

**Quality and Productivity Commission**  
**28<sup>th</sup> 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): <b>NAME OF PROJECT: THE REDESIGNED UNIDENTIFIED PAYMENT SYSTEM PROCESS</b>
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<b>DATE OF IMPLEMENTATION/ADOPTION:</b>	<u><b>JULY 2012</b></u>	<small>(Must have been implemented at least one year - on or before June 30, 2013)</small>
<b>PROJECT STATUS:</b>	<input type="checkbox"/> Ongoing	<input checked="" type="checkbox"/> One-time only
<b>HAS YOUR DEPARTMENT PREVIOUSLY SUBMITTED THIS PROJECT?</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

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**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.

The Unidentified Payment System (UPS) is the computer system into which the Treasurer and Tax Collector (TTC) deposits unidentifiable funds, generally due to a lack of posting information on the check. To reconcile these payments, extensive production time was spent to locate the submitter, and prepare numerous written correspondence. In 2011, the system was enhanced to provide the payer with an expedient response method to address TTC inquiries about their payment. Enhancements included a new Final Notice of Unidentified Payment letter to notify the payer of an unapplied pending payment with instructions on the need for a response, all provided in plain language for ease of understanding. A table of payment posting options along with instructions on where to locate account information related to the payment is provided to assist in the response. These simple enhancements streamlined work processes resulting in the timely processing of unidentified payments or the refund of the payment to the payer upon their request; lead to fewer follow-up calls, and decreased staff research time. The signed payer response improved internal controls, and ensured refunds were submitted to the appropriate parties, thereby reducing potential risk to the Department.

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

ANNUAL = 12 MONTHS ONLY

<b>SUBMITTING DEPARTMENT NAME AND COMPLETE ADDRESS</b> The Treasurer and Tax Collector 500 Temple Street, Room 437 Los Angeles, CA 90012	<b>TELEPHONE NUMBER</b> (213) 974-7363
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<b>PROGRAM MANAGER'S NAME</b> Kathy Gloster, Assistant Treasurer and Tax Collector Nai-Len Ishikawa, Assistant Treasurer and Tax Collector Ron Moskowitz, Departmental Chief Information Officer I Mark Oune, Assistant Treasurer and Tax Collector 	<b>TELEPHONE NUMBER</b> (213) 974-2077 (213) 974-2139 (213)-974-7618 (213)-974-7363
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<b>PRODUCTIVITY MANAGER'S NAME AND SIGNATURE</b> <small>(PLEASE CALL (213) 893-0322 IF YOU DO NOT KNOW YOUR PRODUCTIVITY MANAGER'S NAME)</small> Sandra Pina-Barbee, Administrative Deputy 	<b>DATE</b> 7-15-14	<b>TELEPHONE NUMBER</b> (213)-974-2108 <b>EMAIL</b> spbarbee@ttc.lacounty.gov
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PROCESS**

DEPARTMENT HEAD'S NAME AND SIGNATURE

Mark J. Saladino, Treasurer and Tax Collector



DATE

7-15-2014

TELEPHONE NUMBER

(213) 974-2101

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

**Challenges:**

- A large number of checks were being posted to the UPS due to a lack of posting information on the check. The group of managers evaluating this issue was charged with redesigning and implementing up-front processes that would both 1) reduce the number of checks being posted to UPS, and 2) if a check had to be posted to the UPS, send a timely and informative written notice to the payer requesting information on where to post the payment.
- The responsibility to send out notices to payers whose payment was posted to the UPS was not centralized. In addition, there was a need for a standardized notice written in plain language to request additional information from the payer to post the payment, or allow the payer to request a refund if the payment was submitted in error.
- When sending out notices, staff was required to pull and provide a copy of the corresponding check to assist the payer in identifying his or her payment. This required TTC staff to research the TTC's Image Archive system, locate the item, and print a copy. This was a tedious process that we desired to automate.
- The TTC needed to develop desk procedures for the redesigned up-front process and related follow up tasks.

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**Solutions:**

- The TTC implemented an up-front processing redesign whereby staff performs additional research on several available departmental systems to locate missing posting information, thus maximizing the number of payments that are successfully posted to a departmental receivable system, thereby minimizing the number of payments ultimately posted to the UPS.
- The TTC developed a notice to be sent whenever a payment is posted to the UPS. The notice includes a payment type table, which provides payment options that the payer may select to facilitate the payment posting. Instructions are presented to assist with location of account information to identify a payment in the posting process. Notices are prepared in plain language for ease of understanding. We also attach to the notice a copy of the payer's check with the account information redacted. If the payment was made in error, the notice includes information on how to request a refund.
- All notices are sent within three business days of our receipt of the payment, with the exception of payments received during our peak season of December and April.
- The TTC consolidated in one Division the responsibility to send out all UPS notices. This centralized that function and assured that there is appropriate oversight of the process.
- The TTC's Systems Branch enhanced the UPS so that when a notice of unidentified payment is requested, the UPS system also automatically prints a copy of the check from the TTC's Image Archive System.
- The TTC developed UPS desk procedures to detail and explain the up-front process. Included with the procedures were screen shots of the various resources to determine posting information.

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**Benefits:**

- Due to the enhanced up-front redesign, there are significantly fewer items in the UPS inventory. For the period of July to November 2012, the number of items deposited to UPS was down approximately 50% compared to the same period in 2011.
- The process of sending out timely notices, written in plain language with a copy of the check attached, greatly improved the resolution of items posted to the UPS. Of the items originally deposited into the UPS for the period of July to November 2011, close to 90% were either appropriately posted or refunded as a result of the timely mailing of notices.
- The automation of retrieving check images in UPS streamlines the process and eliminates the possibility of sending the wrong check image to the payer.
- Staff now has clear procedures documenting how items in the UPS are to be worked. This helps provide consistent practices to ensure we maximize the effectiveness of the updates to the UPS.
- With the enhancements in notice letters and system processes there are fewer telephone calls concerning unapplied payments, and staff research and resolution times have been reduced with the up-front processes thus lowering frustration levels concerning the status of payments.
- Fewer items remain in the UPS as TTC is better able to apply payments through the enhanced up-front efforts.

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

The Unidentified Payment System (UPS) supports the Los Angeles County Strategic Plan Goals of “Operational Effectiveness” and “Fiscal Sustainability” as it delivers responsive, customer-oriented and efficient public service, and exemplifies prudent fiscal policies by ensuring the timely and accurate processing of unidentified payments.

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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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\$	\$	\$	\$	<input checked="" type="checkbox"/>

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