

KANSASDOR

The Kansas Department of Revenue (KDOR) had been using two separate systems for processing of inbound remittances and full-page tax processing. The environment consisted of *Quick Modules 3.0* for remittance processing, while Captiva was used for processing full-page tax processing. This two-system solution provided some challenges in maintaining different environments. With the continued support of the Captiva system in question, and the agency's desire to move to a more modern platform for remittance processing, KDOR decided to seek a total solution to meet their needs. The need for an updated, reliable solution was pressing, as any failure in the existing systems could have severely disrupted operations.

THE SOLUTION: Transition to *Quick Modules 5.0*

Recognizing the risks associated with their outdated systems, KDOR made the strategic decision to migrate to *Quick Modules 5.0*, an advanced solution offered by Fairfax Software for both remittance and full-page processing. This upgrade enabled KDOR to eliminate the Captiva system and transition from *Quick Modules 3.0* to the enhanced capabilities of *Quick Modules 5.0* providing a common, single solution for all processing and simplifying the operation. The *Quick Modules 3.0* remittance system was decommissioned after the new *Quick Modules 5.0* system went live on 1/18/2023. In July of 2024, Captiva was successfully decommissioned when a certain set of forms went live in *Quick Modules 5.0*. Since then, KDOR has successfully processed all tax types and forms using *Quick Modules 5.0*, including daily bank deposits.

Overcoming Operational Challenges

The first challenge for this project was the immediate need to replace KDOR's scanners and mail sorters, as they were well beyond end-of-life and still serving in a mission-critical capacity. Through Fairfax Software's solution approach of utilizing Agissar INFOPoll solution for tracking and reporting on inbound mail items, coupled with IBML high-speed scanners, the first phase allowed KDOR to bring to bear a more modern and efficient approach to the solution workflow.

The second major challenge was the need to get the Captiva system replaced to eliminate the potential risk of support as well as the system was running on server versions no longer supported by Microsoft. This had to be carefully coordinated between Fairfax Software and KDOR Project teams while supporting the annual tax season processing to ensure a seamless transition for KDOR (which we achieved).



With the implementation, KDOR is now experiencing state-of-the-art front-end processing that consists of tracking all inbound mail from the time of arrival, opening, scanning, capture and posting. This unique solution only offered by Fairfax Software is the standard bearer in the State Revenue market, in use by half of the states across the country.

Before implementing *Quick Modules 5.0*, KDOR consistently faced backlogs during tax season. With the influx of tax forms starting in January, the previous system struggled to keep up with real-time processing, leading to delays and increased workload as the season progressed. However, the implementation of *Quick Modules 5.0* significantly improved KDOR's processing speed, allowing KDOR to reduce backlogs more efficiently than in previous years.

The success of this transition even garnered media attention, highlighting KDOR's improved operational efficiency. Governor Laura Kelly announced a significant increase in total tax collections for April, which were \$1.42 billion, up 7.7% from the monthly estimate and 9.6% from April 2023. The overage was largely due to processing 63,000 more 'balance due' checks this year, facilitated by the upgraded check remittance technology at KDOR. This technological advancement allowed for faster and more efficient payment processing, highlighting the benefits of the modernization project.

Navigating Unprecedented Challenges

The project was further complicated by COVID-19 where both teams had to adjust to the new remote work environments, requiring no onsite visits for design, training, UAT, and Go Live. Plus, there was a need to relocate operations due to the

condemnation of the building housing KDOR's hardware. Initially, the responsibility for the relocation was assigned to another team within KDOR, but delays prompted KDOR's in-house project management team to take charge. Despite these significant challenges, including the pandemic's impact, KDOR successfully moved its entire operation, including hardware and staff, to a new location. The relocation was completed without interrupting ongoing operations, thanks to meticulous planning and coordination.

Successful Collaboration and Support

Herb Clark, a KDOR key leader in the project, credited Jeff Allan from Fairfax Software for his invaluable contributions. "Jeff Allan from Fairfax Software deserves significant accolades," Herb stated. "He has been more than my right-hand man on this. He has presented significant solutions along the way when we've been trying to figure out how we can do this. He's been there with the right responses. Jeff was certainly the right person we needed for this project."

Additionally, KDOR received strong support from Fairfax Software's executive management. "We've also received excellent support from Fairfax Software's executive management," Herb noted. "I've had quite a few meetings with Donna Castello, and she's come through for us every time we needed her."

It's noteworthy that this transition project failed with multiple vendors over the past decade until Fairfax Software lead by Jeff Allan as Project Manager collaborated with Herb Clark from KDOR to make this transition a success!

Operational Impact

The implementation of *Quick Modules 5.0* has led to significant improvements across multiple operational areas, including mail processing, extraction, scanning, data entry, and reporting.

In the realm of mail processing, the new equipment has dramatically reduced the occurrence of cut documents, ensuring more efficient handling of incoming mail. The introduction of mail tracking has automated the inventory reporting process, eliminating the need for daily backlog counts and enhancing overall workflow efficiency.

The extraction and batching processes have also seen considerable enhancements. The ability to track user mail opening rates and processing times has replaced the outdated method of handwritten tally sheets, providing a more accurate and streamlined approach. Batching payments and returns have become faster and more efficient, as the Quick Module 5.0 eliminates the need to batch by tax type or by tax year. This simplification allows for the prioritization of refund returns, which can now be processed more swiftly. Additionally, attachment separator sheets have reduced the manual effort required for form identification.

Scanning capabilities have been significantly upgraded as well. The system now allows for the scanning of envelopes, providing the Kansas Department of Revenue (KDOR) with proof of postmark dates. Small W-2 forms can now be scanned without issue, and the overall scanning process has been accelerated. The flexibility of using any received date, rather than being restricted to a 30-day limitation, further enhances the system's efficiency. The quality of scanned documents has improved dramatically, with color scanning making data entry more accurate and reliable. Moreover, including the Document Locator Number (DLN) on all forms facilitates easier document retrieval, and the ability to scan remotely adds a layer of convenience.

Data entry processes have also undergone substantial improvements. The system now allows users to quickly identify and resolve stuck documents, leading to smoother operations. The consolidation of payment and return processing into a single system, as opposed to the previous three (Captiva reject repair, Captiva verify, and Corrections), has resulted in faster transaction times. Furthermore, individual returns within a batch can be deleted without affecting the entire batch, and documents within a transaction can be reorganized without the need for deletion. The ability to manually prioritize transactions adds further flexibility. Notably, significant advancements in optical character recognition (OCR) and page alignment have improved the accuracy of field readings. The introduction of a confirmed checkbox on vouchers ensures greater accuracy in data entry, while a correspondence cover sheet with a QR code reduces the amount of manual data input required. Additionally, users can now search for checks within Fairfax Software by amount, check number, or account number, and the ability to annotate and correct checks and vouchers has expedited their processing and deposits. *Quick Modules 5.0* also supports data entry on EX forms.

Lastly, reporting has been enhanced with the introduction of real-time tracking of keystrokes per hour, a feature that was not previously available. These comprehensive improvements have collectively enabled Channel to process payments far more efficiently and rapidly than was possible before.

Conclusion

KDOR's transition to *Quick Modules 5.0* is a testament to effective project management, strategic planning, and strong collaboration. One of the major improvements that came out of this project was Fairfax Software working with KDOR to implement QR codes onto their new year versions of forms, which greatly enhanced form ID, thus notably increased processing efficiency and will serve as a model for KDOR to implement QR codes across all of their forms. Fairfax Software also worked with KDOR and their form vendors on possible 2D Barcode integration for Vendor forms, laying the groundwork for a future implementation effort of this enhancement that will afford KDOR additional processing efficiencies.