

# One Team One Bill

## Executive Summary

The Missouri Department of Revenue's vision is to provide, "Every Customer the Best Experience Every Time." One must consider a last impression leaves a *lasting* impression; therefore, One Team One Bill takes a common-sense approach to ensure efficient and cost-effective final billing at the conclusion of an audit. The goal is to reduce additional financial burden and frustration for our customers and the state of Missouri.

### **Problem**

Few would deny the stress and apprehension invoked by the word, "audit," which is by most considered a direct antithesis to the concept of "Best Experience." Missouri's best-in-class auditors spend months working with those customers to earn their trust, reconcile their financials, and guide them through a journey of current and future compliance. Once the predispositions of oversight and intrusion have been dispelled, the unknown is known, and the customer has made it through the gauntlet unscathed, the assessment notice comes. And another assessment notice comes, followed by an untold number of more assessment notices. As the customer reflects on whether their positive audit experience might have been an illusion, they go online to begin the payment process. Irritation begins to build as they, in their mind, calculate Missouri's cost of delivering so many assessments by separate pieces of certified mail. Ultimately, the customer's once "Best Experience" collapses under the weight of each convenience fee charged for each individual assessment that must be paid.<sup>1</sup>

Last year, the Missouri Department of Revenue (MDOR), issued 13,590 separate assessments via certified mail to just 923 accounts. This amounted to an expense of [\\$94,355](#) in postage, materials and labor. If this isn't bad enough, this imposed a cost of [\\$233,105](#) in labor and fees to our customers *in addition* to the tax liability due.<sup>2</sup>

This expense and frustration is rooted in the way The Department of Revenue, Field Compliance Bureau, sends assessment notices for each period in which a liability exists. That is, for an audit that identifies 36 periods with an amount due to the state, the customer will receive 36 Assessment Notices, sent separately, by certified mail. Each individual Assessment Notice will contain a *minimum* of four pages, multiplied by the number of business locations. In the same example, a customer with 36 periods of additional liabilities will receive at least 144 pieces of paper, which they must examine, review, sort, and calculate by period to arrive at a total amount due. Thus far, technology-based attempts to consolidate assessments have been unable to diminish the massive amounts of postage and paperwork generated by our current systems.

### **Solution**

One Team One Bill transfers ownership of final billing presentation to the auditor for the purpose of billing consolidation, delivery, and hands-on assistance with the final step in the audit process. Doing so advances our mission of good stewardship of the people's money by generating initial savings of [\\$72,776](#) to the MDOR and [\\$157,207](#) to the customer. Moreover, initial testing thus far affirms One Team One Bill contributes to delivering the best customer service experience.

The improvement has been developed and tested with success. Initial tests revealed no remarkable increase in workload to the auditor and the process change requires no technology investment. As such, the immediate savings are [\\$229,983.08](#). Whereas USPS has already announced plans to increase mailing costs, and inflation is expected to have a material impact, savings are expected to increase over time. Over a five-year period, the savings will exceed [\\$1.3Million](#). Training and phased rollout will occur by November 2022, with department-wide rollout by January 2023.<sup>2</sup>

# Addendum

## <sup>1</sup>VOICE OF OUR CUSTOMERS

One Team One Bill was inspired by a recurring theme within feedback from numerous customers. The following is a direct quote from one of our customer surveys, which articulates most of the issues this initiative seeks to address. Text is highlighted, underlined and bolded for emphasis:

*"The audit assessment payment process needs to be changed. Once the audit findings were agreed, over **45+ certified envelopes were received**. This is excessive! Not only did our company have to **open, read, scan, archive, and reconcile the 45+ envelopes to the PDF totals from the auditor**, the envelopes were all certified. The certified mailing cost the State of Missouri over \$180 to get my company the assessment. This is ridiculous considering my office is less than 10 miles from the auditor's office and the entire audit was performed via email and phone resulting in no additional cost to the state. Additionally, **the payment options offered when contacting the State via the phone number on the 45+ notices were not reasonable**. The options given were: 1. To make 45+ separate payments online to the website where the tax returns are filed, **with 45+ separate "convenience fees."** Once again, **our company would have to do all the accounting for 45+ separate payments**. 2. To create a new log in from a website we never use and pay 10 payments at a time, making 5 separate "convenience fees." Once again, this would be 5 accounting entries. 3. To write two separate checks. One for the sales tax liability and one for the use tax liability, while including the separate 45+ vouchers with the payment. Moreover, if paying by check, the **checks must be sent via certified mail**. Otherwise, the checks are considered paid on the date it is received/processed and not the post mark date. There is no way for my company to know the backlog of the process time. This is yet another timely and costly process to pay. **The payment process should be easier and less costly for the taxpayer and the State of Missouri. A summary page with the separate amounts totaled would be welcomed**. Also, **allow for one payment via check or online**. There should be a quick and efficient process in getting the assessment paid timely and cost-effective. Thank you "*

## <sup>2</sup>Savings

### THERE ARE NO PROJECT COSTS NEEDED FOR IMPLEMENTATION AND NO STATUTORY CHANGES NECESSARY

	Current Billing	One Bill	Net Savings	First Year Savings
MDOR Postage Cost	\$67,270.50	\$757.20	\$66,513.30	
MDOR Mailing Cost	\$6,546.50	\$93.50	\$6,453.00	
MDOR Stationary Cost	\$4,348.80	\$53.32	\$4,295.48	
MDOR Labor Cost	\$16,189.42	\$20,675.20	(\$4,485.78)	
<b>MDOR</b>	<b>\$94,355.22</b>	<b>\$21,579.22</b>	<b>\$72,776.00</b>	
Customer Payment Fee	\$6,795.00	\$461.50	\$6,333.50	
Customer Labor Cost	\$226,310.37	\$75,436.79	\$150,873.58	
<b>Customer</b>	<b>\$233,105.37</b>	<b>\$75,898.29</b>	<b>\$157,207.08</b>	<b>\$229,983.08</b>
Savings: Year 1			\$229,983.08	
Savings (8.5%): Year 2*			\$249,531.64	
Savings (8.5%): Year 3*			\$270,741.83	
Savings (3.0%): Year 4**			\$278,864.09	
Savings (3.0%): Year 5**			\$287,230.01	
<b>FIVE YEAR SAVINGS:</b>			\$1,316,350.65	

\* Inflation is projected to remain approximately 8.5% through 2023

\*\* Inflation is expected to be approximately 3% after 2023

**Team Information****Project Name**

ONE TEAM ONE BILL

**Team Lead**

Marina Sallas, Department of Revenue, Taxation Division, 573-522-0381

**Team Members**

Minimum: 3; Maximum:10

	Name	Department/Division	Email address
1	Team Lead-Marina Sallas	Department of Revenue, Taxation Division	<a href="mailto:Marina.Sallas@dor.mo.gov">Marina.Sallas@dor.mo.gov</a>
2	Elia Martinez	Department of Revenue, Taxation Division	<a href="mailto:Elia.Martinez@dor.mo.gov">Elia.Martinez@dor.mo.gov</a>
3	John McCarty	Department of Revenue, Taxation Division	<a href="mailto:John.McCarty@dor.mo.gov">John.McCarty@dor.mo.gov</a>
4	Stephen Odarczenko	Department of Revenue, Taxation Division	<a href="mailto:Stephen.Odarczenko@dor.mo.gov">Stephen.Odarczenko@dor.mo.gov</a>
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**Your Pitch****What problem are you addressing? (No more than 200 words)**

MDOR auditors take very seriously our mission to "provide every customer the best experience, every time." After the most positive experience possible, our customers receive a parting gift, consisting of a staggering volume of individual bills for each audit assessment for the audit period, amounting to hundreds of bills the customer believes must be paid, individually. Imagine, if you will, the chaos that would ensue if a party of 100 walked into a restaurant and requested, "Separate checks, please..." Now, replace restaurant and server with Missouri Department of Revenue, and the CFO of the company we just audited. Regardless of how well we perform, we are only as good as our customer's last experience with us, and their last experience with us is a headache. Last year, over 13,590 billing assessment notices were generated for 923 audits closed, with some customers receiving hundreds of notices per audit. In total, this resulted in 65,465 pages printed for FY2021. This represents a tremendous waste in processing labor to MDOR and the customer alike, along with material costs of postage, stationary, and mailing supplies that we calculate to be approximately \$327,000/year.

**What is the root cause of the problem? (No more than 200 words)**

Revenue Premier (RP) is the main accounting system for all types of taxes processed by the Department of Revenue. Like most anything that is "one-size-fits-all," the goal of accommodating the most needs for most users generally results in one or more sacrifices in quality / efficiency to individuals. The billing problem is the sacrifice the Taxation Division has made to accommodate needs of other divisions. Since RP was launched, there has not been a successful patch to resolve this matter.

**What is your proposed solution? (No more than 200 words)**

We propose to transfer ownership of final billing to the auditor for delivery of a consolidated final bill, offering relief to our customers by presenting one bill, and requesting one payment. Whereas the auditor is already responsible for assisting customers with consolidation and final payment, this eliminates the process step of "frustrating the customer," with minimal or no added work to the auditor. We project our customers will save \$157K in time, labor, and fees by paying one bill, and MDOR will save \$72K by eliminating the time and materials necessary to process more than 12,667 fewer bills.

**Which area of impact is your primary focus? (No more than 10 words)**

Reduced labor cost and process time while improving customer experience.

**What is your primary measure for impact?**

Primary measure	Current Status	Target
MDOR Stationary Cost	Current MDOR stationary cost \$4,348	Reduce MDOR cost to \$53
MDOR Mailing Supplies Cost	Current MDOR mailing supplies cost \$6,547	Reduce MDOR cost to \$94
MDOR Postage Cost	Current MDOR postage cost \$67,270	Reduce MDOR cost to \$757
MDOR Labor Cost	Current MDOR labor cost \$16,189	Increase MDOR cost to \$20,675
Customer Convenience Fees	Current customer convience fee cost \$6,795	Reduce customer cost to \$462
Customer Labor Costs	Current customer labor cost \$226,310	Reduce customer cost to \$75,437
Post Audit Surveys	Based on customers responses	90%

*\* Measures should follow SMART principle: Specific-Measurable-Actionable-Relevant-Time bound.*

[OA's guidance on performance metrics](#)

## Project Plan

What are the major activities and milestones to deliver your solution? (Additional steps may be added)

	Activity	Milestone or deliverable	Due date
1	Review Opportunity Assessment and Quantify Business Case	Business Case & Implementation Plan	06-Jul-22
2	Redesign Billing Notice to Accommodate Manual consolidation	Billing Notice Form for External Customers	25-Jul-22
3	Redesign Process and Quality Checkpoints	Updated process architecture and Quality Review Steps	02-Aug-22
	Development of Forms	Drafted Forms & Job Aids for Internal Staff and External Customers	07-Aug-22
4	Customer Testing & Feedback	Revised Billing Presented to Customer for Payment	10-Aug-22
5	Revisions to Process, Job Aids and Quality Forms Complete	Process and Forms presented for approval	17-Aug-22
6	Training and Implementation Plan to all FCB Offices	Training & Phased Rollouts	October 2022-December 2022
7	Launch	Rollout Begins, Monitor & Maintain	January 2023
8			

## Required Resources and Support

What is the expected project duration? Choose one from the list below.

Medium term (4-6 months)

How many people will be required to finish the project in the given duration? Choose one from the list below.

Moderate (4-6 people)

Does your project require any specialized skills to complete? If so, explain. (No more than 100 words)

We will need resources from the One Forms group (approx 2 days).

Does your project require any statutory change to complete? If so, explain. (No more than 100 words)

No statutory change is required to complete this project.

Can you implement your project with your current resources? If not, explain. (No more than 50 words)

*Strongly recommended: Provide a cost breakdown in your additional materials.*

Our project can be implemented with our current resources.

Are there other factors critical to design and implement your project? (No more than 50 words)

Implementation is contingent on management approval, upon review of pilot study

## Additional Materials

Please list any additional materials you have provided.

	Brief description
1	Executive Summary
2	Addendum/Voice of our Customers Comment/Cost Savings
3	PowerPoint

# ONE TEAM ONE BILL

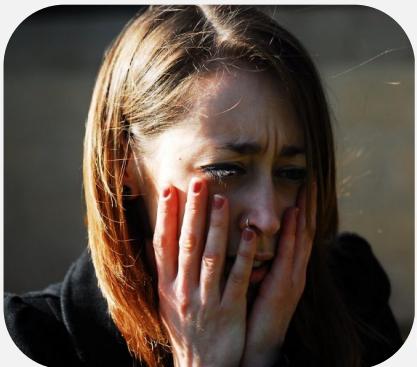
*Savings and Enhanced Customer Experience Through Billing Consolidation*



## An Urgent Opportunity:

The Voice of the Customer was loud and clear...

This initiative should be a priority, independent of the cost benefit...



...”57 separate certified letters” ...”not a good spend of taxpayer dollars” ...

“Send final settlement as a summary letter...  
NOT 40 SEPARATE, CERTIFIED LETTERS!”



...”a large audit package was received, but due to the large size,  
they are not able to scan me the contents”

**“Your most unhappy customers are your greatest source of learning.”**

*-Bill Gates*

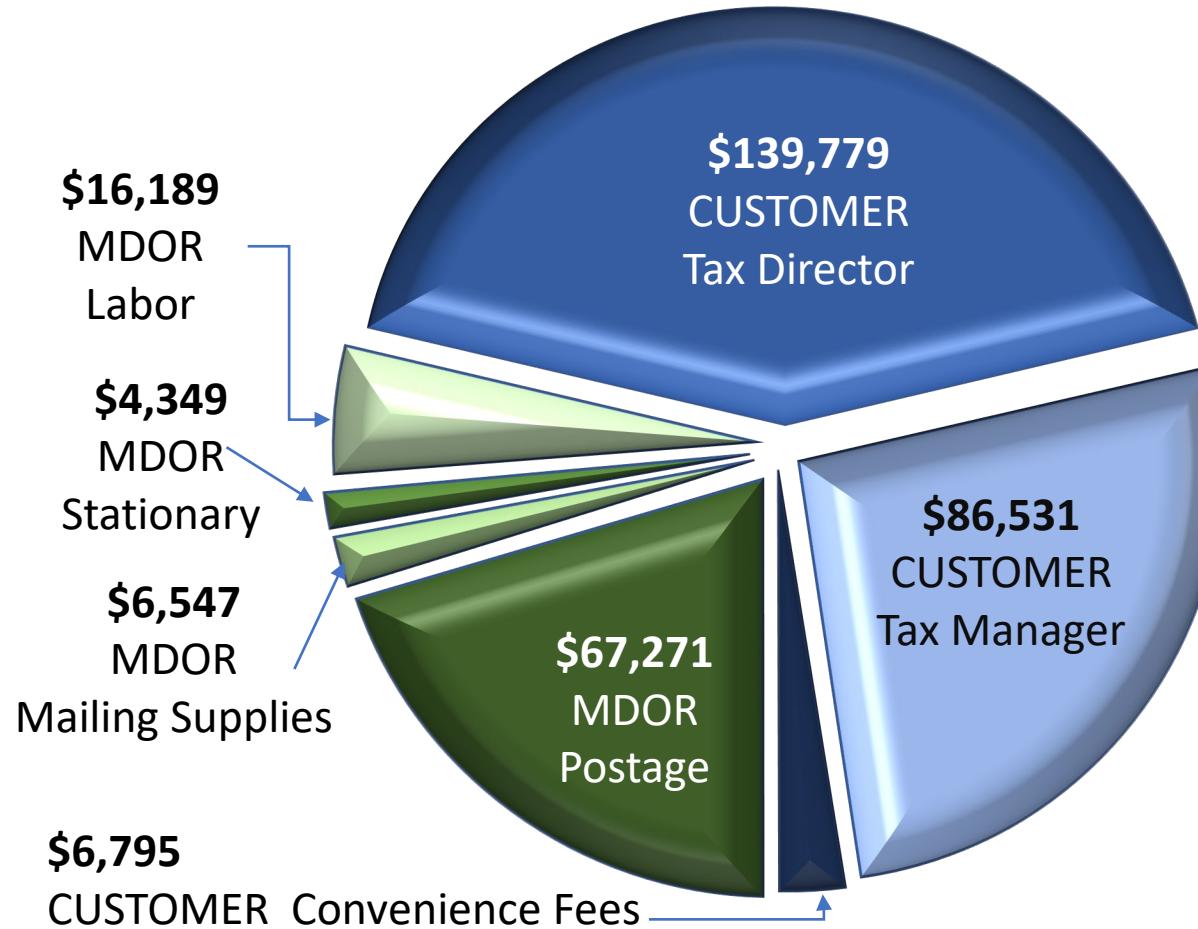
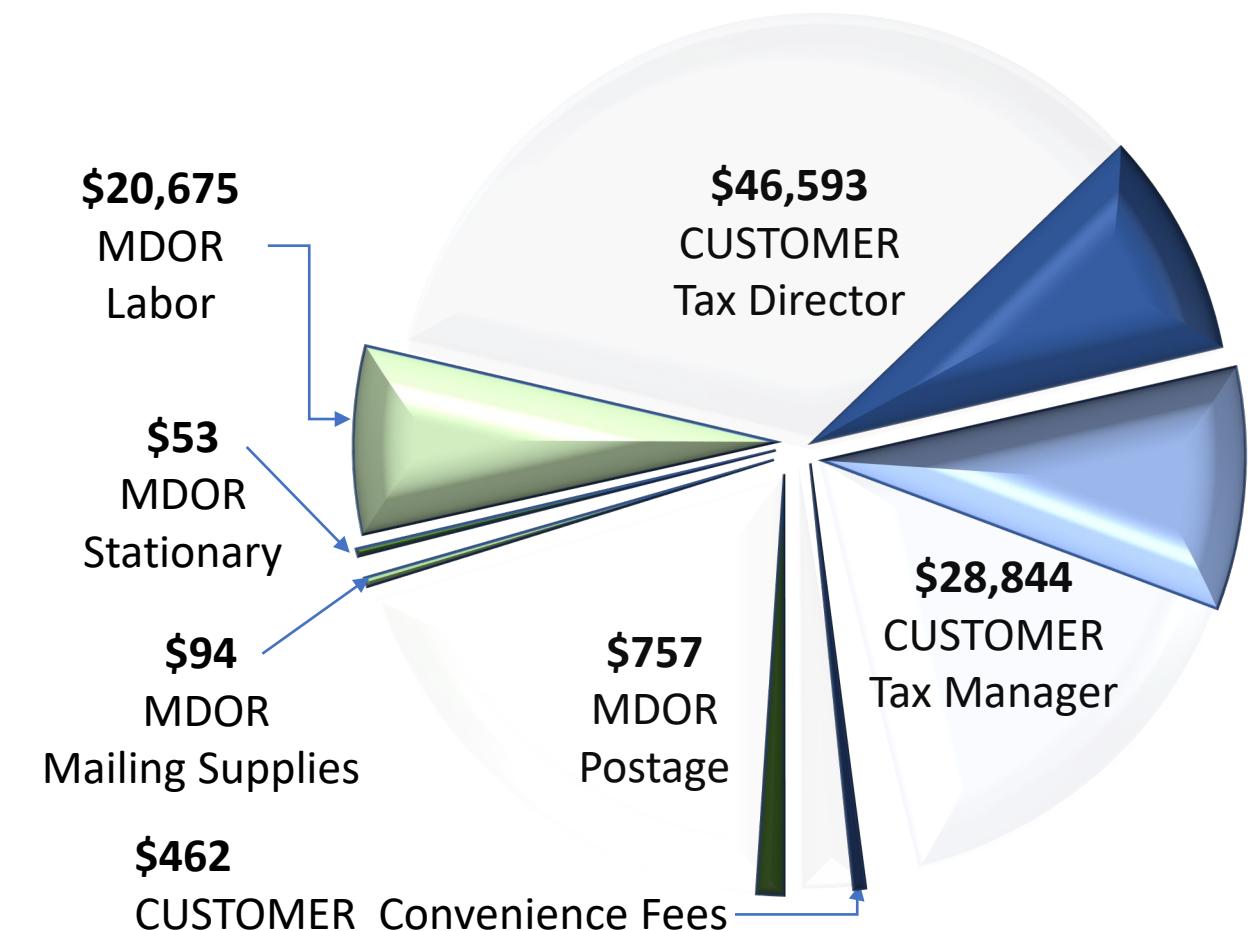
Are we providing Every Customer the Best Experience, Every Time...?



*Last year, we delivered 13,590 separate assessments via certified mail to 923 Accounts.*

<i>Cost (MDOR):</i>	\$ 94,355
<i>Cost (Customer):</i>	<u>233,105</u>
<i>Total:</i>	<u>\$ 327,460</u>

We can do better...

**Data Driven Solution:****Consolidating Bills Generates Year 1 Savings of \$229,983****CURRENT COST: \$327,461****ONE BILL: \$97,478**

## A People & Process Solution:

Auditor maintains continuity through presentation of a consolidated bill



Good Stewards of the Peoples Money



Delivery of Excellent Customer Service



Positive Work Environment



No Cost to Build or Implement

# Results Delivered

## Listen to our customers, Assess, Adapt, Overcome, & Save Money




	<b>Current Billing</b>	<b>One Bill</b>	<b>Net Savings</b>
<b>Customer Costs: Year 1</b>	\$ 233,105.37	\$ 75,898.29	\$ 157,207.08
<b>MDOR Costs: Year 1</b>	\$ 94,355.22	\$ 21,579.22	\$ 72,776.00
<b>Savings: Year 1</b>			\$ 229,983.08
<b>Savings (8.5%): Year 2</b>			\$ 249,531.64
<b>Savings (8.5%): Year 3</b>			\$ 270,741.83
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## Complete

Approval to Proceed

Process Redefined

Forms Developed & Approved

Customer Testing & Feedback

## Pending

Training Modules & Job Aids  
Oct 2022– Dec 2022

Training & Phased Rollouts  
Jan 2023 & Beyond

Monitor & Maintain

# SAVINGS: \$1.3MM