

# Case Study

## State of North Dakota

### The State of North Dakota uses Cardiff TeleForm to streamline the processing of tax returns.

During a recent tax season, North Dakota manually processed more than 500,000 sales tax forms and 325,000 individual income tax forms, in spite of being one of the country's least populated states. Burdened with too much legwork, too many layers and not enough storage space, the North Dakota Tax and IT Departments believed the State could benefit from an automated solution.

### The Challenge

Before implementing Cardiff® TeleForm®, tax season was an intensive time for the State. To process the forms, the State rented an office in the basement of a local bank and hired temporary staff.

Once the income tax forms were processed for accuracy, they were sent on to a different group for validation, and passed again to another group for manual entry before data was imported into the mainframe. Eventually, the paper forms were sent to vaults in the basement of the Capitol Building for storage.

"Not only were we concerned with the limited storage space, but customer service was hindered if two staff members in separate offices needed to look at the same taxpayer return," said Rick Clayburgh, North Dakota's tax commissioner.

The State was quickly reaching critical mass with its two biggest obstacles: The lack of storage space and the difficulty in finding a skilled workforce.

The State is required to retain four years of paper forms, which quickly was consuming the Capitol Building's main storage facility. The only option was to lease off-site storage space—not a viable solution since that would reduce workflow efficiencies due to the high volume of form retrievals.

And, with such a small resource pool for workers, the State was continually chal-



lenged to staff its temporary office during the peak tax season. Bismarck has a population of approximately 70,000.

"Cathie Forsch, the tax department's new IT director, and Bill Roach, the State's information analyst, began discussions on a better way to process these forms," said Commissioner Clayburgh. "Both had been involved with other automation systems previously and knew the efficiencies a system could bring to the State."

The State began an initial study on the benefits of automation. The extensive amount of research helped in the development of a list of criteria that included:

- Tight turnaround time from implementation to production: the application had to be installed and usable within weeks.
- Ability to integrate with an existing application, FileNet, and the State's legacy mainframe.
- Ability to mimic the mainframe's six different record structures since the legacy mainframe was still based on cards.
- Ability to deal with form variables, from poor dot matrix print quality to different form designs and sizes.
- High rate of accuracy and the ability to correct any errors up front.
- Automatically assist data entry staff when data problems/discrepancies occur.
- Ability to solve mainframe export issues.

"We selected TeleForm because it fit all of our criteria," said Commissioner Clayburgh. "The only concern that we had going into the project was the tight turnaround time—we decided on TeleForm on Dec. 15 and needed it running by Jan. 1 for sales tax returns and

### Customer at a Glance

**North Dakota Tax and IT Departments**

**Industry:** Government

**Application:** Sales and income tax forms

**Challenge:** Reduce storage space and staff required to process over 500,000 sales tax forms and 325,000 individual income tax forms. Implement in less than a month.

**Solution:** Cardiff TeleForm, Kodak 3520 scanners, FileNet P8

### Results:

- Increase in forms processing from 2,500 to 4,000 per day
- Nearly immediate access via FileNet P8 to all documents regardless of status
- Single pass data, index and image capture
- Reduction in paper handling, manual data entry and cycle time
- Image/index generation for FileNet

"We had many complex variables to address, while at the same time provide North Dakota with a user-friendly application. We were successful on all sides, which demonstrates the flexibility of TeleForm."

—Marc Carleno, Binary Office, a Cardiff reseller

mid-February for individual tax returns.”

The State initially contacted K.C. Inman, president at Modern Information Systems Inc., a Cardiff certified partner. Inman performed an on-site needs analysis and followed with a demonstration one week later. The actual installation and technical support was handed over to a second partner, Binary Office.

Using the business rules established by the IT department, the team first focused on automating sales tax forms rather than the individual income tax forms. This enabled all of the State’s departments involved to become familiar with TeleForm.

“We knew what we wanted TeleForm to do,” said Cathie Forsch. “But we only had our business rules on paper. Binary Office helped us tailor the application to integrate seamlessly with our legacy system. We ended up pushing 30,000 or 40,000 lines of code within the short time we worked together.”

By mid-February, the Binary Office and North Dakota’s IT team had successfully enabled TeleForm to start processing individual income tax returns.

## The Benefits of Cardiff

After two weeks of training and quality assurance sessions, the State of North Dakota began its automation process. The positive results were immediate, and exceeded the State’s initial criteria:

- Increase in forms processing from 2,500 per day to 4,000 per day
- Nearly immediate access via FileNet to all documents regardless of their status
- Single pass data, index and image capture
- Reduction in paper handling, manual data entry, and cycle time
- Enhanced business rules (tax calculations, database lookups, routing)
- Image/index generation for FileNet

- 50–75 forms per batch, with up to 700 images are processed
- Business rules assure correct deductions and calculations
- Mainframe data exported as XML files

“This was an extremely detailed integration,” said Marc Carleno, president at Binary Office. “We had many complex variables to address, while at the same time provide North Dakota with a user-friendly application. We were successful on all sides, which demonstrates the flexibility of TeleForm.”

Roach agrees that the implementation was highly successful: “The installation was a team effort. TeleForm has enabled North Dakota to streamline its tax forms processing and become more efficient.”

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