

Quality and Productivity Commission
28th Annual Productivity and Quality Awards Program
"Los Angeles County: Ahead of the Curve"

2014 APPLICATION

Title of Project (Limited to 50 characters, including spaces, using Arial 12 point font):
NAME OF PROJECT: Avoid Penalties by Understanding Postmarks

DATE OF IMPLEMENTATION/ADOPTION: JUNE 2013
(Must have been implemented at least one year - on or before June 30, 2013)

PROJECT STATUS: Ongoing One-time only

HAS YOUR DEPARTMENT PREVIOUSLY SUBMITTED THIS PROJECT? Yes No

EXECUTIVE SUMMARY: Describe the project in 15 lines or less using Arial 12 point font. Summarize the problem, solution, and benefits of the project in a clear and direct manner.

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The Treasurer and Tax Collector (TTC) receives over 2.7 million property tax payments in the mail on an annual basis. California Revenue and Taxation Code states that mailed tax payments are timely if the payment is received or postmarked by the delinquency date. When the TTC receives mailed payments without a postmark, the received date is the deciding factor in determining whether to assess penalties. Without proof (i.e., a postmark) that a taxpayer mailed a payment prior to the delinquency date, the TTC must impose a penalty. However, many taxpayers are unaware that the United States Postal Service no longer uses a postmark on all mail. In order to assist taxpayers in understanding postmarks, the TTC posted guidance online to explain what constitutes a valid postmark in order for a mailed payment to be considered timely. This includes a description (with photos) of the various types of postage, information concerning which types of postage are postmarked, and how to obtain a proof of mailing in lieu of a postmark. This benefited taxpayers who can avoid penalties by understanding these new processing procedures and the Department, who can refer taxpayers to this information when discussing penalty cancellation requests.

(1) ACTUAL/ESTIMATED ANNUAL COST AVOIDANCE	(2) ACTUAL/ESTIMATED ANNUAL COST SAVINGS	(3) ACTUAL/ESTIMATED ANNUAL REVENUE	(1) + (2) + (3) = TOTAL ANNUAL ACTUAL/ESTIMATED BENEFIT	SERVICE ENHANCEMENT PROJECT
\$	\$	\$	\$	<input checked="" type="checkbox"/>

ANNUAL = 12 MONTHS ONLY

SUBMITTING DEPARTMENT NAME AND COMPLETE ADDRESS Los Angeles County Treasurer and Tax Collector 500 West Temple Street, Room 437 Los Angeles, California 90012	TELEPHONE NUMBER (213) 974-2101
PROGRAM MANAGER'S NAME Kathy Gloster, Assistant Treasurer and Tax Collector 	TELEPHONE NUMBER (213) 974-2077 EMAIL kgloster@ttc.lacounty.gov
PRODUCTIVITY MANAGER'S NAME AND SIGNATURE <small>(PLEASE CALL (213) 893-0322 IF YOU DO NOT KNOW YOUR PRODUCTIVITY MANAGER'S NAME)</small> Sandra Pina-Barbee, Administrative Deputy 	DATE 7-15-14 TELEPHONE NUMBER (213) 974-2108 EMAIL jkelly@ttc.lacounty.gov
DEPARTMENT HEAD'S NAME AND SIGNATURE Mark J. Saladino, Treasurer and Tax Collector 	DATE 7-15-14 TELEPHONE NUMBER (213) 974-2101

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1st FACT SHEET – LIMITED TO 3 PAGES ONLY: Describe the **Challenge, Solution, and Benefits** of the project.

CHALLENGE

The Treasurer and Tax Collector (TTC) receives over 2.7 million property tax payments in the mail each year. If a payment is received after the delinquency date, with no postmark, the payment is considered late and penalties are imposed in accordance with State law. However, taxpayers who send their payments by mail are oftentimes unaware that the United States Postal Service (USPS) only postmarks certain mail depending on the type of postage used, and may not postmark mail on the same day deposited by a taxpayer.

The penalties are 10% for the first property tax installment and 10% plus a \$10 cost for the second installment. For example, if the amount due for the first installment is \$2,000, a 10% penalty of \$200 will be imposed. If the amount due for the second installment is \$2,000, a 10% penalty of \$200 and a \$10 cost (total \$210) will be imposed.

SOLUTION

In order to assist taxpayers in understanding how and when the USPS uses postmarks, the TTC developed a webpage to explain what constitutes a valid postmark in order for a mailed payment to be considered timely. The page includes a description (with photos) of the various types of postage that can be used to mail a tax payment, information concerning which types of postage are postmarked, and how to obtain a proof of mailing in lieu of a postmark. Staff from the TTC collaborated with staff from the USPS to confirm the accuracy of the information.

The name of the new webpage is “Avoid Penalties by Understanding Postmarks” and references to this information are included on the TTC’s billing inserts and return envelopes. In addition, the TTC sent an email blast regarding the webpage and conducted several presentations, one to all the Board Offices, and another at a community forum. The web address is <http://ttc.lacounty.gov/Proptax/Postmarks.htm>.

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An example of the information on the webpage is as follows:

Postage that is postmarked:

STANDARD POSTAGE STAMPS: Stamps purchased and affixed to mail as evidence of the payment of postage.

Postage that is not postmarked:

METERED MAIL: Mail on which postage is printed directly on an envelope or label by a postage machine licensed by the USPS. Many private companies use these types of postage machines.

PRE-CANCELED STAMP: Stamps sold through a private vendor, such as stamps.com®.

AUTOMATED POSTAL CENTER (APC) STAMPS: Stamps, with or without a date, purchased from machines located within a USPS lobby.

PERMIT IMPRINT: Pre-sorted mail used by bill pay services, such as online home banking.

If you use these types of postage, the USPS will not postmark your mail. You will be charged a 10% penalty and a \$10 cost, if applicable, if we do not receive your mailed payment by the delinquency date.

BENEFITS

Taxpayers benefit by understanding postmarks, which helps them avoid penalties. In turn, this should result in less inquiries into the Department. TTC staff also benefit as they can use this information to guide and assist taxpayers who contact the Department to request the cancellation of penalties. This information was also distributed to (and well received by) Tax Collectors in counties throughout the State of California.

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LINKAGE TO THE COUNTY STRATEGIC PLAN (DETAIL IS REQUIRED FOR COUNTY DEPARTMENTS):

"Avoid Penalties by Understanding Postmarks" supports the Los Angeles County Strategic Plan Goal of Operational Effectiveness because it delivers a customer-oriented and efficient public service. In addition, this program embraces the County Values of "Responsiveness" and "Customer Orientation" because we provide efficient and responsive customer service in a timely manner.

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COST AVOIDANCE, COST SAVINGS, AND REVENUE GENERATED (ESTIMATED BENEFIT): If you are claiming cost benefits, include a calculation on this page. You must include an explanation of the County cost savings, cost avoidance or new revenue that matches the numbers in the box. Remember to keep your supporting documentation.

Cost Avoidance: Costs that are eliminated or not incurred as a result of program outcomes.

Cost Savings: A reduction or lessening of expenditures as a result of program outcomes.

Revenue: Increases in existing revenue streams or new revenue sources to the County as a result of program outcomes.

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