for FY2014 was 20.31% (1,172 returns) nationwide. The pilot produced a quality product and was 100% successful with zero errors when utilizing this tool to affix the official IRS received date on returns.

Current Campus Process for rejected returns:

1. Print the return,
2. Reject faxed returns received without an IRS received date, and
3. Mail the paper return (partial return) back to the revenue officer to apply the IRS received date.

Utilizing this digital date stamp will reduce/eliminate the number of rejected returns by Campus which will save the costs of having to print returns twice (i.e. origninal printing and having to reprint once revenue officers date stamps the return and faxes it again to the Campus). Also there is a savings on postage for mailing the return back to the revenue officer.

**Counsel**

Both SB/SE and W&I Counsel were consulted and neither had issues with this process.

**Disclosure**

Disclosure was consulted and there were no issues with this process.

**Benefits**

The adoption of this suggestion will increase efficiency, quality, reduce costs (paper, toner), reduce time spent by ROs to print, stamp and scan the document back into efax to send to Campus. Also, due to the reduction in cycle time, this will increase customer satisfaction and employee satisfaction due to the reduction in error rates.

**Tangible Benefits**

As stated previously, this suggestion will save on the costs of printing (paper and toner). There will also be a savings in labor (the time it takes ROs to print documents, date stamp and re-scan documents into efax).

Labor $19,289.00 (ROs time)
Copies 3,420.00 (RO)
 586.00 (Campus)
**Total Savings $23,295.00**

**Savings Calculations**

(Savings Calculations are based on the 9-month Pilot period and converted to show the savings over a 12-month period.)

 **Savings calculations for revenue officer copying costs**

Based on the 9 month Pilot from 9/30/2014 – 6/30/2015

Total returns submitted for all three groups during test period - 46

Average number of submissions per group totaled 15 (46 returns / 3 groups)
Number of RO Groups Nationwide 342

342 (groups) X 15 (submissions per group) = 5,130 efax submissions

Number of pages per submissions: 5 (estimated)

Estimated cost per page to print $ 0.10

5,130 (submissions) X 5 (pages each) =25,650 (total pages)

25,560 (total pages) X $ 0.10 (per page) =$2,565 (9-month savings)

**Results computed for a 12 period: $3,420**

$2,565 (9-month savings) / 3 (calendar quarters) = $855 (per calendar quarter)

$855 (savings per calendar quarter) X 4(calendar quarters or 1 year) = $3,420 (annual copy savings)

**Revenue officer labor savings cost calculations**

Estimated time to print, stamp and scan each return: 6 minutes

Average RO hourly wage (GS-11 step 5): $27.86 or .47 cents per minute

6 (minutes) X $0.47(per minute) = $2.82 (labor savings per return)

$2.82 (RO 6 min. wage) X 5,130 (returns in 9-months) = $14,467 (RO labor savings)

$14,467 (9-month savings) / 3 (calendar quarters) = $4,822 (savings per quarter)

$4,822 (savings per calendar quarter) X 4 (calendar quarters) = $19,289 (annual savings)

**Savings for 4-quarters/1 year $19,289**

 **Campus copying cost savings calculations:**

**Campus Statistics for total receipts and rejects for FY 2015**

|  |  |  |
| --- | --- | --- |
| **Quarter Ending** | **Receipts** | **Rejects** |
| 12/31/2014 |  1538 |  174 |
| 03/31/2015 |  1416 |  160 |
| 06/30/2015 |  1337 |  377 |
| 09/30/2015 |  1360 |  461 |
| **Totals** |  **5651** | **1172** |

1172 (rejects) X 5 pages (average # of pages per return) X $0.10 (estimated cost per page) = $586 (annual printing cost savings)

There is also the savings on postage when Campus mails rejected return back to the revenue officer to be date stamped. We have no statistics on these costs and are unable to calculate this savings due to bulk shipping.

**Intangible Benefits**

**Value of Benefit**

Adoption of this suggestion will result in reduction in cycle time by getting returns to the Campus quicker, thereby increasing external customer satisfaction.

Reduction in error rates will increase revenue officers morale and, with fewer errors, overall business results will increase.

**Extent of Application**

The entire Service will benefit from this tool, not just Field Collection. With technology headed more towards digital products and less paper, this suggestion will allow customers to efax forms and correspondence to the Service that can be date stamped without having to first print the documents prior to forwarding to various areas within the Service. This will be a huge saving in paper, postage and time Servicewide.

**Costs/Processes to Implement Suggestion**This tool is currently accessable to all employees that have Outlook and Adobe PDF. The date stamp will have to be set up, however this can be implemented with the use of written instructions or instructions given in a live meeting session by suggestion submitter, David Collins. This whole process takes approximately ten minutes. The employee submitting the suggestion stated, if Information Technology could assist by pushing the font and Java Script file to everyone, this would greatly simplify the process since the stamp is the same for all Field Groups with the exception of the Post of Duty.

**Award Calculations**

Tangible Award Computation

$23,295 (1st year’s savings) X 25% = $5,825

Intangible Award

Value of Benefit – Suggestion meets the “Exceptional Value” category based on the initiation of a superior improvement to the quality of a program.

Extent of Application - Suggestion meets the “Broad” category as it affects an entire function (revenue officer groups) as well as the SFR/ASFR Campus Exam function. This suggestion also has the potential to affect the entire IRS organization.

Intangible Award - $3,000

**Total Award - $8,825**

**Tangible Costs Calculations**

**Table 1 (Revenue Officers)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Cost Category** | **Average Number of monthly Submissions per Group during Pilot** | **Average Number of pages per Submission** | **Costs per Page** | **9-Month****Savings**  | **12-Month****Savings** |
| Printing Costs (Paper and Toner) | 15 | 5 | $ 0.10 | $2,565 | $3,420 |

**Table 2 (Revenue Offers)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Cost Category** | **Staff hours to print,****Stamp & scan** | **RO salary for** **6-minutes** | **# of returns** **Per month** | **9-month savings** | **12-month savings** |
| Staff Hours | 6 minutes | $ 2.82 | 570 | $14,467 | $19,289 |

**Table 3 (Campus)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Cost Category** |  **# of rejects per quarter** | **# of pages printed (estimated)** |  **Costs per page** | **9-month savings** | **12-month savings** |
|  Printing Costs | 293 |  5 | $ 0.10 |  $439 | $586 |