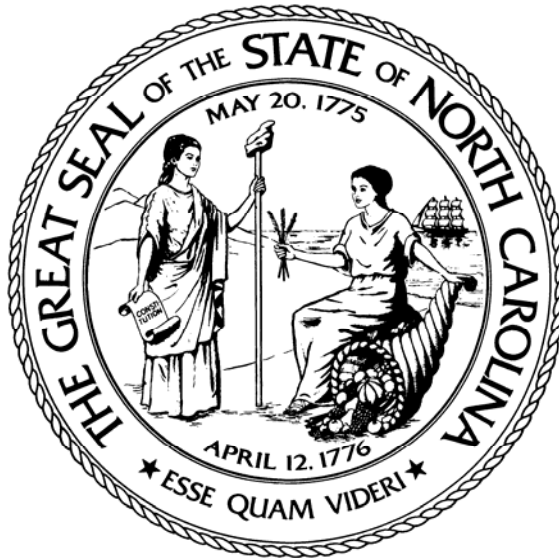


Authorized award 7-24-06
to CGI-AMS

Department of Revenue

e-Business Strategy Implementation Planning Project



Scope Statement

May 26, 2006

Tracking No. TECH-003006

PREPARED BY:

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Scope Statement

Department/Agency:	Department of Revenue
Issue Date:	May 26, 2006
Project Name:	e-Business Strategy Implementation Planning and Design Project Tracking No. TECH-003006
Project Sponsor:	Deputy Secretary Reginald Hinton
Project Contact:	Randy Barnes
Contact Email:	ebitpdp@dornc.com
Technology Services Contract:	Attachment 10 – Technology Advisory Services
Due Date for Questions:	June 2, 2006 at 5:00 PM (EDT)
Due Date for Responses:	June 15, 2006 at 2:00 PM (EDT) Extended to June 26, 2006
Delivery Instructions:	Scope Statement Responses should be addressed to: Department of Revenue Attention: Glenn Mann 501 N. Wilmington Street Raleigh, NC 27602

The State requests vendors to e-mail questions regarding this Scope Statement to ebitpdp@dornc.com by the date and time specified above. Responses to the questions will be emailed to the vendors on ~~Attachment 10.~~

1. Scope Statement Purpose

The purpose of this Scope Statement is to solicit proposals from Vendors to develop a detailed implementation plan, inclusive of functional and technical requirements as well as a corresponding business process re-design approach, for the implementation of the North Carolina Department of Revenue e-Business Strategy. This project includes identification of significant changes in the agency's management practices and organizational structure necessary to accomplish the recommended re-engineering business practices and the strategy for managing these changes.

The business/functional and technical requirements may be subsequently used as input to a formal procurement process for implementing new e-business processes and tools. The deliverables produced under this Scope Statement are the early steps in the development of a new, comprehensive business infrastructure for the Department of Revenue.

The e-Business Strategy Implementation initiative will have the following three Phases:

Phase 1 – Planning (This Project)

Phase 2 – RFP Development/Procurement, as necessary

Phase 3 – Implementation

2. Project Background

Tax and revenue agencies are confronted with new challenges in this information age. Globalization, the Internet, increasingly complex tax laws, as well as the growing sophistication of taxpayers in the use of ways to shield transactions and the associated tax consequences are all realities that need to be factored into our future capabilities as the main revenue collection agency for the State of North Carolina. In the past several years we have had several highly successful projects that have produced profound financial benefits for the state. We successfully implemented the Taxpayer Assistance and Collection Center that, since its inception in October 2003, has collected more than \$100 million. Project Collect, Project Compliance and the Voluntary Compliance Program have also been very successful and have generated nearly \$1.5 billion in new revenue for the State. While the Department of Revenue could be satisfied with our current level of productivity and performance, our leadership recognizes the challenges on the horizon, and thus seeks to plan for an even brighter future that will provide new capabilities that will enable us to meet the challenges of the future, to improve taxpayer compliance with revenue laws, and to generate additional revenues to operate state government.

The Internet and e-Commerce have had a dramatic impact on many organizations, both public and private. The North Carolina Department of Revenue has taken a strategic approach to envisioning its future. In June 2004, senior leadership of the agency published its 5-year strategic plan for the agency that defined a dynamic forward-looking position for the department to achieve by 2010. This long-term strategy has been termed **Vision 2010**. In this plan, we envision the demands that will be placed on our agency based on a careful review of external and internal forces. The strategic options available include considering ways of meeting those future challenges by embracing a range of strategies that will allow the Department of Revenue to discharge its statutorily mandated responsibilities in the most efficient and effective manner possible. Because the Department of Revenue is the financial engine that drives the availability of funding that supports all of State government, this planning effort is crucial for the well-being of the state and the many worthwhile services that it provides for the citizens of the State.

We believe that through advances in information and communication technologies, we can dramatically improve our capabilities, which will ultimately benefit all of State government. To do this, our agency has translated our Vision 2010 into a strategic plan that embraces electronic business as a means for achieving our long-term goals well into the future. This will require substantial investment in our infrastructure and technological capabilities that will return many-fold benefits as an outgrowth of the enhanced productivity and performance that we anticipate. The Department of Revenue has embraced an e-Business Strategy that we believe will transform our agency. This strategy forms the basis for the planning effort described in this document and serves as the key input into the planning process. The plan describes in clear detail the strategies that will transform our agency and provides the basis for world-class performance by the Department of Revenue well into the future.

3. Current Environment

a. Organization

The Department of Revenue has two primary operational areas, Tax Compliance and Tax Administration, and several other support organizations, including Information Technology and Financial Services. Appendix A contains the high level organizational chart for the agency.

Tax Compliance contains divisions that are responsible for taxpayer assistance, examination and audit, and enforced collections. Taxpayer assistance is involved in a wide range of activities that provide information to taxpayers on an individual basis, as well as through public education and outreach. The examination and audit function performs internal reviews of taxpayer returns and it performs the more traditional individual and corporate audit functions. Additionally, there is a significant involvement to identify areas of non-compliance, including failure to file returns and under reporting of income. The enforced collection area is responsible for collecting the tax accounts receivable due the State of North Carolina. A wide variety of enforcement remedies are available to obtain these funds.

Tax Administration has three distinct responsibilities. They are responsible for working with the General Assembly on legislation regarding tax laws and to ensure that the tax forms and tax instructions adhere to the laws. Additionally, these divisions are involved with tax disputes as representatives of the department. The third primary area of Tax Administration is the processing of all tax returns and tax payments, both paper and electronic. It is critical that all returns and payments are processed timely and that the data captured is accurate.

Information Technology is responsible for support of the organization through the provisioning of a network infrastructure, desktop and laptop equipment, applications development, server deployment and support, and all other types of technology requirements of the agency.

Financial Services is responsible for the management of both the operating budget of the department and for the accounting and management of all revenue collected by the department, which is approximately \$22 billion each year.

b. Technical Architecture

Internally, the Department runs on a Novell network. The existing e-business systems and non-public facing distributed systems are developed using Java technology with DB2 relational databases running on an AIX UNIX server platform. These systems are all in-house developed systems.

Data Capture is a system of applications and processes that allows for the scanning, imaging, remittance processing, and data repair of tax information from paper returns to facilitate processing in ITAS. The Data Capture system operates in a client/server environment on the Windows O/S with AIX DB2 running on IBM Regatta hardware.

Also, the Agency has an Integrated Tax Administration System (ITAS) running on a mainframe server. It is written in COBOL with a DB2 database and was originally a transfer system from the State of Maryland. This legacy system is approximately ten years old. DOR began the implementation of ITAS in the mid-1990's. Today, all of the major taxes administered by the department are part of this single application. A few minor taxes, due to volume, are processed by small stand-alone systems. Though many enhancements have been made to the system in the past 10 years, DOR recognizes that the system is nearing its end of life and that newer, more robust technologies are available to meet the objectives of the agency. DOR anticipates needing to replace the ITAS application within the next 3-5 years. Concurrently, the State of North Carolina is undertaking a Statewide Business Infrastructure Program that will replace all of the legacy applications that make up the core business systems for the State. A statewide license for SAP has been purchased and will be used for the HR/Payroll and Budget and Finance components.

Additionally, the State of North Carolina has established a strategic direction for a statewide enterprise data warehouse environment using the SAS product suite. DOR is currently working on a pilot project using this tool-set as a proof-of-concept for possible future data warehouse initiatives.

The proposed solution from this procurement must take into account both SAP and SAS enterprise direction to the degree that they provide the best solution for DOR.

4. Project Purposes and Objectives

Broadband capabilities and improvements in information and communication technology have greatly altered the ways citizens interact with their government. There are enormous challenges placed on public organizations to conform to the new paradigms for service delivery that have already confronted private organizations. Private organizations are well familiar with the heightened expectations that go along with the Internet age. Many well established business-to-consumer and business-to-business transactions have ushered in a new wave of business commerce that is global in scope. Public organizations are now under severe pressure to provide real-time, web-based applications for the benefit of citizens. In addition to that, citizens also want access in 24x7 timeframes that are more convenient for the hectic schedules that many citizens have. A key objective of the agency's strategy is to allow citizens to do business with the department anytime and anywhere.

In its most transformational sense, e-Business encompasses all facets of business activity, both internally and externally. Through the use of technology, business processes are fully integrated to allow for flexible and seamless use of information, for a variety of purposes. Stated differently, e-Business is the fusion of enabling technologies that provide the basis for truly transforming the agency. In this view, we bring together case management, document management, integrated systems, data warehousing, knowledge management, and customer relationship management, through business process reengineering and technical integration. The use of decision analytics and business intelligence capabilities within the new model will provide the organization with opportunities that are currently beyond our imagination.

Tax integration is a framework of people, processes and technology functionally organized to administer taxes. The planning effort defined by this statement of work must yield a plan for accomplishing the objectives embedded in our e-Business Strategic Plan (**Appendix B**) and should enable use to increase compliance, collect additional revenues, and provide better customer service. Our business objectives include:

- Provide a platform for taxpayers and employees to conduct all of their business with the Department of Revenue using the Internet and/or electronic means. This means developing an environment of integrated services and capabilities that provide ready access through the web and an internal portal system.
- Deliver systems that enhance our ability to interact with taxpayers or customers. In our expansive view of customer service in the new environment, this capability goes beyond electronic service delivery, since we envision the development of organizational capability for delivering seamless services to customers regardless of the point of interaction. Our enhanced capabilities must provide seamless coordination between all customer-facing functions.
- Enhance knowledge management (KM) capabilities. We believe that KM should be treated as an operating philosophy rather than as a specific application category, which is applicable to all business process areas of the organization. We believe that the integration of knowledge management and customer relationship management clearly shows high synergy potential and can help to transform our business capabilities. This is accomplished by identifying,

capturing, retrieving, sharing and evaluating intellectual and knowledge-based assets through which organizations generate business value.

- Enhance data management capabilities with significantly strengthened business intelligence and analytical tools. Such a system would allow us to flexibly analyze a wide variety of taxpayer data and identify trends and other useful information.
- Enhance workflow management. At its simplest, this refers to the movement of documents and/or tasks through a work process. More specifically, workflow is the operational aspect of a work procedure: how tasks are structured, who performs them, what their relative priority is, how they are synchronized, how information flows to support the tasks and how tasks are being tracked.
- Enhance document management capabilities. This capability must coexist with our current data capture system, but provides a more flexible way of converting paper documents into a digital format, as well as integrating electronic documents such as emails, audit reports, and otherwise generated electronic documents. These electronic documents, once stored in the document management system are accessible from the computer, thus allowing users to retrieve, e-mail, fax, and print without ever leaving their desk.
- Fully integrated systems. A well-designed integrated solution must logically merge all business processes, providing one efficient system and must also include an integrated tax application.
- Provide for technology enabled business transformation by use of business process reengineering to take advantage of new capabilities and operational synergies that can allow our organization to achieve its e-business vision of enabling taxpayers and employees to conduct all Department of Revenue business electronically at any time.
- Identify organizational structure changes and enhancements that maximize the benefit of our new e-Business organization.

5. Deliverables

This planning process is expected to yield a solution that will allow the Department of Revenue to achieve its e-Business vision **as documented in Appendix B**. The anticipated deliverables are:

- A conceptual design that depicts the Department of Revenue as an e-Business organization. This would include an “As Is” and “To Be” representation of the Agency.
- A business process reengineering and organizational change plan.
- A project impact analysis, including cost/benefit and risk assessment.
- A comprehensive project plan that outlines the implementation tasks and activities.

6. Subsequent Work by Winning Vendor

The Project Steering Committee anticipates that many vendors may desire to participate in this Project. In order to maintain a fair and competitive procurement process, the following section has been added to clarify vendor participation in the potential award of future contracts for subsequent work that may result from the results and recommendations from this first phase effort.

Specifically the State desires:

e-Business Implementation Phase	Vendor Eligibility
1. Planning	All Vendors
2. RFP or other procurement document Development	All Vendors
3. Implementation	All Vendors with the following exceptions: <ul style="list-style-type: none">• The Vendor who was awarded the Phase 2.

The awarded Vendor(s) of the Planning Phase and the RFP Development Phase will be required to organize pertinent information obtained in performing the work and provide this documentation to the State in both paper and computer readable (hard and soft copies) formats. The documentation must be in a structure that is helpful to all vendors responding to future bidding documents related to the combined study; thereby, creating a "level playing field" for interested vendors.

The State has final approval authority of the vendor's project documentation described above including organization, structure, content and technical format.

7. Vendor Proposal Requirements

Vendor proposals must be straightforward, clear, well organized, easy to understand, and concise. They must contain the following **eight** sections. No other sections may be submitted. Proposals should be submitted in three-ring notebooks or binders with tabs delineating each of the sections. Double spacing of type is the desired spacing for major contents (inserts of charts, matrices, tables, graphs, etc. may have smaller type and spacing, but must be readable and clear).

- a. Table of contents.
- b. Statement of no conflict of interest - Vendors must certify that neither they, nor any of their personnel who may provide services under any awarded contract, have a conflict of interest:

As defined or described in NC General Statute § 14-234; and that vendor (including past or present staff) has not participated in prior work with the State that would bias the work of this project and/or create real or perceived questions regarding the veracity, integrity or trustworthiness of the work, including findings and recommendations. Also the vendor (including past and present staff) has no preexisting disposition on any finding or recommendation that comes from a vested interest in any particular technology, service or product or an emotional investment in the project or its results.

- c. Corporate background and experience - This section shall include information determined by the vendor on the vendor's corporate organization experience and skills regarding the vendor's track record, reputation and past performance that indicates the capabilities for the successful completion of this work. Specifically, the vendor should provide details that relate to experience with business re-engineering, organizational transformation, and technology innovation. A minimum of three references of similar projects or other projects indicating the vendor's past performance, experiences and capabilities to do this work must be provided with project description (accompanied by an explanation of how it relates to this project), cost, and other pertinent information. Contact person(s), with telephone numbers and e-mail addresses must be provided for each reference.
- d. Project approach - This section must describe the objectives of the project, the methodology or approach for performing the project, the deliverables resulting from the work, the person-days involved in the work and the schedule/timetable for completing the project. Explain in detail how each deliverable will be accomplished. For each deliverable, vendor must also include a correlating percentage of the person-days involved in the work to complete the deliverable. The use of subcontractors is allowed pursuant to Paragraphs 4 and 5 of the General Terms and Conditions for Goods and Services, but must be described plainly in the project approach. The responsibility of the vendor for the subcontractor must be unequivocally described in the project approach.

Vendor must also include a completed version of the table below:

Objective	Proposed Work Days	% Proposed Work Days
Project Management and Administration		
Meeting time with Subject Matter Experts		
Documentation, Analysis, Reports, Preparation & Other		
Total		100%

- e. Methodology and Toolset Experience – This section shall include detailed information on the methodology approach and toolset (if a toolset is proposed) that the vendor describes in item d above (Project Approach). A minimum of three references of similar projects indicating where the methodology and toolset were used, how they were used, how the allocation of person-days correlated to the use of the methodology and toolset, and other pertinent information should be included. Contact person(s), with telephone numbers and e-mail addresses must be provided for each reference. References provided in item c and e above may be the same.
- f. Project personnel staffing and vendor organization for completing this project - This section must include a description on the proposed staffing, responsibilities and organizational structure for accomplishing this project. Names and qualifications of proposed staff must be provided. Highlight the following expertise and experience by proposed staffing member:
- e-business strategy implementation
 - Business process re-engineering
 - IT Functionality/ Application Software
 - Project Administration and Management

Resumes must be provided for key personnel and should be provided in an appendix.

Subcontracting is allowed for this work pursuant to Paragraphs 4 and 5 of the General Terms and Conditions for Goods and Services, but its use must be explained and the responding vendor must be responsible and accountable for all work performed by subcontractors.

- g. Costs - This project requires a total not-to-exceed fixed cost to provide the deliverables. The cost schedule must include two items:
- **Not-to-exceed bid amount.** This amount will be used in the evaluation criteria in selecting the awarded vendor (see Section 10). The state will not compensate vendor greater than this amount even if the aggregate single

hourly rate of vendor personnel exceeds this amount at anytime during the completion of this project.

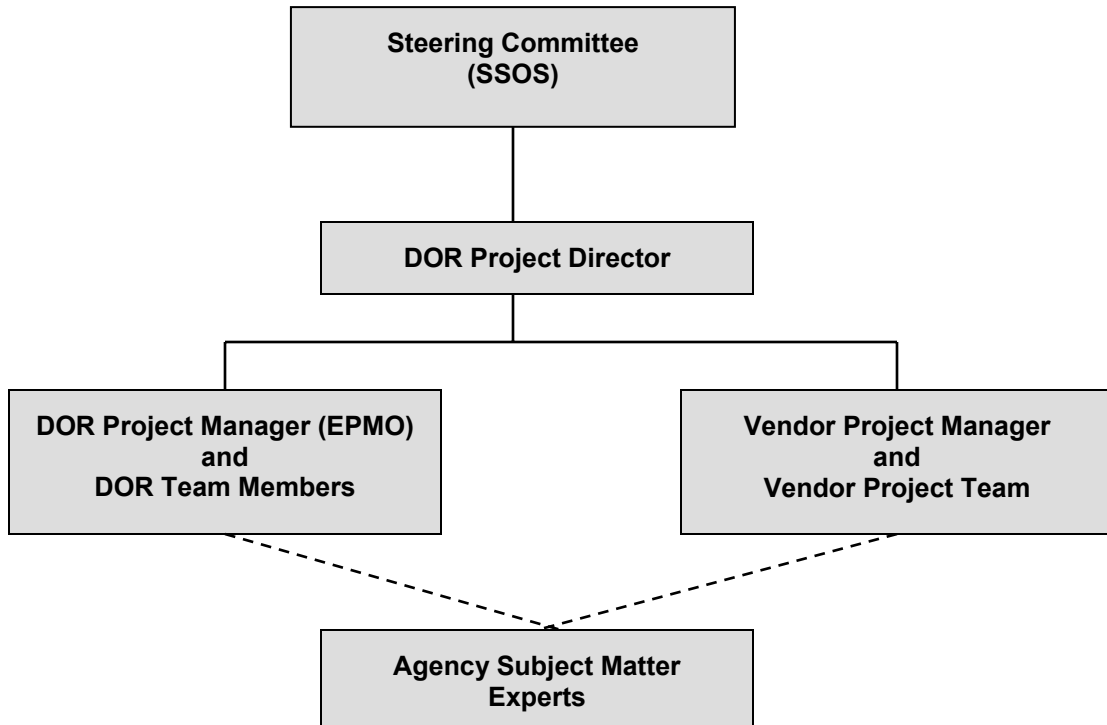
- **Single hourly rate.** This rate will apply to all work efforts, regardless of type or complexity. Also, it will apply to all vendor personnel, regardless of required skill or experience levels. The single hourly rate will cover all costs, including direct and overhead expenses. Travel, per diem and other miscellaneous costs will be absorbed in the single rate. Only one (1) single hourly rate will be accepted, and that rate must apply to all persons and all work times (i.e., person-hours). No limitations on or variations of the single hourly rate will be accepted (such as tiered rates or maximum/minimum number of hours for a rate).
- h. Deliverables/Payment Schedule – Payments will be tied to the submission of acceptable deliverables, as specified in Section 5, Deliverables. The State will determine the acceptability of all deliverables based on mutually defined and agreed to acceptance criteria. Vendor must provide a schedule of deliverables, the timing for submitting the deliverables to the State, and the expected payment (per the work effort expected to be expended for each deliverable per the project plan). This section must also contain a description of each deliverable and must list the proposed criteria for acceptability of each deliverable.

The State of North Carolina will provide workspace for the awarded vendor, computers for use on the DOR network only, telephones and access to the Internet.

8. Timetable/Schedule

Vendor selection and award is anticipated to take approximately four weeks after all proposals are received. The awarded vendor is expected to begin work within two weeks of selection and progress in an expeditious cost-effective manner. The Planning effort is just the first step toward implementation of the strategy and DOR requires that this phase be completed **no later than the end of November 2006**, in preparation for the biennial legislative session. The awarded vendor shall prepare and submit periodic status reports to the Project Director not less than weekly; and as otherwise directed by the committee.

9. Project Organization and Reporting



Because of the significance of this project, the Steering Committee will be the Senior Staff Operations Subcommittee (SSOS). Members of the SSOS are the Deputy Secretary, the Director of Financial Services (Chief Financial Officer), the Assistant Secretary of Information Technology (Chief Information Officer), the Assistant Secretary of Tax Compliance and the Assistant Secretary of Tax Administration. The Steering Committee will champion the project cause, provide funding, allocate resources and make decisions relative to scope or strategic direction.

The Project Team will be comprised of agency and vendor staff. This layer is responsible for executing the work of the project. The Project Director will oversee the operation of the project, lead meetings, guide both the DOR and vendor team members regarding the scope of the initiative and will report regularly to the Project Steering Committee. The key responsibility of this position is to convey the objective of the strategic vision and will have signoff responsibility on all deliverables. The Director of Taxpayer Assistance will hold this position. The DOR project team will be led by the DOR Project Manager. This position will coordinate all the day-to-day activities of the project, provide the project reporting based on DOR EPMO standards and interface with the Office of Information Technology as required by SB 991. The DOR Project Manager will also assist the DOR Project Director. This position will come from DOR's Enterprise Project Management Office (EPMO). The remainder of the DOR project team will consist of key business and technical leaders at a senior level. The Vendor Project Manager will perform the work of the project as specified by the contract and report to the Project Director for the duration of the project.

In addition, it is expected that Agency Subject Matter experts who are not on the project team will be involved. These personnel, considered to be business and technical experts, will be available to provide the necessary information to assist the awarded vendor in performing its work to meet the deliverables and objectives of the project, primarily through focus groups and/or one-on-one interviews, requirements gathering sessions and other meetings as necessary and agreed to by the agency and the vendor.

10. “Best Value” Procurement

It is the intent to award this contract to a single overall vendor. The evaluation and vendor selection process will be based on “best value” in accordance with NCGS §143-135.9 and Section 11 of this document. The particular procurement methods used are selected so as to result in the best buy for the State in terms of the functions to be performed. Competitive Best Value Procurement allows the use of alternate competitive purchasing techniques in addition to low price analysis in the selection of supply sources determined to represent best value.

A tradeoff/ranking method of source selection will be utilized in this procurement. The evaluation committee may request written clarifications of any offer received. However, the State in its sole discretion may refuse to accept in full or partially the response to a clarification request given by any vendor. Vendors are cautioned that the evaluators are not required to request clarifications; therefore, all offers should be complete and reflect the most favorable terms. Evaluation methodology shall be in accordance with Title 9 of the NCAC Subchapter 06B, Section.0302, or the corresponding section of any future NC Administrative Code, and Section 9 of this document.

The State may elect to conduct negotiations with one or more vendors and make requests of vendors as may be necessary or proper for best and final offers. Final ranking of responses and award of the contract will be made after the State reviews all bids and completes its evaluation, or if negotiations are conducted, and all rounds of Best and Final Offers have concluded. An award will be made to the vendor with the most advantageous offer.

11. Evaluation Criteria

The Evaluation Committee, established by the Project Steering Committee, will evaluate proposals and determine the awarded vendor. At its option, the Evaluation Committee may request oral presentations or discussion with any or all vendors for the purpose of clarification or to explain the materials presented in any part of the proposal. The process to be used includes the principles listed above and the criteria listed in the table below and by applying the associated weight.

Evaluation Criteria	Section of Vendor Proposal	Evaluation Weight
1. <u>Vendor strengths, capabilities and experience</u> , including corporate background, references, past and current projects, performance history, etc.	4 and 7	25%
2. <u>Description of work</u> , including objectives, methodology/toolset, approach, deliverables, organizational structure, staffing qualifications, person days involved, schedule/timetable, etc.	6, 8 & 10	65%
3. <u>Cost</u> A. Not to exceed bid amount – The not to exceed bid amount is the cost that will be used in the evaluation of vendor responses. B. Single hourly rate – The single hourly rate cost <u>is not</u> evaluated as part of these criteria, but it will be a condition of the resulting contract with the selected Vendor.	7	10%

12. Administrative Items

Vendor must provide 2 originals and 6 copies of the proposal, with an execution page signed by an authorized officer of the Vendor must be submitted. One electronic copy (in Microsoft Word and/or Excel format) must be provided on diskette to facilitate distribution. Do not mark your entire response as "Confidential and/or Proprietary". Only vendor information referenced in the NC Information Technology General Terms and Conditions for Goods and Related Services, Section 17, "Confidentiality" may be confidential. Acceptance of proposals for evaluation when marked confidential or proprietary, or as exempt from disclosure under N.C. Public Records laws, shall not constitute a determination by the State that any materials or information contained therein are exempt from disclosure

- Proposals must be submitted to the address and by the time and closing date specified in the General Information Section.

The term of this contract will be determined by the proposed time line of the proposal selected for award beginning on the date of award.

13. Additional Terms and Conditions

- 1) **Supplement:** The additional terms and conditions set forth herein shall supplement the General Terms and Conditions for Goods and Related Services. In the event of a conflict between this Supplement and the General Terms and Conditions, or any other document, the order of precedence shall be determined by the State's solicitation document(s).
- 2) **Personal Services:** The State shall have and retain the right to obtain personal services of any individuals providing services under this Contract. This right may be exercised at the State's discretion in the event of any transfer of the person providing personal services, termination, default, merger, acquisition, bankruptcy or receivership of the Vendor to ensure continuity of services provided under this Contract. Provided, however, that the Agency shall not retain or solicit any Vendor employee for purposes other than completion of personal services due as all or part of any performance due under this Contract.
 - a) Vendor personnel shall perform their duties on the premises of the State, except as may be specifically agreed otherwise, established in the specification, or statement of work.
 - b) The State has and reserves the right to disapprove the continuing assignment of Vendor personnel provided by Vendor under this Contract. If this right is exercised and the Vendor is not able to replace the disapproved personnel as required by the State, the parties agree to employ good faith efforts to informally resolve such failure equitably by adjustment of other duties, set-off, or modification to other terms that may be affected by Vendor's failure.
 - c) Vendor will make every reasonable effort consistent with prevailing business practices to honor the specific requests of the State regarding assignment of Vendor's employees. Vendor reserves the sole right to determine the assignment of its employees. If one of Vendor's employees is unable to perform due to illness, resignation, or other factors beyond Vendor's control, Vendor will provide suitable personnel at no additional cost to the State.
 - d) This Contract shall not prevent Vendor or any of its personnel supplied under this Contract from performing similar services elsewhere or restrict Vendor from using the personnel provided to the State, provided that:
 - i) Such use does not conflict with the terms, specifications or any amendments to this Contract , or
 - ii) Such use does not conflict with any procurement law, regulation or policy, or
 - iii) Such use does not conflict with any non-disclosure agreement, or term thereof, by and between the State and Vendor or Vendor's personnel.
 - e) Responsibilities of the State:

i) Any special requirements in addition to the specifications shall be identified in a statement of work, made in writing, and annexed to the Contract.

ii) The State will provide the information, data, documentation, test data, and other items or materials necessary, in its opinion, to facilitate Vendor's performance of the Contract.

f) Vendor shall provide written notice of any delay or failure of the State under (a) or (b) above.

3) Invoices, Payment: Upon execution of this Agreement, the Vendor shall submit to the Agency an invoice upon the completion of contract deliverables and, upon approval by the Agency, receive payment within thirty (30) days. If this Contract is terminated, the Vendor is required to complete a final accounting report and to return any unearned funds to the Agency within sixty (60) days of the Contract termination date. All payments are contingent upon satisfactory performance of the invoiced items and fund availability. In addition to the Payment Terms of the General Terms and Conditions, the following terms shall apply:

a) Invoices for partial delivery of any Deliverables shall not be accepted.

b) Upon completion of a work authorization, task, or Deliverable, and acceptance by the State, Vendor shall submit an invoice for the full charges applicable.

c) Notwithstanding any other term herein, progress payments shall not exceed ninety (90%) percent of the Contract amount prior to the satisfactory completion of the Contract and acceptance of the Deliverables by the State.

4) Reports: The Vendor must provide periodic status reports to the Project Director up not less than week, and as otherwise directed by the committee. Status reports will include at a minimum a discussion of project progress, problems encountered and recommended solutions, identification of policy or management questions, and requested project plan adjustments.

5) Project Management: All project management and coordination on behalf of agency shall be through a single point of contact designated as the agency Project Director. Vendor shall designate a Vendor Project Manager who will provide the single point of contact for management and coordination of Vendor's work. All work performed pursuant to this Contract shall be coordinated between the agency Project Manager and the Vendor Project Manager.

6) Contract Meetings: The Vendor is required to meet with agency personnel, or designated representatives, to resolve technical or contractual problems that may occur during the term of the Contract. Meetings will occur as problems arise and will be coordinated by agency. The Vendor will be given reasonable and sufficient notice of meeting dates, times, and locations. Face to face meetings are desired. However, at the Vendor's option and expense, a conference call meeting may be substituted. Consistent failure to participate in problem resolution meetings as demonstrated by two (2) consecutive missed or rescheduled meetings, or to make a good faith effort to resolve problems, may result in termination of the Contract.

7) Confidentiality of Data and Information:

a) The Vendor shall protect the confidentiality of all information, data, instruments, studies, reports, records and other materials provided to it by the State or maintained or created in accordance with this Agreement. No such information, data, instruments, studies, reports, records and other materials in the possession of Vendor shall be disclosed in any form without the prior written consent of the State. The Vendor will have written policies governing access to and duplication and dissemination of all such information, data, instruments, studies, reports, records and other materials.

b) All project materials, deliverables, including software, data, and documentation created during the performance or provision of services hereunder is the property of the State of North Carolina and must be kept confidential or returned to DOR, or destroyed with an acceptable certification of destruction provided to DOR, or designee. Proprietary vendor materials shall be identified to the State by vendor prior to use or provision of services hereunder and shall remain the property of the vendor. Derivative works of any vendor proprietary materials prepared or created during the performance of provision of services hereunder shall be subject to a perpetual, royalty free, nonexclusive license to the State.

8) Personnel, Facilities, And Records – Unless otherwise provided by the Agency, the Vendor shall furnish all necessary personnel, services, and otherwise perform all acts, duties and responsibilities necessary or incidental to the accomplishment of the tasks specified in this Agreement. The Vendor shall be legally and financially responsible for its personnel including, but not limited to, any deductions for social security and other withholding taxes required by State or federal law. The Vendor shall not substitute key personnel assigned to the performance of this contract without prior written approval by the Agency's Contract Administrator. The individuals designated as key personnel for purposes of this contract are those specified in the Vendor's proposal.

9) Unanticipated Tasks: In the event that additional work must be performed that was wholly unanticipated, and that is not specified in this Contract, but which in the opinion of both parties is necessary to the successful accomplishment of the contracted scope of work, the procedures outlined in this article will be followed. For each item of unanticipated work, Vendor shall prepare a work authorization in accordance with the State's practices and procedures.

a) It is understood and agreed by both parties that all of the terms and conditions of this Contract shall remain in force with the inclusion of any work authorization. A work authorization shall not constitute a contract separate from this Contract, nor in any manner amend or supersede any of the other terms or provisions of this Contract or any amendment hereto.

b) Each work authorization shall comprise a detailed statement of the purpose, objective, or goals to be undertaken by Vendor, the job classification or approximate skill level or sets of the personnel required, an identification of all significant material then known to be developed by Vendor's personnel as a Deliverable, an identification of all significant materials to be delivered by the State to Vendor's personnel, an estimated time schedule for the provision of the services by Vendor,

completion criteria for the work to be performed, the name or identification of Vendor's personnel to be assigned, the Vendor's estimated work hours required to accomplish the purpose, objective or goals, the Vendor's billing rates and units billed, and the Vendor's total estimated cost of the work authorization.

c) All work authorizations must be submitted for review and approval by the procurement office that approved the original Contract and procurement. This submission and approval must be completed prior to execution of any work authorization documentation or performance there under. All work authorizations must be written and signed by Vendor and the State prior to beginning work.

d) The State has the right to require Vendor to stop or suspend performance under the "Stop Work" provision herein.

e) Vendor shall not expend Personnel resources at any cost to the State in excess of the estimated work hours unless the procedure below is followed:

i) If, during performance of the work, the Vendor determines that a work authorization to be performed under this Contract cannot be accomplished within the estimated work hours, the Vendor will be required to complete the work authorization in full. Upon receipt of such notification, the State may:

(1) Authorize the Vendor to expend the estimated additional work hours or service in excess of the original estimate necessary to accomplish the work authorization, or

(2) Terminate the work authorization, or

(3) Alter the scope of the work authorization in order to define tasks that can be accomplished within the remaining estimated work hours.

f) The State will notify Vendor in writing of its election within seven (7) calendar days after receipt of the Vendor's notification. If notice of the election is given to proceed, the Vendor may expend the estimated additional work hours or services.

10) Stop Work Order: The State may issue a written Stop Work Order to Vendor for cause at any time requiring Vendor to suspend or stop all, or any part, of the performance due under this Contract for a period up to 90 days after the Stop Work Order is delivered to the Vendor. The 90-day period may be extended for any further period for which the parties may agree.

a) The Stop Work Order shall be specifically identified as such and shall indicate that it is issued under this term. Upon receipt of the Stop Work Order, the Vendor shall immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the Stop Work Order during the period of work suspension or stoppage. Within a period of 90 days after a Stop Work Order is delivered to Vendor, or within any extension of that period to which the parties agree, the State shall either:

i) Cancel the Stop Work Order, or

- ii) Terminate the work covered by the Stop Work Order as provided for in the termination for default or the termination for convenience clause of this Contract.
- b) If a Stop Work Order issued under this clause is canceled or the period of the Stop Work Order or any extension thereof expires, the Vendor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract shall be modified, in writing, accordingly, if:
 - i) The Stop Work Order results in an increase in the time required for, or in the Vendor's cost properly allocable to the performance of any part of this Contract, and
 - ii) The Vendor asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage; provided that if the State decides the facts justify the action, the State may receive and act upon a proposal submitted at any time before final payment under this Contract.
- c) If a Stop Work Order is not canceled and the work covered by the Stop Work Order is terminated in accordance with the provision entitled Termination for Convenience of the State, the State shall allow reasonable direct costs resulting from the Stop Work Order in arriving at the termination settlement.
- d) The State shall not be liable to the Vendor for loss of profits because of a Stop Work Order issued under this term.

11) Conflict Between Terms In Technical Services Contract – In the event of any conflict between the terms set forth herein and the terms set forth in Exhibit 3 of the Technical Services Contract, the terms set forth herein shall prevail.

14. Execution of Scope Statement

By signing the below, the Offeror certifies that:

- This Scope Statement Response was signed by an authorized representative of the Offeror;
- This Scope Statement Response was not derived through any acts of collusion as Stated in NCGS 147-33.100;
- The Offeror agrees to all the mandatory terms and conditions and agrees to pay the 2% administrative fee to ITS per Section I, Paragraph B of the ITS Technical Services Contract; and
- The Offeror agrees to abide by all State of North Carolina Policies, Standards and Procedures and in addition, adhere to the Statewide Technical Architecture.

Therefore in compliance with the foregoing Scope Statement and subject to all terms and conditions of the ITS Technical Services Contract, including all exhibits, the undersigned offers and agrees to furnish the services set forth in the Scope Statement if the Scope Statement Response is accepted by the State.

Failure to execute/sign scope statement response prior to submittal shall render it invalid. Late bids are not acceptable.

BIDDER:		FEDERAL ID OR SOCIAL SECURITY NO.	
STREET ADDRESS:		P.O. BOX:	ZIP:
CITY & STATE & ZIP:		TELEPHONE NO:	TOLL FREE TEL. NO
TYPE OR PRINT NAME & TITLE OF PERSON SIGNING:		FAX NUMBER:	
AUTHORIZED SIGNATURE:	DATE:	E-MAIL:	

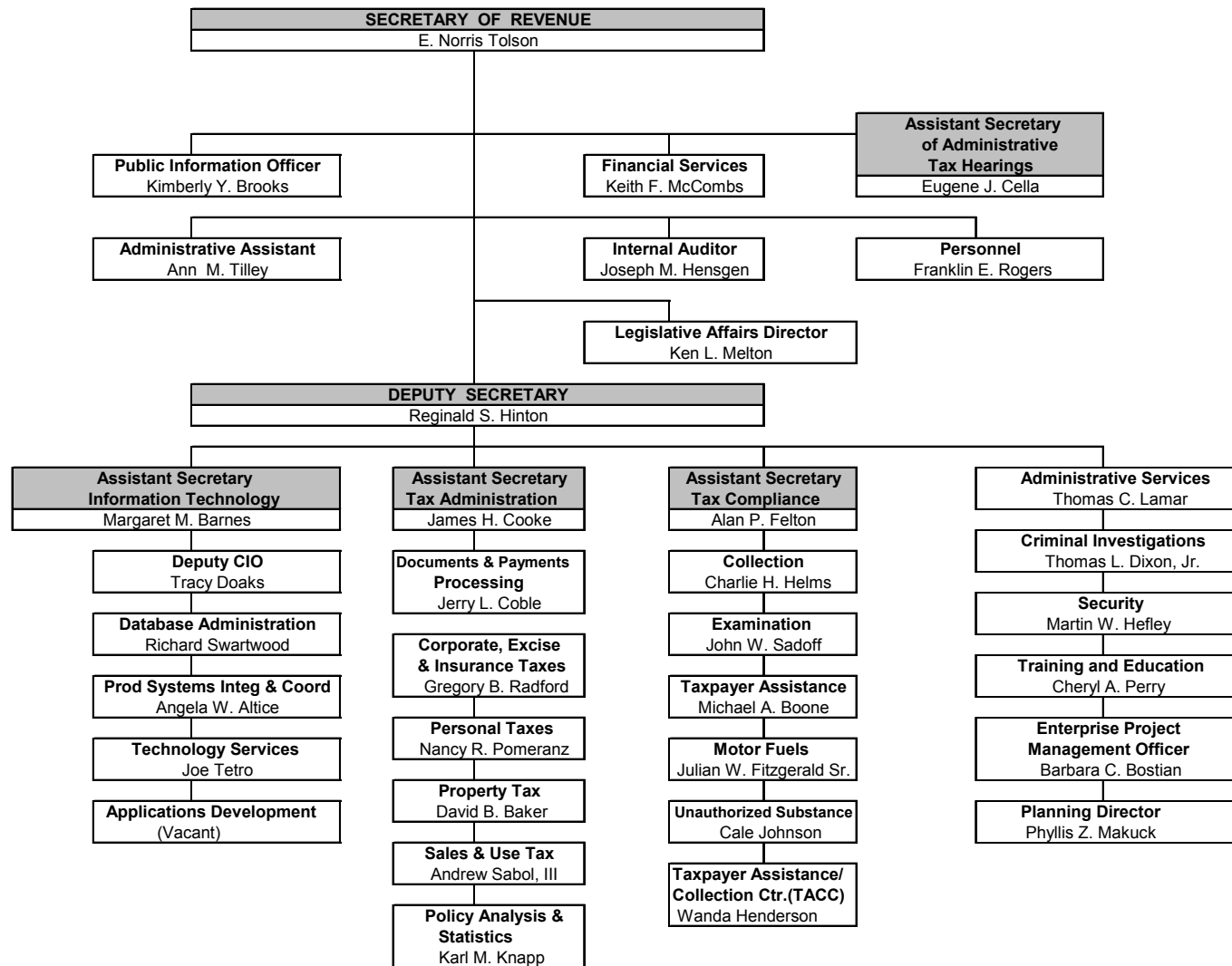
Acceptance by Agency is contingent upon the Statewide IT Procurement Office's approval of the Agency's recommendation of award. This contract was approved for award by the Statewide IT Procurement Office on _____, 2006.

ACCEPTANCE OF SCOPE STATEMENT RESPONSE

If any or all parts of this scope are accepted, an authorized representative of Using Agency shall affix their signature hereto and this document along with the provisions of the Technical Services Contract shall then constitute the written agreement between the parties. A copy of this acceptance will be forwarded to the successful offeror(s).

<p>FOR DOR USE ONLY Offer accepted this ____ day of _____, 2006, as indicated on attached certification or purchase order by _____ (Authorized representative of Revenue)</p>
--

Appendix A. Department Organizational Chart



Appendix B. e-Business Strategic Plan

e-Business STRATEGIC Plan

Executive Summary

*“The issue that I believe will have the largest impact on business as a whole, including the business of our agency, is the expansion of e-Business. E-Business is radically transforming the business world in many ways. Successful organizations will need to adapt to the realities and requirements of e-Business to be successful in the next decade. **Therefore, our business will be e-Business.**”*

“E-Business is not necessarily a revolutionary approach, but to accomplish this transformation we will take revolutionary steps. Transitioning to e-Business will not be easy or painless. We will have to focus our efforts to maximize the use of our business and technical resources.”

Secretary Norris Tolson

The E-Government Act of 2002 defined e-Government as “the use by the government of web-based Internet applications and other information technologies, combined with processes that implement these technologies, to (A) enhance the access to and delivery of government information and services to the public, other agencies, and other government entities; (B) bring about improvements in government to operations that may include effectiveness, efficiency, service quality, or transformation.” For our purposes, we have embraced the elements of e-Government and adapted it into our conception of the Secretary’s description of an e-Business.

The Internet and E-Commerce have had a dramatic impact on many organizations. Broadband capabilities and improvements in information technology and communication have greatly altered the ways citizens interact with their government. There are enormous challenges placed on public organizations to conform to the new paradigms for service delivery that have already confronted private organizations. Private organizations are well familiar with the heightened expectations that go along with the Internet age. Many well established business-to-consumer and business-to-business transactions have ushered in a new wave of business commerce that is global in scope. Public organizations are now under severe pressure to provide real-time, web-based applications for benefit of citizens. In addition to that, they also want access in 24x7 timeframes that are more convenient for the hectic schedules that many citizens have.

In its most transformational sense, e-Business encompasses all facets of business activity, both internally and externally. Through the use of technology, business processes are fully integrated to allow for flexible and seamless use of information, for a variety of



purposes. Stated differently, e-Business is the fusion of enabling technologies that provide the basis for truly transforming the agency. In this view, we seek to harness the power of information and communication technologies and the associated business intelligence capabilities that flow from this dynamically linked model in ways that are unimaginable in the current organization.

In order to fulfill the Department's vision, we believe that the package of strategies represented in this document provide the framework for achieving the goals that Secretary Tolson highlighted in his inspirational e-Business memorandum. The e-Business Implementation Team (eBIT) has used this document, the Vision 2010 plan, and the team charter, as the guidance for crafting this plan. The Plan builds off of the Department's mission, vision and values and sets forth the following strategies to successfully fulfill our business vision of "enabling taxpayers and employees to conduct all Department of Revenue business electronically at any time."

Customer-focused Strategies

- Enable authenticated users to manage tax accounts electronically, and make the process as easy as possible.
- Provide secure electronic communications and assistance for taxpayers.
- Expand e-pay and e-file services to include all schedules and forms, and promote ease of use.
- Promote the transition to e-Business and make customers aware of e-services designed for them through aggressive marketing and education.
- Enhance e-services for Internet users who want to obtain forms and fill them out online.
- Enhance educational services through the web.
- Collaborate with public and private sectors to provide products and services designed for small businesses, using a variety of delivery methods.
- Pursue joint ventures, engaging partners early in the process to learn from them and to build solutions that meet customer expectations.
- Maintain traditional as well as e-Business service delivery methods.
- Continuously improve our website (including design, navigation, and search functions) to make it more user-friendly based on customer input.
- Enhance the IVR, adding tax account management and online filing and payment functions as practical within the limits of telephone transactions.

Internal Strategies

- With strong leadership support, reengineer business processes and ensure an appropriate organizational structure.
- Enhance knowledge management capabilities.
- Expand online support services for employees.
- Use a collaborative process to upgrade and integrate systems.



E-BUSINESS STRATEGIC PLAN

Submitted by the e-Business Implementation Team (eBIT)

Mike Boone, Team Leader	Phyllis Makuck, Facilitator
Barbara Bostian, EPMO	Tracy Doaks, IT Resource
Jerry Coble	Roger Goodwin, Security Resource
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Wanda Henderson	Marshall Reid
Willie Hucks	Ray Sanderson
Cindy Mallard	Dot Wiggins
	Alice Worsley

March 28, 2006



E-BUSINESS STRATEGIC PLAN

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E-BUSINESS STRATEGIC PLAN

Introduction



North Carolina Department of Revenue

Michael F. Easley
Governor

E. Norris Tolson
Secretary

Memorandum

To: All NCDOR Employees

From: E. Norris Tolson, Secretary of Revenue *E. Norris Tolson*

Date: October 27, 2005

Subject: Vision 2010/e-Business

Over the last year the Department of Revenue has embarked on a new way of doing business that we call Vision 2010. We have released the roadmap plan and have held a series of employee "fireside chats." A number of action teams have begun to work on implementing key initiatives within the 2010 framework. In a very short time, the Department has made great strides towards building a model agency that will provide better service and results for the citizens of North Carolina.

As we continue with our implementation of Vision 2010, it is important that we continue to examine the external environment in which the agency operates. The issue that I believe will have the largest impact on business as a whole, including the business of our agency, is the expansion of e-Business. E-Business is radically transforming the business world in many ways. Successful organizations will need to adapt to the realities and requirements of e-Business to be successful in the next decade. **Therefore, our business will be e-Business.**



By 2002 the computer industry had produced just over 1 billion PCs. These devices have changed just about everything regarding the way we work and live. Just as telephones became commonplace in our homes over 60 years ago, computers are just as common in our offices and homes today. We have become reliant on computers to make us more efficient, improve business processes, and store millions of bytes of data. Computers, if anything, will grow in importance to us. However, the computers and how we use them in the coming years will be different than in the past.

Over the last decade, the Internet, along with the growing use of computers, has opened up many new opportunities for business. The Internet allows us to access information in ways that not long ago would have been unimaginable. The Internet makes our world “smaller” and, in the process, gives businesses the chance to offer better services to key constituencies. By 2010, colleges all over the world will graduate classes of students who have never lived in a world without the Internet. For these people, use of the Internet is just as natural as how many of us think of using the telephone or watching television. The Internet is simply becoming an integral part of our lives.

The growing trend is for organizations to rely more and more on the Internet as a primary business tool because of its flexibility and effectiveness. Here at the Department of Revenue we have developed a website that has served the citizens of North Carolina well for the past few years. The agency’s website has allowed us to improve our communications with the people of North Carolina. However, in our Vision 2010 journey, we must go further than just communicating over the Internet via static information pages. Until now, most organizations, including DOR, have been content to simply recreate the “paper” world in the “virtual” world of the Internet. Vision 2010 compels us to go further.

E-Business will be the foundation on which we build the Department of Revenue in the 21st Century. Let me explain what I mean by “e-Business.” We should seek to build a “virtual office” to allow taxpayers to do all the business they need to do with us electronically, anytime and anyplace. E-Business will leverage the power of mobile computing devices and wireless networks to put our agency within a taxpayer’s reach in just a few moments. E-Business will take advantage of expanding broadband speeds to allow access to more information and the completion of business transactions in a “flash.” E-Business will incorporate “smarter” tools to allow taxpayers to search our website to find what they need in a faster and more logical way. And, we will redesign our Internet site to give it a more up-to-date “look” and will use plain language analysis to simplify the information we give to taxpayers.

E-Business will not benefit just those outside of the Department of Revenue. E-Business will change what we do and how we do it inside the agency. We plan to embark upon an effort to build a data warehouse and data mining tools that will put powerful analytical tools in the hands of our agency to improve compliance with the revenue laws. E-Business will help us collaborate across distances and share information in more effective ways.



E-Business is not necessarily a revolutionary approach, but to accomplish this transformation we will take revolutionary steps. Transitioning to e-Business will not be easy or painless. We will have to focus our efforts to maximize the use of our business and technical resources. The agency will eventually face organizational changes due to its focus on e-Business. The agency will have to be patient as it contends with the “growing pains” brought on by this transition. But, with the right focus and energy, e-Business will be a tremendous and beneficial change for the Department and the citizens of North Carolina.

I have directed agency executive management to begin setting the strategic framework for this effort. E-business will require a strong strategic focus as we seek to blend a variety of initiatives and planning into a coherent e-Business strategy under Vision 2010. This strategic framework will be rolled out to the agency soon. But, the strategy will only move us so far. The most important factors in this effort, as is with Vision 2010 as a whole, are the passion, imagination, and energy of the entire agency. The Internet is a wonderful tool and E-Business is a great strategic focus, but without bold imagination and vigorous implementation from the whole agency, we cannot succeed in reaching our goals. We must move forward together, embracing this strategy, and never failing to envision how we can use e-Business to help us better serve North Carolina.



Vision

Enable taxpayers and employees to conduct all Department of Revenue business electronically at any time.

- Offer services customers want.
- Provide secure, user-friendly electronic systems.
- Promote a high-level of public trust.
- Simplify tax compliance.
- Deliver self-help and self-access to account information that meet taxpayer needs.
- Provide progressive levels of real-time assistance electronically.
- Continuously benefit from technological innovations.
- Continuously improve business processes—manual and electronic processes.
- Work collaboratively internally with the benefit of well-integrated systems.
- Work effectively with public and private partners.
- Have an appropriate organizational structure and leadership for operating a successful e-Business.

Mission

To administer the tax laws and collect the taxes due the state in an impartial, uniform, and efficient manner.

Values

Employee Involvement	Education
Customer Service	Productivity
Integrity	Accountability

Goals

1. Maximize tax compliance and State tax revenue.
2. Improve constituent services.
3. Improve agency efficiency and effectiveness.
4. Maximize public trust.



E-Business Strategies

Strategies 1-15 reflect information gathered from a wide variety of external and internal sources (see Appendices D-F and the “List of Sources” at the end of this document). The paragraphs under strategies provide a concept of strategy and are not intended to be inclusive or to suggest priorities. Details may change during development stages.

Customer-focused Strategies

1. Enable authenticated users to manage tax accounts electronically, and make the process as easy as possible.

Authenticated users can view their account history and current activity, obtain copies of financial records and of documents they filed, perform basic account maintenance functions, link to all filing and payment applications, and conduct a variety of account-specific transactions—for example, request and receive a penalty waiver and set up payment plans. They can opt for a display of tailored functions based on prior activity and choose to receive e-notifications related to their accounts. Employers can set up and manage secure wage garnishment accounts, view garnishment account history and balances, and link to e-pay applications. A third party can be authorized as Power of Attorney for managing taxpayer accounts.

2. Provide secure electronic communications and assistance for taxpayers.

Taxpayers can communicate directly with the agency electronically and receive e-responses. They can request e-alerts and receive e-notifications containing direct links to newly posted content on our website. Authenticated users can opt to receive account-specific information electronically. A Q&A feature on our website provides links to FAQ’s, which are updated regularly based on taxpayers’ questions. Live taxpayer assistance is also available through our website.

3. Expand e-pay and e-file services to include all schedules and forms, and promote ease of use.

We continue to expand our e-pay and e-file services through a variety of vehicles—e.g., DOR applications, Fed-State initiatives, and vendor applications. Users can register a business and receive an account number in real-time electronically. To promote ease of use, taxpayers can upload data to our applications using a common format such as Excel, recurring information is stored for populating lines, and optional tips are available for completing forms. We review existing

applications and make necessary adjustments for consistency, for ease of use, and to ensure we are not excluding potential users. New and enhanced applications and authentication mechanisms enable employees to use applications on behalf of taxpayers.

4. Promote the transition to e-Business and make customers aware of e-services designed for them through aggressive marketing and education.

We segment our customer base and develop marketing and educational materials accordingly. We design e-services to make them as easy as possible to use and tailor information for specific types of taxpayers. Our homepage features new e-products and services. Kiosks in all DOR offices provide public access to computers. A section of our website is dedicated to the Hispanic Community. We strive to reduce or eliminate costs associated with e-filing. We consider mandates and incentives to encourage the transition to e-Business.

5. Enhance e-services for Internet users who want to obtain forms and fill them out online.

We improve forms and instructions to make it as easy as possible for taxpayers to file correctly. All the Department's forms are available on our website. The forms page lists forms by task as well as by form name or number and features most commonly used forms. We design key forms as web fill-ins so taxpayers can fill them in online and can benefit from tools that automatically calculate totals and populate information to applicable lines. Taxpayers can easily print and save web fill-in forms. A fixed format allows forms to print in a standard way, so we have fewer scanning problems.

6. Enhance educational services through the web.

Tutorials are designed to assist specific types of taxpayers. Optional video demos or flash-demos accompany new applications and are available for new users of existing applications. Web-casts/pod-casts cover emerging issues. Our website includes a general education section on taxation that could be incorporated in a high-school curriculum.

7. Collaborate with public and private sectors to provide products and services designed for small businesses, using a variety of delivery methods.

A section of our website is dedicated to small-businesses. Optional tutorials provide helpful information for business start-ups. E-tools make it as easy as possible to register, file, and pay online. In-person and online workshops are offered for new businesses and for existing businesses. Educational material is designed for specific types of businesses and distributed in electronic and non-electronic formats. In partnership with other agencies, we identify requirements for permits, licenses, employment, and taxes.

8. Pursue joint ventures, engaging partners early in the process to learn from them and to build solutions that exceed customer expectations.

We maintain current partnerships and actively pursue new partnerships to provide e-services and share information. Participation in Fed-state programs enhances our e-services and helps us save on development costs. We promote NC Gov joint ventures that make doing business with the state as easy and as transparent as possible. In partnership with schools, we make education on taxation available. Through user boards, practitioner groups, and contacts with other state agencies, we determine specific e-business needs and explore joint-venture opportunities.

9. Maintain traditional as well as e-Business service delivery methods.

We offer information, education, and assistance using electronic and non-electronic delivery methods and continue to support paper systems as necessary. Our offices continue to offer in-person services and feature kiosks with computers for taxpayers to access our web services. We integrate service delivery management with customer relation management to ensure consistency of message no matter how taxpayers are receiving products and services.

10. Continuously improve our website (including design, navigation, and search functions) to make it more user-friendly based on customer input.

When redesigning our website, we use state-of-the-art tools and continually listen to and act on customer feedback. We update our homepage, incorporating graphics that are visually appealing and functional. Within portals, information is current, engaging, and relevant from the users' perspective. We offer links/e-translators for non-English speaking populations, and our site meets American



Disabilities Act standards. We support competing platforms (Mac, PC, etc.). Navigation is intuitive, aided by features such as an alphabetized site map. Fast, easy-to-use, and reliable search tools provide comprehensive results not only from information on our website but also from stored electronic records and from information on other State websites based on established partnerships.

11. Enhance the IVR, adding tax account management and online filing and payment functions as practical within the limits of telephone transactions.

Additions to the IVR are limited to functions requiring minimal data input. For example, in addition to current functions, taxpayers are able to use the IVR to report no-tax due for Sales and Use Tax and for Withholding Tax, view an account balance, and close a business account.

Internal Strategies

12. With strong leadership support, reengineer business processes and ensure an appropriate organizational structure.

Department-wide business process reengineering (BPR) is essential for successful implementation of the e-Business Strategic Plan. BPR will be a component of every e-Business project and include all processes related to the implementation of new e-functions. In addition, all business and support divisions redesign processes to reduce manual work and expand automation. To make e-Business development efforts as efficient as possible, we streamline the SR process and implement a refined collaborative process for application development that focuses on business requirements. A review of existing and proposed policies ensures that they enable and support e-Business. Modifications in organizational structure occur in accord with our e-Business strategies and as a result of BPR efforts.

13. Enhance knowledge management capabilities.

A knowledge management (KM) approach includes web portals and content management tools, document repositories, search engines, data warehouse and business intelligence tools, case management and expert systems (case-based reasoning), workflow systems, collaboration and groupware systems, natural language query processing systems, and image handling systems. KM enables employees to share information that assists in providing services and facilitates organizational learning.



Employees can sort, match, and mine data for segmentation and other business-intelligence gathering purposes. They can flexibly handle and track cases throughout their lifecycle, using a variety of workflow capabilities. Employees have the ability to perform all business functions securely and remotely.

14. Expand online support services for employees.

Employees can electronically complete all “paperwork” for human resources and payroll. They can request and receive training online as well as track the training they have taken. They can request and receive Help Desk assistance electronically. Service Requests, e-DORSA’s, 1305’s, and internal job applications are all automated. The Intranet provides more information and makes information more accessible.

15. Use a collaborative process to upgrade and integrate systems.

Core DOR business systems integrate seamlessly with one another, communicate appropriately with all other business systems, and incorporate data as required from all database and transactional systems in use. Business systems support and enable web and IVR systems. An authentication system meets internal and external requirements for security and ease of use. A Customer Relations Management system is integrated with Case Management to manage e-Business workflow and a variety of service delivery channels. We enhance/upgrade all our systems and how we use them. Security safeguards are built into all new e-Business applications. An expanded technology support infrastructure enables e-Business.

Mitigation Strategies

An often overlooked part of the strategic planning process is thinking about the forces that work against successfully implementing a plan. Typically, there is some level of preparation necessary in order to fully take advantage of the opportunities that exist. EBIT not only examined external opportunities but also identified internal strengths and weaknesses and assessed external threats—all in relation to opportunities. An important next step is to develop implementation plans around mitigation strategies. Many existing internal resources and teams such as the Improvement Board, for example, may assist with some of these implementation plans.

The following mitigation strategies are recommended:

16. Develop a comprehensive e-Business budget and a plan for acquiring necessary funding.
17. Identify legislative e-Business issues and develop a plan for communicating needs to the General Assembly beginning with the 2007-2009 Biennium Budget.
18. Maintain and leverage our individual and committee relationships to influence the direction of ITS strategies.
19. Develop a plan for expanding IT and Security infrastructure to support e-Business strategy and include funding plan for hardware, software, training, and consultants.
20. Continually maintain and update the network systems security and incident management plan.
21. To retain valuable employee talent, evaluate market forces and develop a retention plan, which includes funding.
22. Promote mechanisms for developing employees and identifying individuals with innovative ideas to enlarge the resource base for innovation and encourage fresh ideas.
23. Develop a change management plan that includes communication, education, and training to prepare employees for working in an environment shaped by our e-Business strategy.
24. Review Service Requests in light of e-Business Strategic Plan, identify gaps, and make necessary adjustments—additions and deletions.



25. With a change in administration, develop a presentation of the strategic plan that makes a compelling, well-defined business case for our e-Business strategy.



Implications for Internal Change

The e-Business Strategic Plan, if fully implemented, will dramatically transform the Department of Revenue. It will guide future development and growth and provide the vehicle for significant improvements in operations for the foreseeable future. It will allow us to meet internal and external customer needs and exceed expectations.

The overall strategy the Plan defines suggests an open and flexible architecture that will allow our business systems to grow and change as our needs change. By following this strategy—enabled by enhanced, integrated systems; open, scalable designs; and bold executive leadership, our agency will become a national leader. This vision comes with enormous implications. Straightforwardly considering these implications sets the tone for steering the agency towards building the strongest, most compelling business case for implementing the strategy and furthers the potential for the Department to achieve the desired transformational benefits.

No one starts out on the path of deliberately failing to fulfill the hopes expressed in a strategic plan. Those hopes become dashed by failing to fully and realistically take into consideration the implications and by not exercising the discipline to follow the plan. Challenges (both real and phantom) that can cause an agency to change course will always emerge; however, having a comprehensive strategy like this one, serves as a guidepost for delivering transformational business value. Specific implications include the need for—

- Major commitment from executive leadership due to the broad-based and department-wide scope of the strategy.
- Significant change-management efforts to develop organizational readiness through communication and training.
- Promotion of an aggressive, forward-leaning legislative agenda to pave the way for a new orientation around e-Business.
- Significant and department-wide business process reengineering that takes into account enabling technologies, which will—
 - Increase capabilities.
 - Increase self-help.
 - Increase electronic transactions and assistance.
 - Increase flexibility.
 - Decrease manual processes.
- A robust technical architecture that allows massive amounts of data to be stored then retrieved anywhere in the agency.
- A hardened security environment that permits currently unimaginable access to data by internal and external users – 24/7.
- The ability to add on secure interfaces to expanded external sources.
- The need for additional third-party data sources that propel our business intelligence capabilities and dramatically augment our compliance programs.

- **A robust, secure, and dependable electronic filing and payment structure that allows for all types of data/file transmissions regardless of size, at any time.**
- **Video, network, and telephony communications that allow access to all locations throughout the State, thus making time and distance irrelevant. (This means all users have real-time access to all new capabilities at their fingertips, regardless of geographical location.)**
- **Service centers that have access to new workflow processes and electronic payment and filing applications. (There would be no need for courier mail, daily reports, etc.)**
- **Portable and wireless tools for field agents that are fully integrated with DOR systems.**
- Development of a Customer Relationship Management (CRM) solution that revolutionizes service delivery by—
 - Allowing us to track a customer through a number of interactions regardless of channel.
 - Enabling the development of collaborative services.
 - Putting systems in place at all customer interaction points.
 - Combining data to provide a single customer view.
 - Providing a consistent level of service across channels.
- Enhanced Workflow/Case Management Tools that allow users to—
 - Easily view cases and actions. Also view open cases/actions for the entire organization or by location/division, individual responsible, etc.
 - Search historical case records.
 - Group or link multiple cases into parent/child relationships.
 - Create business rules to automatically assign cases and notify the assignee or manually assign cases and notify the assignee.
 - Set task or action due dates with reminders.
 - Record investigation notes.
 - Create actions and assign them to other individuals with due dates and reminders.
 - Create and send emails from within a case record.
 - Track time and cost.
 - Keep clear audit trail or history of actions on a case.
 - Attach documents of any kind.
- The computerized management of electronic as well as paper-based documents—i.e., a document management system that converts paper documents into digital format. Electronic documents, once stored in the document management system are accessible from one's computer, allowing employees to retrieve, e-mail, fax, and print without ever leaving their desks. These systems generally include:
 - An optical scanner and OCR system to convert paper documents into an electronic form.
 - A database system to organize stored documents.
 - A search mechanism to find specific documents.



Looking at the possibilities enabled by this comprehensive strategy allows the reader to envision a bold and dynamic new future for our agency—a future in which Vision 2010 is realized: *“The North Carolina Department of Revenue is a national model for revenue agencies, relying on best practices, and with technology as an enabler, continuously finds innovative ways to increase efficiency and productivity in all areas of Departmental operations and tax administration.”*

Scenarios

Customer Scenario

Scene I: Orientation. It's August 2007. Luisa Sanchez, a recent graduate of the University of Arizona, has taken a job teaching Creative Writing at East Carolina University. During a desktop e-orientation for new professors, she completes an NC-4, submits it electronically to ECU Human Resources, and goes on to read a brief section on NC taxes, which contains a recommendation that new residents go to www.dornc.com to familiarize themselves with North Carolina's tax laws and e-services. She clicks on the link and is pleasantly surprised with the visual appeal of the homepage and the "How can we help you?" welcome. She has to leave for a faculty meeting so exits her office with the intention of returning to the site later.

Scene II: Education on NC Taxes. That evening at 7:00, Luisa opens her laptop at a carrel in the library where she wirelessly accesses a broadband connection and goes to www.dornc.com. She types in "overview of nc taxes" and decides to watch what is labeled a "3-minute Video Overview of NC Taxes."

The overview makes her realize that, as a writer, she needs more information about Sales and Use taxes and about paying NC Estimated Individual Income Tax. From the Sales and Use Tax "More Information" menu," she selects "Writers and Artists." A colleague from the English Department interrupts her. She decides to download a pod-cast to her i-Pod so she can listen to it in the car on the way home that evening.

Scene III: Business Registration. It's 8:00 p.m. when Luisa arrives at her apartment. Having learned from the pod cast that she needs to set up a Sales and Use Tax Account, she starts up her laptop, slips in a wireless card, and following the advice from the pod-cast, goes to the www.dornc.com Business Portal. Clicking on the "Small Business" icon, she sees "Wizard for Business Registration," clicks and proceeds to answer questions about her small business—namely, writing and selling her own books from an inventory she keeps at home. She's pleasantly surprised that in a little over five minutes she has answered all the interview questions and the Wizard has completed a "Sales and Use Tax Account Registration Form" based on her responses. She reviews the data, agrees to have her account number sent to her e-mail address, and opts to be an e-filer instead of receiving paper forms.

A prompt pops-up: "As a sole proprietor of a small business, you may have to pay NC estimated taxes on your earnings." She clicks on the link. After answering a few questions, she sees that she will not have to pay NC Estimated Individual Income Taxes this year but thinks she probably will next year.

Before exiting the Small Business Portal, Luisa notices a "Habla Usted español?" link, and thinks that she will check it out later for her cousin Juan from Nogales, who wants to expand his fruit distribution business into North Carolina.



Before shutting down, she checks her e-mail, and indeed the confirmation of her registration with her account number is there together with a “Calendar for Quarterly Sales and Use Taxpayers.” The first due date for filing is highlighted. After saving a copy to her hard-drive, she closes her laptop, smiling.

Scene IV: Authentication and e-Filing. It’s October 28, 2007. Luisa Sanchez has received an e-mail from NC DOR reminding her that the first Sales and Use Tax filing date is approaching. The e-mail encourages her to e-file. She goes to www.dornc.com, clicks on e-file, and selects “Sales and Use Tax” from the menu. She clicks on “New User” and sees the question: “Before filing, do you want to set up a secure account that you can self manage?” She indicates, “Yes.” An “Authentication” screen pops up. Luisa supplies some personal information, a user name and password of her choice. A screen welcomes her as an authenticated user.

Luisa sees her name, account number, and address populated on the Sales and Use Tax e-file screen; it’s information the Wizard had entered on her registration form. As she moves the cursor over the first blank line asking for sales tax information, she receives a pop-up that says “Double click if you need help completing this form?” She double clicks, and for each line, receives clear instructions for what she must enter. When she arrives at the county tax line, she goes beyond the first pop-up help screen to get “More information.” Another pop-up asks if all her sales were in Pitt County. She clicks to indicate “yes,” and her response populates the appropriate county tax line. She sees all tax totals have been calculated and entered. She confirms the entries and decides to pay by bank draft. A message tells her to check her e-mail for filing and payment confirmations.

Before shutting down, she checks her e-mail, sees the confirmations, saves them, and notes that she has also received a new “Calendar for Quarterly Sales and Use Taxpayers” with the next due date highlighted. She also has an e-mail from Juan telling her that, from Nogales, he has used the NC DOR Hispanic link to set up Sales and Use and Withholding accounts. He is in the process of hiring local reps in Greenville to be his NC distributors and is looking forward to visiting her there soon.

Scene V: Account Maintenance. It’s December 1, 2007. Luisa has bought a home. She goes to www.dornc.com and clicks on “Authenticated User.” After entering her user name and password, she sees “Welcome, Ms. Sanchez. What would you like to do today?” She types: “change my address.” She sees “For what account?” with a prompt that highlights “Sales and Use.” She clicks on “Sales and Use” and sees her name and account number. Her apartment address is highlighted. She types in her new address, verifies it is correct, then sees: “What else would you like to do today?” She clicks “No further business.”

Scene VI: New Resident Individual Income Tax Education. It’s February 15, 2008. Luisa is thinking about her Individual Income taxes. She goes to www.dornc.com, clicks on “Authenticated User.” When she sees “Welcome, Ms. Sanchez. What would you like



to do today?" she types: "file individual income tax as a new resident." The homepage of the NC Individual Income Portal appears with "New Resident" highlighted. She clicks and opts to view a flash-overview of NC Individual Income taxes. She learns that once she e-files her Federal Income Tax, she can download her data and file her NC return free of charge electronically.

The last flash, gives her a link for "Partial-Year Residents." She clicks on the link and learns that when she is ready to file her state taxes, she can use a "Guided-Tour e-Worksheet" that will help her know what portion of her income will be taxed in NC. She also learns that some states, including Arizona, participate in a partnership with NC allowing partial-year residents to file electronically in multiple states at one time.

Scene VII: NC Individual Income Refund. It's March 15, 2008. Luisa is happy. She is engaged to be married in July and has just completed her state taxes. She can't believe how easy it was, and she has a \$115 refund due from NC. One last prompt: "Do you want to use any of your refund to pay estimated taxes for 2008?" She thinks about the new book she has coming out and the readings she hopes to schedule. Yes, I will need to pay NC Estimated Income Tax in 2008, she thinks. After entering the full amount of the refund on the estimated tax credit-forward line, she gets another prompt: "Do you want to complete a State Estimated Individual Income Tax Worksheet?" She's about to click on the link but then thinks about the change in her marital status. Luisa has some questions about paying estimated taxes as a single taxpayer then filing a joint return next year at this time. She deletes the refund amount from the estimated tax line and opts instead to have her refund deposited directly into her checking account. She plans to contact someone about her tax question when she has more time. She goes to her e-mail to save her filing and refund confirmations before shutting down.

Scene VIII: Live Tax Assistance for Estimated Payments. It's April 10, 2008. Luisa has to make some decisions about paying Estimated Income Tax. She is about to pick up the phone to call about her mid-year change in filing status but remembers that she has seen an icon for "Live Tax Assistance" on the NC DOR website. She decides to go there first. She enters her user name and password to authenticate then clicks on the "Live Tax Assistance" icon.

A typed message appears: "Hello, Ms. Sanchez. This is Carolyn from the North Carolina Department of Revenue. How can I help you today?"

Luisa types: "getting married in july. need to pay estimated taxes. should i pay as a single taxpayer even though next year at this time i will be filing a joint return with husband?"

The typed response reads: "Yes, you should start filing and paying estimated taxes as a single taxpayer. Is your husband a current NC taxpayer?"

Luisa types: "no, he's in az now, will move here in july."



Carolyn responds: “As an authenticated user, you can change your marital status for your Individual Income account in July and transfer any estimated payments applied to your single account to a joint account under your husband’s name. Your husband can go through the authentication process at that time so you will both be authenticated users of one joint account. You can request and receive self-help instructions for making this change if you need assistance in July. Unless you have other questions for me, I will direct you to the e-Worksheet for Estimated Individual Income Tax.”

Luisa types: “no other questions, thank you.”

“You’re welcome. Goodbye.”

Luisa completes the Estimated Tax e-Worksheet, sees her Estimated Payment Voucher lines have been populated for her, clicks “Bank Draft” to submit her first payment, selects her bank routing information from a prompt, and clicks “Request e-mail confirmation of this payment and e-notification when your next estimated payment is due.”

She exits, hoping it will be this easy to pay her Federal Estimated Income Tax.

DOR Employee Scenario

Scene I: Tax Law Question. It’s June 2009. Ed, a 2nd-level e-assistance employee, is addressing a tax law question related to a proposed assessment. The taxpayer, an ECU student, received an e-notice for tax due on unclaimed wages from “Nogales Fruit Distribution.” The taxpayer clicked on the “More Information” link in the e-mail and read: “A cross match of Withholding and W-2 records indicates you did not claim some W-2 earnings. To pay this bill, click here.” Instead, he chose to click on the “Tax Law Live Assistance” link.

As Ed takes the web-call, he is looking at a pop-up screen with the taxpayer’s identification information. The “Recent Activity” section of the screen shows the proposed notice. Ed’s “pick-up recording” greets the taxpayer: “Hello, this is Ed from the North Carolina Department of Revenue. How may I help you today.”

Ed hears: “I received a notice for unclaimed W-2 earnings, but the earnings were not from a company in the US. Do I have to pay tax on what I’ve earned from Mexico?”

He responds: “You earned these wages while working in North Carolina as an employee of Nogales Fruit Distribution, is that correct?”

“Yes, sir, but my employer is in Mexico.”

“North Carolina law makes all wages earned for work in the state taxable. If you would like to e-pay your tax bill now, I can process a credit, debit card, or bank draft payment for you or you can follow the web prompts to submit payment.”



“Okay. I guess you got me. I’ll have to pay now or later. Let me give you my debit card number.”

When Ed completes the transaction. He goes to “Automate Response,” types in the taxpayer’s question and his response, and sends the entry to the W-2 Notice Customer Relation Management (CRM) rep to consider as an addition to the Notice FAQ’s.

Scene II: e-Payment Plan. Ed takes another web-call on the proposed assessment line. His screen shows the taxpayer was just blocked from establishing a 6-month payment plan. After asking a couple of questions and checking the taxpayer’s account activity records, Ed realizes she qualifies for a 3-month payment plan. After trying to collect the bill in full, Ed, with the taxpayer’s permission, sets up an automated 3-month recurring bank draft. All penalties and interest to date are calculated for him, and he runs the penalties through an automated penalty-waiver system, which indicates that the taxpayer does not qualify for a penalty waiver.

When Ed completes the payment plan transaction, he goes to his desktop Instant Messaging tool and initiates a Chat Room with the Payment Plan Subgroup. He quickly types: “t/p does not qualify for a 6-month payment plan but does qualify for 3-month plan. why not offer 3-month plan online as an alternative since we’re going to offer it when t/p asks for assistance?”

He sees two “agrees” and one “how many would pay in full when blocked?”

The CRM rep on the Chat Line responds: “Do you want to track this for a couple of weeks?”

All three employees agree. The CRM rep takes the assignment to track the e-activity of those who are blocked to see how many pay in full and how many receive a final e-bill with the understanding that if most receive a final bill, the new automated response for the web, IVR, and live agents will be to check if the taxpayer qualifies for a 3-month payment plan and if so, offer it. With this automation, taxpayers can complete the transaction online without calling, and those who do require personal assistance will be routed to a level 1 rather than a level 2 agent.

Scene III: Online Training. It’s October 2009. Ed, as you may have guessed is a teleworker. Two weeks ago, he had e-registered for the DOR annual Online Tax Law Seminar for Individual Income employees. He signs on as usual from his home office, using a high-speed secure connection, and sees a pop-up reminding him of the seminar. He proceeds to an Interactive Training screen. He takes e-notes that are saved to his personal e-notebook, asks questions, and gets real-time responses that are also saved to his e-notebook.

Scene IV: Applying for a Revenue Job. After completing the seminar, Ed decides to pursue the job he saw advertised the day before on the Department’s Intranet. He goes to



the Human Resource Portal and clicks on “Job Application.” Entering his social security number populates the form with his personal information. He sees that his new cell-phone number is not listed so adds it and clicks “Save to permanent record.” which populates not only his HR file but also the Living Disaster Recovery Planning System (LDRPS) database. He then proceeds to complete the application for a Level 3 e-Assistance position. To fill in his employment record, he clicks on “Download from current HR file.” To fill in the “Education and Training” section, he clicks on “Download from current HR file.” When finished, he clicks “e-Signature. Send.” A pop-up indicating a new e-mail message comes on the screen. He checks his e-mail and sees an automated acknowledgement of his application.

Scene V: Timesheet and Expense Report. Before signing off, Ed gets a pop-up message reminding him to submit his time and expense reports. He opens his e-expense report, reviews the entries, adds the broadband bill he has just paid, and clicks “e-Signature. Send” to submit the report electronically to Payroll. He has his e-time report set to “automatic,” so the time he is working online is entered automatically on his report. He reviews the entries, and clicks “e-Signature. Send” to submit the report electronically to Payroll.



APPENDIX A: DESIGN CRITERIA AND DOING BUSINESS IN 2010

Design an e-Business that will—

1. Be a virtual office, allowing customers to do the business they need to do with us electronically and securely, anytime and anyplace.
2. Enable employees to perform their duties electronically and securely, including online functions on behalf of taxpayers.
3. Provide customer-friendly, state-of-the-art electronic services, that customers value.
4. Enable taxpayers and employees to perform tasks in a fast, logical way, using up-to-date design features, self-help functions, and plain language to simplify transactions.
5. Include options for non-English speaking populations.
6. Conform to standards for providing accessibility to people with disabilities.
7. Improve the efficiency as well as the effectiveness of all business processes.
8. Help us collaborate across distances and share information in effective ways.
9. Leverage the power of mobile computing devices and wireless networks.
10. Take advantage of expanding high-speed networks.
11. Promote integrated solutions.
12. Use current and new technologies to the fullest extent feasible to maximize output and achieve desired outcomes at minimal cost and with minimal staffing.
13. Ensure flexibility, allowing for modifications (in systems and processes) based on current preferences and needs.
14. Ensure that the e-organization is aligned and staffed to support e-business.
15. Promote partnerships—tearing down barriers where they exist and building bridges to best serve the taxpayers of North Carolina.



DOING BUSINESS IN 2010

Driver: E-Business

Vision: Provide constituents with the ability to do all the business they need to do with the Department of Revenue electronically at any time.

Business Outcomes:

- Revenue Generation (generates receipts)
- Compliance (excludes voluntary compliance)
- Constituent Service (includes voluntary compliance and simplified tax forms and instructions.)
- Operational Efficiency (includes flexible, quality work environment).

Since innovation is central to Vision 2010, identify those initiatives that represent real innovations for our organization.

E-Business Guidelines

1. Reengineer business processes to prepare for e-Business – include work redesign, resource allocation, and training.
2. Pursue Fed-State e-Business partnerships and defer developing DOR web applications when federal e-service programs provide an alternative option.
3. When deciding which e-services to develop first, consider the impact on revenue generation, compliance, constituent services, and operational efficiency.
4. Make e-Business the driver for all application development (including ITAS replacement).
5. When developing web applications, consider the need for parallel IVR functions.
6. Include options for the Hispanic population—not translating applications, forms or instructions but having answers to frequently asked questions and voice messages in Spanish as well as providing Spanish links.
7. Use national models for input into web design.
8. Organize and design from the user's perspective.
 - Conduct focus groups to get input and feedback for web design and development,
 - Establish usability review groups.
 - Identify DOR web use patterns.
9. Consider users who will access the site through mobile devices.



10. Adopt Plain Language standard (leveraging IRS Plain Language initiatives).
11. Implement user-friendly search/access mechanisms.
12. Offer more self-help, self-directed processes, using prompts and links (similar to what TurboTax offers).
13. Provide for easy, intuitive navigation based on user's needs—require minimal clicks and provide logical menus.
14. Collaborate with other agencies, integrating related business functions.
15. Leverage broadband connectivity
 - Action video.
 - Flash.
 - Voice in English and Spanish.
16. Conform to standards for providing accessibility to people with disabilities.
17. Ensure flexibility—so static pages are dynamic—allowing for modifications based on current preferences and needs.
18. Have a consistent look and feel for taxpayer electronic interface functions.

Additional guidelines to follow insofar as they are feasible--

1. Have ability to capture data for business intelligence purposes.
2. Provide prompts based on prior taxpayer activity at the site.
3. Include some interactive functions:
 - DOR and taxpayer/tax practitioner
 - DOR and employee/potential employee
 - DOR and other state/federal agency



APPENDIX B: E-BUSINESS STRATEGIES WITH CONCEPT DETAIL

The following strategies reflect information gathered from a wide variety of external and internal sources (see Appendices D-F and “List of Sources” at end of this document). Details under strategies provide a concept of strategy and are not intended to be inclusive or to be in priority order. Details may change during development stages.

Customer-focused Strategies

1. Enable authenticated users to manage tax accounts electronically, and make the process as easy as possible.
 - Homepage includes a “Manage Business Accounts” portal.
 - A strong privacy statement that is easy to read promotes public trust.
 - User selects “Personalized Account” or “New User? Then Start Here.”
 - ACES authenticates new users.
 - Secure access is established with a self-generated User ID (e-mail address/CSN/PIN), Taxpayer ID (e.g., SSN/FID), password, and an Account Number, as applicable.
 - Symbols replace personal data entered (e.g., SSN).
 - An authenticated user can—
 - Set up “1-click” settings tailored to meet individual needs and customize pages for items of interest.
 - Opt for display of tailored functions based on prior activity.
 - View their account history—electronic records of filings, payments, refunds, and assessments as well as images of scanned documents. (Would want to provide taxpayers with a clean transcript that does not require explanation. May provide an abbreviated F208 for taxpayers to view account-specific information.)
 - View current account balances—including any tax due.
 - View account adjustments and access notice information.
 - View Field audit reports – explanations of assessments.
 - Perform personal account maintenance—for example, change name, address, telephone number, or filing status as well as close a business account. (Restrictions would apply to attempts to make corporate name changes.)
 - Request a new or modify an existing automated bank draft or payment plan.
 - Order a coupon booklet or ask to stop receiving paper booklets.
 - Request or view and print copies of previously filed returns.
 - Request or view and print copy of Certificate of Registration.
 - Request actions—such as penalty waivers, refund stop payments, hearings, and transfers of misapplied payments; receive prompts to supply necessary information; request and receive e-responses.
 - Opt to receive electronic billings.

- Request and receive W-2's, 1099's, or other personal financial information.
 - Employers can set up and manage secure wage garnishment accounts to view garnishment account history and balances and link to e-pay applications.
 - A third party can be authorized as Power of Attorney for managing taxpayer accounts and can provide data input for the taxpayer's account.
 - Users can save partial transactions and return to where they left off.
- 2. Provide secure electronic communications and assistance for taxpayers.**
- Taxpayers can request e-alerts by tax type—e.g., law changes—and receive e-notifications containing direct links to newly posted content on our website.
 - Authenticated users can opt to receive e-messages/notices related to their accounts—e.g., bills, due dates, filing and payment confirmations, and settlements.
 - Appropriate security protects the transmittal of taxpayer information.
 - Taxpayers identify desire to receive communications electronically so they expect e-messages from the Department.
 - Taxpayers can communicate directly with the agency electronically and receive secure e-responses.
 - Employees can accept additional documentation from taxpayers electronically.
 - A Q&A feature on our website provides links to stored taxpayer data or FAQ's based on taxpayers' questions.
 - Through "Live Chat Help," taxpayers receive real time responses to their questions—live online assistance. (Users click on button and are able to communicate with a person.)
 - Individuals can report tax fraud online.
 - The Department maintains extensive electronic mailing lists and incorporates tools for verifying e-mail addresses.
- 3. Expand e-pay and e-file services to include all schedules and forms, and promote ease of use.**
- E-pay and e-file services increase incrementally through a variety of vehicles—e.g., DOR applications, Fed-State initiatives, and vendor applications.
 - Consistency across DOR filing and payment applications promotes ease of use.
 - We review online application filing requirements and make necessary adjustments to ensure we are not excluding potential users—e.g., accept foreign telephone numbers and zip codes for online filing and payment.
 - Taxpayers can file returns with or without payment and can do so for multiple periods in one session.
 - Users, with or without authentication, can register and receive an account number in real-time electronically.
 - Recurring information is stored for populating lines or for providing prompts for lines.

- **Optional tips/sample entries are available for users while they are completing forms.**
 - **Screen shots for explaining how to do specific online functions are incorporated with instructions.**
 - We can receive “bulk” filings and payments—e.g., from payroll services for multiple accounts.
 - We offer direct electronic transaction interface capability for downloading/uploading taxpayer data, using a common format such as Excel.
 - Users can withdraw a payment or a return if they catch an error soon after transmission.
 - The deadline is the same for payments initiated online as for payments mailed.
 - Users receive immediate acknowledgements of electronic transmissions.
 - An authorized third party can register as Power of Attorney and can input filing and payment data on behalf of a taxpayer.
 - New and enhanced applications and authentication mechanisms enable employees to use applications on behalf of taxpayers.
- 4. Promote the transition to e-Business and make customers aware of e-services designed for them through aggressive marketing and education.**
- We segment our customer base.
 - The small business section of our website targets information for specific business and industry groups based on research and products developed by the Small Business Action Group.
 - For individuals, sections of our website focus on special groups of taxpayers—e.g., “Non-residents,” “Retirees,” “New Taxpayers.”
 - A section is dedicated to the Hispanic Community—both individuals and businesses.
 - The homepage features new e-products and services.
 - Kiosks in all DOR offices provide public access to computers, and for security purposes, have Internet/website sign-out function to end each visit with a redirect feature to connect to homepage in 30 seconds.
 - We address confidentiality concerns in use of computers in kiosks or other public places—
 - Suggest that users on public computers log out of application before closing browser.
 - Have a sign-out function for users on shared computers to end each visit. (Computer can be redirected to homepage in less than a minute.)
 - We strive to eliminate fees associated with e-services.
 - We consider e-file/e-pay mandates and incentives to encourage the transition to e-Business.
- 5. Enhance e-services for Internet users who want to obtain forms and fill them out online.**
- We improve forms and instructions to help taxpayers fill out forms correctly.
 - We make all the Department’s forms available on our website.

- Key forms are designed as web fill-ins—taxpayers can fill them out online.
 - Enhancements to web fill-in forms include automatically calculating totals and populating information to applicable lines once entered and/or calculated.
 - Taxpayers can save partially completed forms for completion later.
 - Taxpayers can easily print and save.
 - A fixed format allows forms to print in a standard way, causing fewer scanning problems when received.
 - The forms page lists forms by task rather than form name or number and features most commonly used forms.
6. **Enhance educational services through the web.**
- Tutorials are designed to assist specific types of taxpayers.
 - **Optional video demos accompany new applications and are available for new users of existing applications.**
 - **Flash player demos are available for how to file and how to pay online.**
 - **Web-casts/pod-casts cover emerging issues—especially for tax practitioners.**
 - **Our website includes a general education section on taxation that could be incorporated in a high-school curriculum.**
7. **Collaborate with public and private sectors to provide products and services designed for small businesses, using a variety of service delivery methods.**
- **The Business Portal has a section dedicated to small businesses.**
 - **An interactive wizard assists users with new business registration—defines requirements and guides a user through an application interview then submits responses through the business registration application.**
 - **Optional tutorials demonstrate how to register, how to file, how to pay.**
 - **Instruction and procedure manuals tailored for small businesses are online.**
 - **A Small Business Tax Calendar serves as a compliance guide.**
 - **FAQ's and Q&A features are designed specifically for small businesses.**
 - **Taxpayers have access to more Privilege License information online.**
 - **A large searchable database enables small business taxpayers to self-help and access information they need.**
 - **Individuals can opt to receive new business packets by mail.**
 - **In-person and online workshops are offered for new businesses and, as continuing education, for existing businesses.**
 - **In partnership with other agencies, we offer “Build Your Business” information, using a Q&A format and identifying a variety of State requirements—e.g., permit, license, tax, and employment requirements specific to a business.**
 - **In partnership with other agencies, we offer one-stop services for starting a new business and updating account information.**

8. **Pursue joint ventures, engaging partners early in the process to learn from them and to build solutions that exceed customer expectations.**

In addition to pursuing joint small business ventures, we—

- **Participate in Fed-state programs to enhance our e-product and service offerings and save development costs.**
- **Work with other NC government agencies to establish links appropriate for all who do business with the state.**
- Provide links to third party websites with products or services of possible interest to taxpayers.
- **Maintain existing partnerships and build new ones to share tax information electronically and promote data-exchange systems.**
- In partnership with the Department of Public Instruction, provide high schools with tax information/educational units on taxation online and offer tax instructors to public schools through VITA.
- Maintain relationship with Common Payment Services (CPS) and the Office of State Controller for ACH and credit card transactions.
- Establish public and private partnership boards to identify mutually beneficial opportunities and manage joint ventures.
- Establish User Boards to get input for developing e-Business processes and feedback on usability.
- Promote consistency/links on NC Gov websites to make doing business with the state as easy and as transparent as possible for users.
- Promote consistency among DOR approved vendors.
- Partner with tax practitioner groups to determine their specific e-business needs and to explore joint-venture opportunities.
- Work with other states to, for example, provide better contracts and services from vendors for free file.

9. **Maintain traditional as well as e-Business service delivery methods.**

- We offer information, education, and assistance through the following delivery methods—
 - DOR website.
 - E-Mail.
 - Regular Mail.
 - Fax.
 - IVR.
 - Personal Telephone Calls.
 - In-person office visits.
 - Kiosks in DOR offices.
 - Offices of other government agencies.
 - Other NC government websites.
 - Television.
- We continue to support paper systems for filing, billing, paying, and correspondence.

- We integrate service delivery management with customer relation management to ensure consistency of message no matter how taxpayers are receiving products and services.
- 10. Continuously improve our website (including design, navigation, and search functions) to make it more user-friendly based on customer input.**
- When redesigning our website, we—
 - **Use state-of-the-art tools.**
 - **Track usage to determine what to devote more attention to and what can potentially be changed, eliminated, or featured.**
 - Maintain survey screen for input/feedback on customer services and the website.
 - Continually listen to and act on user feedback.
 - Ensure that all links, forms, and functions work.
 - **Update homepage to make it functional as well as visually appealing.**
 - **Identify information within portals from users’ perspective.**
 - List similar options in groupings.
 - **Incorporate functional graphics—pictures that are links or that provide additional helpful information at a click.**
 - **Use similar layout on most screens.**
 - **Keep all pages up to date.**
 - **Update FAQ’s regularly so they are “current frequently-asked” questions.**
 - Make it easy to print from web pages.
 - Use most efficient document format—pdf format.
 - Support competing platforms (Mac, PC, etc.).
 - Offer links/e-translators (e.g., Babel Fish) for non-English speaking populations.
 - Meet ADA standards—e.g., provide options for the visually impaired.
 - Taxpayers have easy access to information through—
 - “What’s New” and “Hot Topics” with current information.
 - Continuous scroll with current tax news.
 - Online tax research library.
 - Tax term definitions at a click/through a link.
 - Online Help Center with Quick Links.
 - Extensive FAQ’s for individuals and businesses.
 - “Check Calendar” link for important dates per tax type.
 - Charts to display web services for different users (e.g., individuals and businesses or more defined segments of user population).
 - Drop-down menu listing office sites by city and region.
 - Interactive organizational chart for taxpayers/tax professionals—click for contact information or to e-mail.
 - Our search and navigation functions—
 - **Provide easy to use, fast, reliable search capabilities.**
 - **Produce comprehensive results from information on the DOR website.**

- Incorporate results for/from other State agencies based on established partnerships.
 - Provide authenticated users results from stored electronic data and stored images.
 - Produce results based on logical relationships.
 - Offer “Search Help,” including help with misspelled words.
 - Include a searchable message board.
 - Provide alphabetized site map.
11. **Enhance the IVR, adding tax account management and online filing and payment functions as practical within the limits of telephone transactions.**
- Upgraded voice technology gives taxpayers the option of entering data or speaking their responses.
 - Additions to the IVR are limited to functions requiring minimal data input. For example, in addition to current functions, taxpayers are able to use the IVR to—
 - Report no-tax due for Sales and Use Tax and for Withholding Tax.
 - View an account balance.
 - Close a business account.

Internal Strategies

12. **With strong leadership support, reengineer business processes and ensure an appropriate organizational structure.**
- **Business process reengineering (BPR) is a component of every e-Business project.**
 - **BPR includes all paper and manual processes related to the implementation new e-functions.**
 - **BPR includes a review of existing and proposed policies to ensure they enable and support e-Business strategies – for example, policies governing approval processes.**
 - **Modifications in organizational structure occur in accord with implementation of the e-Business Strategic Plan and as a result of BPR efforts.**
 - **The Call Center transforms into an e-communication Contact Center for routing not only telephone calls but also other electronic requests for assistance.**
 - **All divisions continually review and evaluate work to reduce manual processes and expand automation. (Some examples emerging from focus groups include automating refund process in Bankruptcy, CTL file and release processes.)**
 - **Process reviews promote consistent use of business systems. (Examples emerging from internal focus groups include universal use of F651 and one location for ITAS notes.)**

- We streamline the SR process and implement a refined collaborative process for application development that focuses on business requirements. (Will include, but not be limited to, targeting the right subject matter experts, establishing proper timeframes, providing an education component for what customers and partners want, and prototyping new products).
- We streamline and speed up the hiring process—from the time a recommendation goes to HR to the time a position can be offered.

13. Enhance knowledge management capabilities.

- A knowledge management (KM) approach includes—
 - Web portals and content management tools.
 - Document repositories.
 - Search engines.
 - Data warehouse and business intelligence tools.
 - Case management and expert systems (case-based reasoning).
 - Workflow systems.
 - Collaboration and groupware systems.
 - Natural language query processing systems.
 - Image handling systems.
- Employees can more easily share information that assists in providing services and facilitates organizational learning. Examples from internal focus groups include, the ability to—
 - Share case files and case notes.
 - Transmit audit information—e.g., key audit, process it, and send it to tax administration electronically, eliminating time lag.
 - Have an online library and document management system.
 - Redact letter rulings, scan them, and make them available to public.
 - Keep redacted letter rulings and other educational material current by pulling information when law changes make content no longer applicable.
 - Scan taxpayer documents to download to a database.
 - Retain and access W-2, 1099, and other taxpayer financial data.
- Employees can sort, match, and mine data for segmentation and other business-intelligence gathering purposes. Examples from internal focus groups include—
 - Use cross-referencing to identify non-compliant taxpayers – matching for audit purposes.
 - Conduct non-resident – S-Corp cross matches.
 - Have systems that speak with each other.
 - Correlate data from various databases— e.g., W-2 and Withholding data.
 - Provide easy access to data currently in various databases.
 - Have system that is easier to query— to extract information.
 - Enhance analytical tools—e.g., implement tools developed by SAS.

- Access CP 2000’s and RAR’s once IRS has made final decisions on adjustments.
- Access Federal version of Responsible Officer Assessments.
- Employees flexibly handle and track cases throughout their lifecycle, using a variety of workflow capabilities. For example, they can more efficiently and effectively—
 - Make case assignments.
 - Define workflow.
 - Schedule work.
 - Handle correspondence.
 - Handle returned mail.
 - Calculate collections including non-ITAS collections.
- **Employees can perform all business functions securely via remote access through the web.**
- **When payments are made—a settlement payment, for example—the employee working the case receives an e-message so he/she knows that it has been paid and can make account adjustments as necessary.**
- **Employees use Instant Messaging to consult with colleagues when trying to resolve taxpayer questions.**

14. Expand online support services for employees.

- **Employees can electronically —**
 - **Fill out a W-4.**
 - **Manage personal information—e.g., change name, address and phone number; updating emergency contact information; list education, awards, licenses, credits.**
 - **Manage benefits.**
 - **Manage 401K’s.**
 - **Access career-banding information.**
 - **Report time (including employees now using time cards).**
 - **Report expenses.**
 - **Request direct deposit.**
 - **Request a new or modifying an existing payroll deduction.**
 - **View internal organizational charts.**
 - **Request and receive Help Desk assistance.**
 - **Request and track training.**
 - **Take courses.**
- **Other processes that are automated and put online include—**
 - **e-DORSA process.**
 - **SR process.**
 - **HR actions --submitting 1305’s, for example.**
 - **Job applications.**

- **The Intranet provides more information and makes information more accessible. For example, it incorporates—**
 - **Dashboards.**
 - **Scrolling banners with DOR news and other tax-specific news.**
 - **Directory and maps.**
 - **Sections for business units.**
 - **Identification of most visited sites within different division portals.**
 - **Agency services.**
 - **E-Alerts for employees.**
 - **Online library.**

15. Use a collaborative process to upgrade and integrate systems.

- **Core DOR business systems integrate seamlessly with one another--**
 - **ITAS (or another transactional tax administration system).**
 - **Data-warehouse.**
 - **Document Management.**
 - **Case Management.**
- **They communicate appropriately with--**
 - **Data Capture.**
 - **Doc Query.**
 - **EFT.**
 - **RCA.**
 - **OFP.**
- **They can incorporate data as required from other database/transactional systems in use—**
 - **JETS.**
 - **VISTA.**
 - **Access databases.**
- **All the above support and enable web and IVR systems.**
- **ACES seamlessly supports and enables web applications while meeting internal and external requirements for security and ease of use.**
- **A Customer Relation Management system is integrated with Case Management to manage e-Business workflow and a variety of service delivery methods.**
- **We enhance our systems and how we use them. Examples from focus groups include—**
 - **Use GroupWise or another e-communication tool—Intranet, e.g.—to communicate problems that one area is having that affect other areas— e.g., when jobs are run, particularly if they are run out of sequence and cause other problems; also to report suspense problems.**
 - **Improve Excel and Word drop-down menus.**
 - **Provide the capability for an employee to generate a notice immediately without waiting for scheduled notice runs.**

- Have way of letting ITAS users know how the changes they are making on the system affect other users.
- Match/cross-reference payments more easily when researching misapplied payments.
- Implement more warnings in ITAS to prevent user errors that cause account problems.
- Improve ability of ITAS to read scanned images.
- Improve research tools for employees working ELF suspense.
- Improve processing of Corporate and Franchise so accounts reflect taxpayers' intentions.
- Improve ITAS process for Withholding Reconciliations.
- Automate processing of amended returns in all schedules.
- When ITAS shows an account is in balance and taxpayer has made a payment, cross reference accounts to see if the additional payment applies somewhere else—e.g., Individual Income joint and single accounts.
- Make ITAS a Windows-based system.
- Implement pull-down menus in ITAS to make it easy to know what information is available to users.
- Implement better search tools on ITAS—e.g., ability to search by address to identify taxpayers.
- Make conversations more uniform—e.g., all conversations should use same code for tax types.
- Have all schedules on one system—or be able to cross-reference JETS and ITAS information, e.g.
- Capture total amount withheld and total amount of withholding claimed at aggregate level for a withholding check and balance.
- Merge ITAS and VISTA data—or reduce difficulty in transferring ITAS data to Vista.
- Be able to track returns that are in Doc Query but not in ITAS.
- **Telephone systems and processes undergo review to, for example—**
 - Improve call routing to make it more direct and user-friendly—strive for fewer options and fewer transfers.
 - Better manage call-agent skill sets.
 - Be able to transfer calls to non-TACC phones, including field offices.
 - Adjust Avaya phones to real time – difference in phone time & PC time. (Currently, a seven-minute difference in phone and PC time causes backups in the afternoon.)
 - Maintain data on transferred calls. (Currently, lose TACC-CCU-Level III data.)
 - Track calls.
- Security safeguards are built into all new e-Business applications.
- Expanded technology support infrastructure enables e-Business. For example, we—
 - Implement robust monitoring tools to provide appropriate notifications when site is unavailable and also provide usage and outage statistics.



- Ensure robust website.
- Expand 24x7 capabilities.
- Provide users with documentation on IT products.
- Involve more contractors.

APPENDIX C: STRENGTHS, WEAKNESS, OPPORTUNITIES, AND THREATS

Strengths

Our IT base support structure is sound.

- Have some of the necessary development tools.
- Foundation for e-Business is in place. In terms of technology, we are in good shape compared to others.
- Have basic IT support structure.
- Know what ITAS can do—its strengths and weaknesses.

We have a project management process in place.

Project Management and System Development Life Cycle (SDLC) Processes are mature and very scalable.

We have a dedicated workforce.

- Our people – their current skills.
- Creativity- Problem Solving
- Executive relationship with the Legislature.
- Shared vision in the agency.
- Business people in agency are starting to think outside the box.
- Leadership – Current Support and Opportunities for new leadership when retirements do come about.

We have a supportive security culture

Employees are security conscious.

We are open to collaboration and partnerships

New public/private relationships—Free-File partnerships, e.g.

NOTE: Also see Current Status Detail on pages 13-14.

Weaknesses

Experienced workers might leave.

- Next 5-10 years will have a large number of people who have been at Revenue a long time who will be leaving.
- People leaving at a younger age, with fewer years of service.
- Contractors leaving and taking knowledge with them.

Current application development process can be improved.

- Not knowing how a product works. Assumption is that everyone knows. False assumption. (Don't know what we don't know.)
- Our resources don't have broad enough scope when building new systems. We build what we know.
- Need more collaboration between business and IT—not just once projects are initiated.
- Not knowing questions to ask to during requirements.
- Tendency is to replicate what we have on paper and put it on the web
- Have not had an e-business vision – have a lot of applications not based on what customers want but on internal constraints at the time of development
- Moving too slowly for some and too fast for others when working on projects—doing requirements.
- Getting all the right people in the room.
- Condensing development process (From SR to Implementation) into too short a period of time and not giving enough time for requirements.

We need to invest in training and development and need more resources.

- Need to have resources dedicated to e-Business.
- Not having more younger people involved in the process (fresh ideas).
- People will need to develop new skills.
- Need different IT skill sets.
- Need IT resources to have exposure to new ideas.
- Have not embraced technology other states/agencies are using
- Web design is 4-5 years old. Since then, web design changed quite a bit without resources to update
- Relying on same resources for projects.
- Not structured today to support eBusiness from an organizational standpoint
- Trying to provide equal service for paper and e-file—treating both customers the same.
- Lack of business-IT resources.

Infrastructure/architecture needs strengthening to support eBusiness.

- Lack of strong monitoring tools from an IT perspective
- Foundation needs to be more robust/scalable
- Support systems may not be robust enough for expanded e-Business.

- ITAS—may or may not be a weakness. Know ITAS has some limitations, but more unknowns concerning what those limitations might be (account balances, throughput, etc.)
- Have some applications today that cannot interface with web. Jets, but not others.
- Lack of redundancy for backup/fail safe
- Need new software
- Probably we don't have all the development tools we need.
- Inability to offer users enough means to transfer data
- Unknown part of what will be required for our IT structure.

Need to harmonize policies to support eBusiness.

- Internet security policy—especially for employee use.
- Lack of mandates for e-file.
- Department has made decision not to do our own online filing for D-400 in near future.
- Taxpayers perceive partners/vendors as experts and rely on them to secure taxpayer info and provide good information and we're not checking to see if they are reliable.

There may be resistance to change

- Resistance to change internally
- Don't take enough risks

Opportunities

Comprehensive User Account Management on the Web. Allow authenticated users to manage tax accounts and make smart tools available to ensure the process is as easy as possible.

- Homepage includes a "Manage Business Accounts" portal.
- A strong privacy statement that is easy to read promotes public trust.
- User selects "Personalized Account" or "New User?" then "Start Here."
- ACES authenticates new users.
- Secure access is established with a User ID (e-mail address/CSN/PIN), Taxpayer ID (e.g., SSN/FID) and an Account Number, as applicable.
- Symbols replace personal data entered (e.g., SSN).
- Once secure accounts are established, returning users can click <back> and return to the page where they select "Personalized Account."
- An authenticated user can—
 - Set up "1-click" settings tailored to meet individual needs and customize pages for items of interest.
 - Opt for display of tailored functions based on prior activity.
 - View their account history—electronic records of filings, payments, refunds, assessments as well as images of scanned documents.

- See current account balances—including any tax due.
- Inquire about the status of a refund.
- Do their own web account maintenance—for example, change an address, telephone number, or filing status as well as close a business account.
- Transfer funds between accounts and request a new or modify an existing recurring transfer.
- Order a coupon booklet or request to stop receiving paper booklets.
- Request or print copies of previously filed returns.
- Request actions—such as penalty waivers, stop payments, hearings—following prompts to supply the necessary information, and request e-mail responses.
- Opt to receive electronic billings.
- Set up payment plans, providing bank draft details, and request e-mail confirmations.
- Request W-2's or W-2 information (retained in data-warehouse).
- Employers can set up and manage secure wage garnishment accounts to view account history and balances and link to e-pay applications.
- Sales Tax Non-Profits can set up and manage their own accounts.
- Third parties can be authorized as Power of Attorney for managing taxpayer accounts and provide data input for taxpayer account.

Electronic Communication. Provide secure electronic communication and assistance services for users.

- Provide e-mail notifications containing direct links to newly posted content on the website as an option for users who select to receive e-alerts by tax type—e.g., law changes, estimated release dates for current-year forms.
- E-mail authenticated users messages/notices related to their accounts—e.g., bills, filing and payment confirmations, due dates.
- Allow users to communicate directly with agency via secure e-mail.
- Provide online form for users to send a secure e-mail message.
- Send taxpayers secure e-mail responses to their specific questions.
- Have Q&A feature that provides links to stored taxpayer data or FAQ's based on taxpayers' questions.
- E-mail confirmations of transactions.
- Offer option for user ID to be the user's e-mail address.
- Offer Live Chat Help – secure instant messaging—real time response to taxpayer questions.
- Provide option for online reporting of tax fraud.
- Maintain an extensive electronic mailing list.
- Verify e-mail addresses and provide another layer of security by sending confirmation numbers to e-mail address when transactions are in draft form and include links back to the draft transaction; populate the confirmation number line to complete the transaction when the taxpayer clicks on the link.

Expansion of Electronic Payment and Electronic Filing Options on the Web. Update current e-pay and e-file applications on the web to ensure consistency as well as ease of use and expand e-pay and e-file services to include all schedules, all forms.

- Include Consumer Use Tax, Privilege License, NC-5 Q, NC –3, amended returns, estimated payments, extensions, W-2/W-2 Transmittal, NC – 4, E-585, and D-400.
- For Individual Income, offer secure site for filing online, providing full calculation of tax and credits free of charge.
- Offer 3rd party software options (ELF) for Sales Tax.
- Offer business registration with or without authentication and provide account number in real-time/through e-mail.
- Offer credit card payments without charging a fee.
- Offer EFT for every tax type.
- Have same deadline for payments initiated online as for payments mailed.
- Offer calculators for computing or estimating tax liability--tax, penalty, and interest for all schedules.
- Provide tutorials on web for small businesses to inform them of all filing and payment requirements.
- Improve credit card validation or screen text for credit card payments.
- Allow withdrawal of payment or return if error is caught soon after transmission.
- Replace personal data (e.g., SSN) with symbols on e-file and e-pay applications.
- Provide immediate acknowledgements of electronic transmissions.
- Review online web application filing requirements and make necessary adjustments to ensure that we are not excluding potential users—e.g., accept foreign telephone numbers and zip codes for online filing and payment.
- Allow authorized third party to file/register as Power of Attorney.
- Allow authorized third part to provide data input.
- Provide direct electronic transaction interface capability for downloading/uploading taxpayer data.
- Store recurring information and populate lines or provide prompts accordingly for online filing and payments.
- Provide special services for large filers, including download of data to Excel.
- Implement Dynamic Web Import capability, allowing users to define file being sent so the agency can interpret it.
- Use Access Net Batch Loader Tool in conjunction with Dynamic Web Import application.
- Implement bulk filing capabilities that allow users to key and send as well as file import, which provides users with a defined import schema, allowing them to upload a file to the Internet.

E-Forms. Accommodate Internet users who want to use a computer to get forms and fill them out even though they may opt not to e-file.

- Make more of the Department's forms available on the website.
- Make all forms web fill-ins.



- Allow partially completed forms to be saved for completion later.
- Provide easy print and save capabilities.
- Modify forms page to index by task rather than form name or number.
- Feature most commonly used forms.

Limited User Account Management and Online Applications on the IVR. **Replicate on the IVR some web account management functions as well as some online filing and payment applications based on ease of use.**

- **Maintain all current bill payment and telephone inquiry services.**
- Upgrade voice technology so taxpayers have the option of entering data or speaking their responses.
- Limit the addition of new IVR functions to those requiring limited amounts of data.
Add applications for such functions as reporting zero Sales Tax, getting an account balance, closing a business account, paying notices, and filing Individual Income.

Emphasis on Usability. **Make using the web as easy as possible.**

- **Track usage to determine what to devote more attention to and what can potentially be changed, eliminated, or featured.**
- Maintain survey screen for input/feedback on customer services and the website.
- Continually listen to and act on user feedback.
- Ensure that all links work and all forms and functions work.
- **Update homepage to make it as functional as well as visually appealing.**
- **Identify info within portals from users' perspective.**
- List similar options in groupings.
- Have a clean site—not a lot of graphics.
- **Incorporate functional graphics—pictures that are links or that provide additional helpful information at a click.**
- **Use similar layout on most screens.**
- **Keep all pages up to date.**
- Store recurring information and populate lines or provide prompts accordingly for recurring transactions.
- Ensure that monitoring tools are in place to notify DOR when site is not available and for usage/outage stats.
- Support PC and Mac platforms.
- Implement Dynamic Web Import capability, allowing users to define file being sent so the agency can interpret it.
- Use Access Net Batch Loader Tool with Dynamic Web Import application.
- Provide good instructions based on taxpayer feedback.
- Provide easy access to information through—
 - “What’s New” and “Hot Topics” with current information.
 - Continuous scroll with current tax news.
 - “Tips Talk.”
 - Online tax research library.

- Tax term definitions at a click/through a link.
 - Online Help Center with Quick Links.
 - Extensive FAQ's for individuals and businesses.
 - “Check Calendar” link for important dates per tax type.
 - Charts to display web services for different users (e.g., individuals and businesses or more defined segments of user population).
 - Drop-down menu listing office sites by city and region.
 - Interactive organizational chart for taxpayers/tax professionals—click for contact info or to e-mail.
- Make it easy to print from web pages.
 - Use most efficient document format--pdf format.
 - Meet ADA standards, having options for visually impaired.

Easy to Use Search Capabilities. Continue to improve web navigation and search tools based on user requirements.

- **Provide easy to use, fast, reliable search capabilities.**
- **Produce comprehensive results from information on the DOR website.**
- **Incorporate results for/from other State agencies based on established partnerships.**
- **For authenticated users, provide results from stored electronic data and stored images.**
- **Enable searches by phrases.**
- **Produce results based on logical relationships.**
- **Offer “Search Help,” including help with misspelled words.**
- **Allow entry of upper or lower case.**
- **Implement a searchable message board.**
- **Provide alphabetized site listings.**
- Suggest that users on public computers close browsers.
- Have a sign-out function for users on shared computers to end each visit. Computer can be redirected to homepage in 30 seconds.

Encouraging the Transition to e-Business. Through a combination of mandates, incentives, and marketing, make specific segments of the customer base aware of e-products and services designed for them.

- Mandate e-file for taxpayers mandated to use EFT and provide data download/upload features that are of benefit to this population.
- Mandate e-file for practitioners who file 200+ Income Tax returns.
- In the small business section, target web information for specific business and industry groups based on research and products developed by the Small Business Action Group.
- For individuals, focus sections for special groups of taxpayers—e.g., “Non-residents,” “Retirees,” “New Taxpayers.”
- Dedicate sections to Hispanic Community—both individuals and businesses.
- Offer language translators through website links (e.g., Babel Fish).
- Feature new e-products and services on the homepage.



- Establish kiosks in all DOR offices providing public access to computers, and for security purposes, have Internet/website sign-out function to end each visit with a redirect feature to connect to homepage in 30 seconds.

Offering Services through a Variety of Delivery Mechanisms. Maintain traditional as well as e-Business service delivery mechanisms.

- Offer information, education, and assistance services through the following delivery channels—
 - DOR website.
 - E-Mail.
 - Regular Mail.
 - IVR.
 - Personal Telephone Calls.
 - In-person office visits.
 - Kiosks in DOR offices.
 - Offices of other government agencies.
 - Other NC government websites.
 - Television.
- Continue to support paper systems for filing, billing, paying, and correspondence.
- Integrate service delivery management with customer relations management to ensure consistency of message no matter how taxpayers are receiving products and services.

Small Business Emphasis. Provide products and services especially designed for small businesses using a variety of service delivery channels.

- **Dedicate a section within Business Portal to small businesses.**
- **Provide an interactive wizard to assist with new business registration, defining the requirements and guiding a user through an application interview then submit responses through the business registration application.**
- **Offer tutorials geared to small businesses to demonstrate how to register, how to file, how to pay.**
- **Offer a “Quick Tax” feature for small businesses.**
- **Expand Privilege License information on website.**
- **Offer a Small Business Tax Calendar.**
- **Offer FAQ’s and Q&A features specifically for small businesses.**
- **Continue to offer new business packets by mail.**
- **Offer workshops in-person and online both for new businesses and continuing education for existing businesses.**
- **Provide instruction and procedure manuals tailored for small businesses online.**
- **Offer a large searchable database of information that allows small business taxpayers to self-help and find all the info they need easily.**
- **In partnership with other agencies, offer “Build Your Business” information, using a Q&A format and identifying a variety of State requirements—e.g., permits, licenses, tax, employment requirements specific to a business.**



- In partnership with other agencies, offer one-stop services for starting a new business and updating account information.

Enhanced Educational Tools for General Audiences. Enhance educational services by providing a variety of educational opportunities through the web.

- Offer optional video demos for new applications and for new users of existing applications.
- Offer flash player demo for how to file and how to pay online.
- Incorporate screen shots for explaining how to do specific online functions.
- Offer optional tips/sample entries for users while they are completing forms.
- Offer general education section on taxation that could be incorporated in high-school curriculum

Integrated Systems. Upgrade and integrate systems, developing new and enhancing existing business intelligence capabilities.

- Central business systems integrate seamlessly with one another--
 - ITAS (or another transactional tax administration system)
 - Data-warehouse
 - Document Management
 - Case Management
- They communicate appropriately with--
 - EFT
 - RCA
 - OFP
- They can incorporate data as required from other database/transactional systems in use—
 - JETS
 - VISTA
 - Access databases
- All of the above support and enable web and IVR systems.
- ACES seamlessly supports and enables web applications while meeting internal and external requirements for security and ease of use.
- A Customer Relations Management system is integrated with Case Management to manage e-Business workflow with a variety of service delivery channels.

Organizational Reengineering. Reengineer all business processes, integrating paper and paperless processes.

- Incorporate business process reengineering (BPR) with the plan for every e-Business project.
- When implementing new e-functions, include all related paper processes in the BPR.
- Make organizational structure decisions in accord with BPR results and integrated with Case Management and Customer Relations Management systems.



- **Transform Call Center into an e-communication Contact Center for routing not only telephone calls but also other electronic requests for assistance.**

Enhanced Technology Infrastructure and Support Services. **Build technology infrastructure and systems to support and promote e-Business.**

- Put robust monitoring tools in place to notify DOR when site is unavailable and provide stats.
- Move services from ITS to DOR—e.g., e-Alerts.
- Ensure robust website.
- Consider new technologies and features in web industry.



Partnerships with Public- and Private-Sectors. Build partnerships and pursue joint ventures to encourage e-Government enterprise services as well as to enhance DOR services.

- **Work with other government agencies to establish links appropriate for all doing business with the state.**
- **Establish one-stop shop for new business start-ups—for business registration and licenses.**
- Work with other government agencies such as the Employment Security Commission and Local/County Tax Collectors to provide links so users can e-pay other taxes such as Unemployment Tax and Property Tax or so DOR can accept payments for them.
- Provide links to third party websites with products or services of possible interest to taxpayers.
- **Maintain existing partnerships and build new ones to share tax information electronically and promote data-exchange systems.**
- In partnership with the Department of Public Instruction, provide high schools with tax information/educational units on taxation online and offer tax instructors to public schools through VITA.
- Maintain banking networks--credit-card and e-check partnerships.
- Partner with Official Payments Corporation—for online credit card payments.
- Establish public- and private-sector partnership boards to identify mutually beneficially opportunities and manage joint ventures.
- Establish User Boards to get input for developing and feedback for the usability of DOR e-Business processes.
- Promote consistency/links on NC Gov websites to make doing business with the state as easy/as transparent as possible for users.

Conducting Internal Business Electronically. **Enable employees to perform work functions online as well as through direct access to business systems.**

- **Build web applications so employees can use them on behalf of taxpayers.**
- **Have an HR Portal on the Intranet for—**
 - **Filling out W-4.**
 - **Managing personal information—e.g., changing name, address and phone number; updating emergency contact information; listing education, awards, licenses, credits.**
 - **Registering for and tracking training.**
 - **Managing benefits.**
 - **401K's.**
 - **Completing HR actions online--submitting 1305's for example.**
 - **Department Organizational Chart.**
- **Have a Payroll Portal on Intranet for –**
 - **Time reports.**
 - **Expense reports.**
 - **Direct deposit.**
 - **Requesting a new or modifying an existing payroll deduction.**

- **Have an Internal Homepage with the following features—**
 - **Dashboards.**
 - **Scrolling banners with DOR news and other tax-specific news.**
 - **Directory and maps.**
 - **Business Units.**
 - **Most visited sites within different division portals.**
 - **Agency services.**
 - **E-Alerts for employees.**
- **Offer an online library/document management system—e.g, Passport Net Microsoft Share Point.**
- **Offer online Help Desk for employees.**
- **Develop online process for e-DORSA.**
- **Develop online process for IT Service Requests.**
- **Implement a single password for all internal DOR applications.**
- **Give employees the ability to perform all business functions securely via remote access through the web.**

Threats

Legislative process is slow and may not be supportive.

- Legislature may not be computer savvy enough to understand e-Business.
- Legislative changes—slow process.
- Getting Legislature to establish some e-file mandates.
- Privatization.

External market forces may negatively affect retention.

- Not having incentives to stay--raises/benefits/ promotional opportunities.
- If economy picks up, could see much more turnover—especially in IT.
- Classification structure for new positions to conduct/support e-Business.

Upcoming change in administration may affect current strategies.

- Change in administration—new Governor.
- Limited time—change in DOR administration.

ITS strategies may not support our e-Business strategies.

- Statewide projects without customer input—with no business owner, without considering business impact.
- Procurement processes. Takes too long and often don't get what we need for the best price.
- Centralization of bulk purchases—without ensuring that product is going to work everywhere.
- Statewide IT consolidation/centralization.
- Services currently at ITS.



e-Business will suffer more cyber attacks.

Hackers/cyber attacks.

Funding may not be available or adequate.

- Funding for additional business and IT resources as well as for BPR and training.
- Funding constraints for meeting all customer needs.
- Funding for upgrading infrastructure.

Our e-services not meet customer expectations.

- In electronic world, any problems you have are seen immediately.
- Loss of credibility--Failure to deliver first-class services.
- Failure to provide better service from e-customers' perspective.

Public may not shift as expected to e-Business.

- Paper filings not decreasing fast enough—population increase a factor in keeping demand for non-electronic products and services high.
- Taxpayers not wanting to use web—will always be some who will not use it.

Some potential partners may resist our efforts.

- Resistance of other agencies to partnerships—cultural differences/political pressures.
- If DOR competes with Free-File vendors by developing our own online filing, vendors will not work with us.
- Fallout from people who don't qualify for free file—especially those who qualify for free file with IRS.
- Income limitation for free file



Addendum to Strengths: Current Status Detail

E-Services Offered by the N.C. Department of Revenue

Inquiry

- Website inquiry
- Refund status for Individual Income taxpayer
- Sales and Use Tax Registries: Direct Pay; Exemptions; active Sales & Use Accounts
- List of e-file practitioners

Electronic Filing

- Filing for individual income tax through Fed-State Program
- File application for extension for:
 - Individual Income
 - Corporate
- File Sales & Use tax return for all filing frequencies (online and EDI)
- File Withholding tax return for all filing frequencies
- File IFTA Motor Fuels return

Electronic Payment

We accept the following type of e-pays:

- credit card (Visa / MasterCard)
- debit card (Visa/MasterCard)
- bank draft

We offer the following e-Payment options:

- Payment with current tax return for:
 - Individual Income tax using D-400V
 - Sales & Use tax
 - Withholding tax
 - IFTA
- Pay bills and notices for:
 - Individual Income
 - Partnership
 - Fiduciary
 - Corporate Income
 - Corporate Franchise
 - Sales and Use
 - Withholding
 - Sales Utility
 - White Goods
 - Scrap Tire
 - Motor Vehicle Lease and Rental
 - Boat and Aircraft
 - Itinerant Merchant
 - Mecklenberg County Sales and Use



- Privilege License (Privilege License renewals cannot be paid online.)
- Motor Fuels
- Pay Estimated Tax for:
 - Individual Income
 - Corporate Tax
- Pay Individual Income Extension for:
 - Individual Income
 - Corporate Tax

Electronic Funds Transfer (EFT)

EFT is available for the following tax schedules:

- Withholding Tax
- Corporate Estimated Tax
- Utility Franchise Tax
- Utility & Liquor Sales & Use Tax
- Piped Natural Gas Tax
- Alcoholic Beverage Taxes
- Sales & Use Tax - Semimonthly filers only
- Tobacco Products Taxes - Cigarette and Other Tobacco Products
- Motor Fuels Taxes - excluding Highway Use Tax

Other

- Direct deposit of Individual Income tax refund
- Personalized vouchers
- Website survey
- E-Alert regarding bulletins, directives, and other important notices about law changes and related tax matters

IVR

- Pay notice
- Get explanation of notice
- Check refund status
- Close a business

APPENDIX D: SUMMARY OF PRIVATE SECTOR E-BUSINESSES

Netflix www.netflix.com

Netflix was “Rated #1 in Customer Satisfaction in Top 40 Online Retail Satisfaction Index” by Forsee Results and FGI Research. Netflix is an online retail company that offers rentals of DVD’s via the internet. The DVD’s are mailed to the customer. Once the customer has set up an account, they select from over 55,000 DVDs and put their selections in their queue. Netflix will ship the first available DVD at the top of the customer’s queue. The customer can at anytime shuffle the queue by placing any DVD in any order they choose. Movies can be searched by title, genres, actors and directors.

Interesting Features

- Zipcode verification is used for the credit card verification just as DOR does.
- E-mail for user-specific account data. The following messages might be sent to user’s email address regarding the status of the account:
 - “[Movie Title] has been shipped.”
 - “[Movie Title] has been received.”
 - “The credit card account on file with us is due to expire at the end of this month. If you have received a new credit card, please update the information in your account with us.”
- **Help Center** with a list of **Quick Links**, questions commonly asked questions. A user can also search for help by the “search by key words” tool.
- There is also a page titled Signed Out after selecting the “sign out” button. The **Signed Out** page provides the following statement, “Only customers using a shared or public computer need to end each visit to Netflix by using the Sign Out link. This computer will be redirected to the Netflix home page in 30 seconds.”



Amazon www.amazon.com

Amazon was “Rated #2 in Customer Satisfaction in Top 40 Online Retail Satisfaction Index” by Forsee Results and FGI Research. Amazon is an online retail business.

Interesting Features

- The userid for Amazon is the user’s email address.
- On the homepage a user can select [personalized recommendations](#) or New User? [Start here.](#)
- Amazon will display a list of items recommended by Amazon based on the user’s previous purchases. For instance, the page will display, “Recommended for Elizabeth Colcord. (if you are not Elizabeth Colcord, click [here.](#))”
- If the user clicks [here](#) it will take the user to the sign in page. If the user clicks the <back> button on the web browser, it will take the user back to the home page for the user to select [personalized recommendations](#) or New User? [Start here.](#)
- The web site is offered in the following International sites:
Canada, UK, Germany, Japan, France, China
- The user can also set up “1-Click Settings” for ordering.



Evite www.evite.com

Evite allows users to set up accounts for sending electronic invitations and plan events. It can also be used to connect with friends and know where to go (according to web site home page).

Interesting Features

➤ E-Mail Confirmation.

User sets up an account and goes through the steps for creating an invitation for an event. The event remains in a “draft” and until confirmed. User selects the button for the confirmation number. A message displays for user to check email inbox. The email from Evite.com provides a four digit password which the user could key into the page requesting the confirmation number on the website. Or, user can click on a link provided in the email which automatically adds the confirmation number to the web page and accepts the email address. This cuts down on the number of bad email addresses and is a check on the identity of the user. DOR has no method for confirming email addresses entered into the web applications.

➤ This site allows recipients of the electronic invitation to RSVP electronically to the invitation with a brief message.



Google

Probably the #1 most recognized search engine.

Search Engine Features We Might Emulate

- Ease of use.
- Search by phrases or logical relationships.
- Help with misspelled words.
- Fast search results.
- Relevant hits the first time.
- Comprehensive – [relative to our stored data and related State data (links).]
- Search “help.”
- Not case specific—can enter request in caps/lower case.

Other Search Features Google Does Not Have that We Might Want

- AltaVista has a neat feature called *Babel Fish*. It translates anything you type to any language.
- Yahoo has a question and answer feature.
- Other websites give you a form to fill in. For example, when searching for a business in NC, another website would give you boxes to fill in for name of business, city, state, but on Google you type everything in the one box.
- Other websites list similar options in a grouping, which is more convenient, for example when looking up an address you would have the option to search for an address by name as well as by phone number.



Progress Energy

Comes close to fulfilling our vision from both internal and external perspectives.

External Customers and Partners (Builders/Developers)– Segments customer base by area and customer type. Offers the same basic products and services to all customers then offers some tailored services—particularly for “Large Commercial/Industrial/Government.”

Interesting Features:

- Tutorials to demonstrate how to register.
- Customer is provided a PIN and account number.
- Payment options.
- Billing options
 - Enroll in E-Bill – Choose a Sign-in ID and password
 - Enroll in Payment Plan – Customer has ability to select amt to pay, when and from what account type. Receives confirmation.
 - Request Duplicate Bills
 - Billing History
 - Billing History Graph
- Historical data --Detailed stats, graphs, analysis and history
- Account management options.
- Special services for “Large Commercial/Industrial/Government.—especially the advanced services, which include downloading data into Excel.

Internal Customers. Employees can perform just about all of their business functions securely through the web anywhere, anytime. Remote access requires users to use KeyFob with SecurID. The id keeps changing every 30 seconds. Once prompted, for this information, user is taken to VPN and logs in to network.

Interesting Features: Internal Homepage

- Employee News
- Progress Energy in the News
- Industry News
 - Employee automatically receives e-mail for the items posted on the homepage for the 3 items listed above
- Most Visited Sites – Are Different Departments Website
- Business Units – Departments
- Company Information
- Corporate Library
- Corporate Services



- Directory & Maps
- Expense Reporting
- HR Portal
 - Employee can see paystub.
 - Change W-4
 - Manage Benefits
 - Direct Deposit
 - Time
 - Expense
 - Training – Sign up for classes, Track amount of training and classes taken
 - 401 K
 - Personal Information
 - Change phone numbers
 - Address
 - Emergency Contacts
 - Education
 - Awards
 - Licenses/Certificates
- Help Desk on line – E-mail generated to Help Desk employee and to the employee that reported the problem.
- Password Reset – Can reset password for all applications or sync password for all applications.
- Organization Charts
- Passport Net – Contains Scanned document images
- Document Management Systems – Microsoft Share Point – This is the best in the industry.
- Payroll Services

Apple

Home page Features:

- Home page features all of the new products
- Has a message board that continuously scrolls news about Apple
- All pictures are links or provide information about that product
- Drop down menu with all store locations by state

Other Features:

- **Definitions** - In some sections where they are presenting information about their product, certain words like voiceover, compatibility, Universal Access, windows, etc. are all linked so that you can click on them to find out exactly what is meant by the term.
- **VoiceOver Accessibility Interface** offers visually impaired individuals magnification options, keyboard controls and a spoken English description of what's happening on screen. VoiceOver can read web pages, Mail messages and word processing files. And it's available out of the box. (Virtual Office feature)
- **Automator** allows you to accomplish all of your time-consuming, repetitive manual tasks quickly, efficiently and effortlessly with Automator Workflows. It's simple to create custom Workflows just by dragging items, pointing and clicking. Perform the task once using your Automator Workflow or many times — even share Workflows with friends. (Product for employees)
- **Dashboard**.is very similar to the tele-type style message line on the apple home page, which gives current Apple news. We could give hot topics news or something similar. We might be able to use this internally to get messages to all employees.
- Apple also has links to 3rd party websites who can customize their product based on your particular need.

Microsoft

Web Design Features

1. Clean site, not a lot of graphics or items scrolling across screen. Easy to read and locate information.
2. Most screens have the same layout.

Interesting Features

- Good privacy statement page (format and content). The page gives highlights of the statement with links for more detailed information instead of having it all presented on one long page. This makes it easier to read and locate the items you need information on.
- Ability to create customized pages that only present the items you are interested in. An example is the support page; if all you need is information on XP then you can customize so that only information on XP is shown.
- Tips talk icon.
- Screen shots for explaining how to do items. Such as modifying windows settings.
- Feedback screen: Was the information useful? yes or no. This would take you to another screen where you can enter more information about your yes or no response.
- Registration Process--If you want to subscribe to mailing lists or customize your home page you can register. Your email address is the user id. The system rates the strength of the password (weak, medium, strong). The registration process sends out a confirmation email to your email address to make sure you are the person registering and then requires you to log back on using the password that you just created. The registration process also has a screen that displays information that you must key to make sure it is a person registering and not an automated system.



State Employees' Credit Union Website Review

<http://www.ncsecu.org/>

The site allows members to access their accounts and perform most of the same transactions and maintenance that is conducted at a branch:

- View account balances and information
- Transfer funds between accounts
- Process real-time loan advances
- View images of monthly statements and cleared checks
- Initiate wire transfers
- Apply for accounts and loans
- Pay bills with online BillPay
- Order checks and deposit slips
- Request stop payments
- Request check or statement copies
- Submit a change of address for your accounts
- Apply for overdraft protection
- Request a new or modify an existing payroll deduction (if available)
- Request a new or modify an existing recurring funds transfer
- Research car values and initiate vehicle purchases
- Utilize a variety of financial tools
- Communicate directly with SECU via secure message

Users create a customized User ID and Password

Use of secured email: Many of these services require users to fill-in online forms and then the form creates and sends a secured email message. Once the actions are taken, the credit union replies back to the customer through secured email that can be viewed through the website.



APPENDIX E: SUMMARY OF STATE REVENUE AGENCY SOURCES

Other State Revenue Agencies: What We Might Learn from Them

Alabama

1. Mandate scope.
2. Business registration without authentication.
3. Web application system requirements – support PC and Mac platforms.
4. Partnership for credit card and e-check payments.
5. Unsecure e-mail.

Arizona

1. Recently updated homepage.
2. Business registration without authentication.
3. Taxpayers can view filing and payment history online.
4. Unsecure e-mail.

California

1. Great looking homepage.
2. Section dedicated to Hispanics.
3. Training/Partnering to provide high schools with Income Tax info.
4. School partnership providing mentors and tutors; school VITA sites.
5. Unsecure e-mail.
6. Small Business Tax Calendar.
7. CSN and SSN to perform e-transactions and view account balance online.

Connecticut

1. “Check Calendar” link.
2. Emphasis placed on online filing on homepage.
3. Bulk filing – Key and Send as well as File Import.
4. File Import – provides users with a defined file import schema containing required data elements and ability to upload a file to Internet application for validation and processing.
5. Dynamic Web Import. – user can define file that is being sent so the agency’s system can interpret it. Could be a “fixed length” format or spreadsheet format.
6. Access Net Batch Loader Tool – Used in conjunction with application used with Dynamic Web Import.
7. Third party Software for Sales Tax Electronic Filing – one approved vendor currently.
8. Mandate for Individual Income for tax practitioners who prepare 200+ returns.
9. E-Alerts.
10. Unsecure e-mail with a two-business day response time.



District of Columbia

- 1. Secure access to tax information for registered taxpayers—includes online correspondence.**
- 2. Business registration without authentication.**
- 3. For Individual Income—secure site for filing online—provides full calculation of tax and credits as well free filing.**
- 4. Paying online through toll-free telephone number using a credit card—third party partnership with Official Payments Corp.**

Florida <http://sun6.dms.state.fl.us/dor/>

1. Site utilizes an interactive wizard to help determine tax registration requirements, guides user through an application interview, and finally submits responses to the Department in the form of an application.
2. Site allows taxpayers to submit online account inquiries and changes of address. <https://taxapp2.state.fl.us/survey/txinquiry.cfm>
3. Goal is to integrate the administration of all taxes into a single tax system, using SAP (Systems, Applications and Products).
4. Goal is to implement One-Stop Registration.
5. Hired a Deloitte Integrator and implemented a suite of SAP products:
 - Core Product (R/3) - registration, account maintenance, payment processing, reconciling returns, issuing and collecting billings, etc.
 - Customer Relationship Management (CRM) – to develop and manage leads for potential tax recovery, manage bankruptcy cases, etc.
 - Business Intelligence (BI) – store data and run queries to assist in managing caseload, performance evaluations forecasting, etc.
 - E-Portals – implementation of e-portals allows a single access point for employees to enter the SUNTAX system

Georgia

- 1. Credit card company logos on homepage.**
- 2. Unsecure e-mail.**

Hawaii

- 1. Bulk file.**
- 2. T/p's can make request online to stop receiving paper booklets.**
- 3. Unsecure e-mail.**

Idaho <https://cl.idaho.gov/applications/ibrs/ibr.aspx>

Site allows Business Registration and ability to changes names, locations, etc.

Illinois

- 1. Nice homepage with focus on e-file.**
- 2. Charts displaying services for individuals and businesses.**



3. EFT for many different tax types.
4. "Find a Tax Preparer in your area."

Indiana <http://www.in.gov/dor/>

1. Site allows taxpayers to change address, contact information, and phone number online.
2. Site has a Manage Business Accounts Portal.

Kansas <http://www.ksrevenue.org/index.htm>

1. Home page has What's New.
2. Site has an Exemption Certificate Application that allows sales tax exempt entities to apply for an exemption certificate, update name and address information on existing certificates, inform the department of the organization's disbandment, and print copies of their exemption certificate(s).
3. Site has Business Registration Online through another agency.

Louisiana

1. Web Design: Simple and effective.
2. Telefile for Sales Tax zero returns.

New Jersey

Interaction Org Chart.

New York <http://www.tax.state.ny.us/>

1. Alphabetized site listings.
2. Site provides e-mail notification containing direct links to newly posted content and includes selections by tax type. <http://www7.nystax.gov/SUBS/subHome.jsp>
3. Site offers extensive FAQs for Individuals and Business.
4. Site offers a penalty and interest calculator.

Nevada

Online registration and account management. (Not sure how it works.)

Ohio <http://www.tax.ohio.gov/>

1. Home page has What's New.
2. Site allows registration and payment of licenses through Ohio Business Gateway.
3. Site uses Flash Player Demos to show how to file and pay online.
4. Incentives for encouraging taxpayers to file their person income tax returns electronically--taxpayers with refunds who file online or use TeleFile, and choose direct deposit, can expect to receive their refunds within five to seven business days. Taxpayers who owe tax may file early and choose to pay at a later date, as long as they pay by April 17, when they file electronically. Legislature reduced rate to 4.3% , which enhances the early refund incentive.
5. The Department spends \$1.15 to process an electronic return and \$3 to process a paper return.



6. Taxpayers with questions or who need assistance may visit the Department's website at <http://www.tax.ohio.gov> or call (800) 282-1780. Beginning January 30, telephone assistance will be available for extended hours from 8 a.m. to 7 p.m., Monday through Friday.

Oklahoma

1. Web Design: Recently made major changes to website, moving from one of the worst to one of the best. May want to talk with them
2. "Quick Tax" for businesses.
3. Homepage -- A bit flashy but visually stimulating and interesting- presents a lot of information effectively.

Pennsylvania

1. e-Services – e.g., W-2 transmittal option, account management functions, taxpayer profile functions, wage garnishment report function for employers, amended returns application.
2. Instruction and procedure manuals online.
3. e-TIDES – partnership with Labor and Industry--(Electronic Tax Information and Data Exchange System).

South Carolina <http://www.sctax.org/>

1. Site provides link to Business One Stop, that allows updating of business information, such as addresses and names and applying for additional business tax accounts.
2. Site offers a penalty and interest calculator.

Tennessee <http://www.tennessee.gov/revenue/>

1. Home page has Hot Topics.
2. Site offers consumer use tax filing.
3. Site offers Business Tax Registration with the ability to add a new location, change an address, or close a business account.
4. Site has surveys for customer service and the website.

Utah

1. "Express" file and pay functions as well as online training and workshops— education pieces for schools/teachers and students.
2. Tax Research Library, which puts all tax schedule rules, bulletins and laws in one searchable database, which makes it really easy to research tax issues.

Virginia

1. Effective design and good variety of e-services options.
2. Web design. Effective presentation, the sections over the state picture is very good (click on the section of the state for more menus and options) and the scrolling banner gives an effective visual display; offers standard e-file and e-pay options; can register on-line, pay bills, make estimated payments, file an



extension, check a refund, calculate withholding tax. Nice drop-down menus at the type.

Washington <http://www.dor.wa.gov/>

1. Site offers video demos and text versions for their online offerings.
<https://fortress.wa.gov/dor/elf/FortressLogon/>
2. Site offers e-file, secure messaging, bill pay, and use tax.
3. Site offers an extensive electronic mailing list.
<http://dor.wa.gov/content/contactus/email/listservemail.aspx>

Wisconsin <http://www.dor.state.wi.us/>

1. Site offers on-line registration for several taxes and the ability to make changes to the accounts.
2. Site links to another site that provides “Build Your Business” information. Using a question and answer format, the online program identifies permit, license, tax, and employment requirements specific to a business.

e-Business Mandates and Incentives

The following is based on eBIT discussion of an FTA report on lessons learned from states with filing mandates (13 states for Individual Income and 18 states for business schedules in 2005). The FTA report suggests that mandates, if considered, should be combined with incentives that make it as easy as possible for taxpayers and practitioners to comply.

For Individual Income

- Test the force field for mandates and estimate the increase that could be achieved relative to other changes we could make.
- Conduct focus groups with tax practitioners who file 500/250/100 NC returns per filing period. Determine how many are e-filing now and could be encouraged to e-file with or without mandates.
- Work to simplify the D400.
- Work toward using available data to send taxpayers a bill.
- Assess the increase in e-Business that mandates would provide.
- If the decision is to go with mandates, start with tax practitioners at a filing level determined by focus group results—e.g., those who file 200-250 NC returns per filing period.
- Initially, include only the most commonly filed NC forms (e.g., D400, D410, and NC40) and phase in other forms based on filing volumes.
- Allow exceptions based on taxpayer preference and “hardship” claims.
- Partner with the IRS, software developers, and tax practitioner organizations to develop and implement a comprehensive communication and education plan to assist in the transition to e-file.
- Use EIN to identify practitioners, but base mandate on number of NC forms the practitioner files.
- Provide a one-year lead-time for implementation.
- Coordinate with IRS to provide sufficient time for practitioners to get Electronic Return Originator Certification.
- Provide service enhancements as incentives for filing electronically. May have to do more than offer fast refunds, direct deposit of refunds, and refund inquiry tools. Incentives might include more generous extensions, lottery tickets, etc.

For Business Taxes

- May be easier to implement mandates for business taxes, assuming we build in advantages for taxpayers, starting with EFT filers.
- Need to decide if we want to pursue simplified forms in addition to streamlining. (Could participate in a TIGER’s initiative.)
- Develop optional data formats (EDI, XML, and CSV) to extract data directly from business accounting systems, making it unnecessary to reenter data.



- Develop a portal with the ability to retain taxpayer data and retrieve it to populate fields once the taxpayer's identification is authenticated.
- Accept single file of consolidated returns similar to what AL, PA, TX, and WI do now. (We do some of this now and will be able to do more with streamlining.)
- Focus on consistency of terminology and approach with other state agencies and other revenue agencies.
- Start with current EFT filers and gradually increase mandate to cover more taxpayers based on the dollar amount of tax due.
- Use a partnership and communication strategy similar to that for Individual Income.

APPENDIX F: SURVEY INFORMATION

Based on a 2004 Pew study, approximately 73% of North Carolinians use the Internet somewhere—whether or not they own a home computer.

Table 1: Computer Penetration Demographics			
Percentage of North Carolina Households that			
Have a Home Computer			
	1999	2002	2004
Overall	53%	60%	67%
Gender			
Men	59%	65%	68%
Women	53%	57%	63%
Generations			
Gen Y (ages 18 -27)	55%	68%	76%
Gen X (ages 28-39)	60%	71%	79%
Training Boomers (ages 40-49)	60%	72%	70%
Leading Boomers(ages 50-58)	66%	58%	73%
Matures (ages 59-68)	44%	43%	50%
After work (age 69+)	24%	28%	35%
Race and ethnicity			
Whites	61%	65%	68%
Blacks	31%	44%	63%
Native American		50%	39%
Hispanic		37%	31%
Other		65%	74%
County Type			
Urban	58%	64%	71%
Rural	46%	55%	59%
Household Income			
Less than \$15,000	35%	34%	31%
\$15,000 to \$24,999	25%	43%	43%
\$25,000 to \$29,999	37%	60%	64%
\$30,000 to \$49,999	43%	71%	78%
\$50,000 to \$74,999	49%	79%	88%
\$75,000 to \$99,999	50%	86%	92%
\$100,000 and above	66%	91%	97%
Educational Attainment			
Less than High School	20%	33%	36%
High School Graduates	47%	60%	65%
Community College Degree	65%	75%	78%
College Degree	76%	84%	87%
Graduate Degree	78%	87%	93%
Children Living at Home			
No	49%	54%	55%
Yes	64%	69%	81%

Source: *Tracking Home Computers and Internet Access in North Carolina*

Internet Usage in NC

In 2004, in NC, about 89% of the homes with computers had Internet access. Some people don't have home Internet access because they can use the Internet at work or somewhere else. This proportion indicates the full extent to which North Carolinians are involved with the Internet. About 73% of North Carolinians use the Internet somewhere.

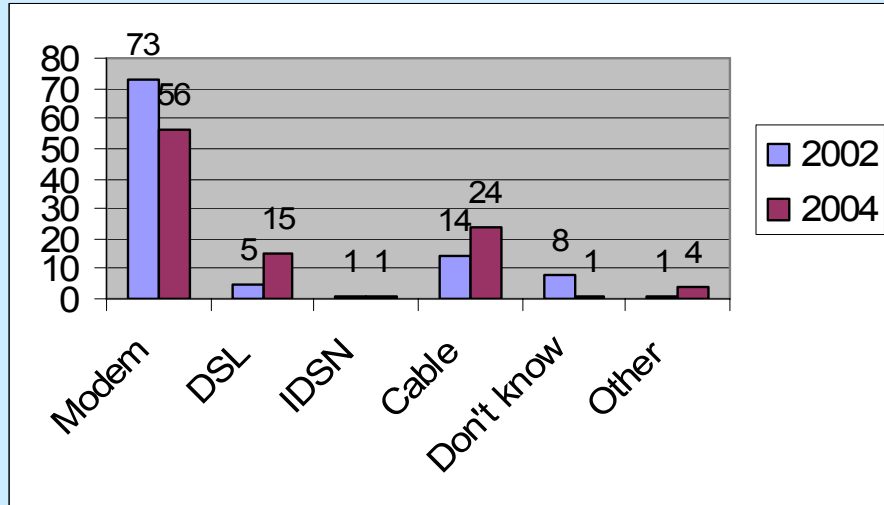
Table 2: Internet Penetration Demographic			
Percentage of NC ALL Households			
That Have Home Internet Access			
	1999	2002	2004
Overall	36%	52%	57%
Gender			
Men	41%	58%	61%
Women	35%	49%	55%
Generations			
Gen Y (ages 18 -27)	40%	59%	65%
Gen X (ages 28-39)	40%	63%	72%
Training Boomers (ages 40-49)	42%	64%	67%
Leading Boomers(ages 50-58)	49%	50%	65%
Matures (ages 59-68)	23%	34%	43%
After work (age 69+)	12%	24%	29%
Race and ethnicity			
Whites	43%	57%	62%
Blacks	19%	34%	49%
Native American		37%	38%
Hispanic		35%	22%
Other		57%	67%
County Type			
Urban	43%	57%	62%
Rural	26%	46%	51%
Household Income			
Less than \$15,000	9%	25%	25%
\$15,000 to \$24,999	4%	33%	32%
\$25,000 to \$29,999	27%	52%	55%
\$30,000 to \$49,999	23%	62%	68%
\$50,000 to \$74,999	34%	73%	83%
\$75,000 to \$99,999	31%	81%	87%
\$100,000 and above	43%	85%	94%
Educational Attainment			
Less than High School	2%	26%	28%
High School Graduates	30%	51%	57%
Community College Degree	45%	65%	69%
College Degree	58%	78%	83%
Graduate Degree	64%	83%	88%
Children Living at Home			
Yes	43%	61%	74%

No	34%	46%	48%
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Table 3: Internet Penetration Demographic Percentage of NC Households With Home Computers That Have Home Internet Access			
	1999	2002	2004
Overall	68%	87%	89%
Gender			
Men	68%	88%	90%
Women	67%	86%	89%
Generations			
Gen Y (ages 18 -27)	72%	87%	85%
Gen X (ages 28-39)	69%	89%	91%
Training Boomers (ages 40-49)	70%	88%	96%
Leading Boomers(ages 50-58)	74%	87%	89%
Matures (ages 59-68)	52%	80%	84%
After work (age 69+)	50%	85%	81%
Race and ethnicity			
Whites	69%	88%	91%
Blacks	61%	70%	78%
Native American		75%	100%
Hispanic		95%	74%
Other		89%	90%
County Type			
Urban	73%	84%	89%
Rural	57%	88%	91%
Household Income			
Less than \$15,000	29%	72%	82%
\$15,000 to \$24,999	17%	78%	76%
\$25,000 to \$29,999	73%	87%	87%
\$30,000 to \$49,999	53%	88%	87%
\$50,000 to \$74,999	70%	93%	94%
\$75,000 to \$99,999	62%	94%	95%
\$100,000 and above	64%	94%	98%
Educational Attainment			
Less than High School	8%	79%	78%
High School Graduates	64%	85%	88%
Community College Degree	67%	86%	89%
College Degree	76%	92%	96%
Graduate Degree	82%	95%	95%
Children Living at Home			
Yes	70%	88%	92%
No	66%	85%	87%

Source: *Tracking Home Computers and Internet Access in North Carolina 1999 to 2004* by Kenneth Wilson, Ph.D. East Carolina University, June 2004.

Home Internet Access

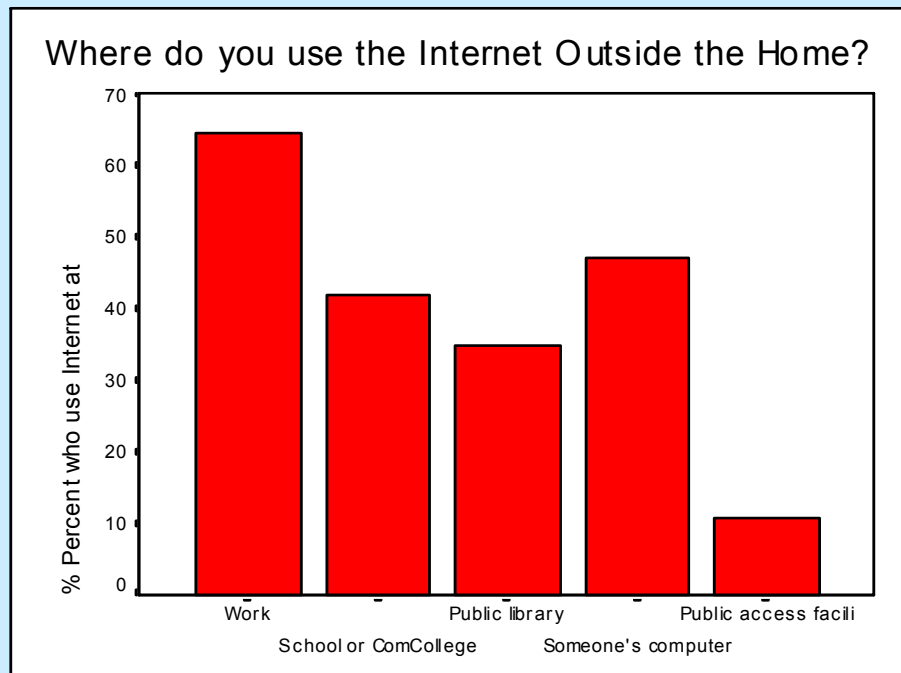


Source: *Tracking Home Computers and Internet Access in North Carolina 1999 to 2004* by Kenneth Wilson, Ph.D. East Carolina University, June 2004.

Table 4: Internet Penetration Demographic Percentage Who Use the Internet Anywhere			
	2002	2004	Pew 2004
Overall	65%	71%	73%
Gender			
Men	71%	75%	73%
Women	62%	68%	72%
Generations			
Gen Y (ages 18 -27)	86%	89%	85%
Gen X (ages 28-39)	79%	87%	87%
Training Boomers (ages 40-49)	73%	84%	84%
Leading Boomers(ages 50-58)	59%	75%	76%
Matures (ages 59-68)	39%	53%	57%
After work (age 69+)	26%	31%	24%
Race and ethnicity			
Whites	69%	75%	73%
Blacks	55%	62%	62%
Native American	53%	42%	
Hispanic	57%	46%	75%
Other	66%	82%	
County Type			
Urban	69%	73%	75%
Rural	60%	67%	61%
Household Income			
Less than \$15,000	44%	34%	
\$15,000 to \$24,999	53%	61%	
\$25,000 to \$29,999	66%	77%	55%*
\$30,000 to \$49,999	75%	81%	82%
\$50,000 to \$74,999	84%	90%	92%
\$75,000 to \$99,999	92%	95%	93%**
\$100,000 and above	88%	99%	
Educational Attainment			
Less than High School	36%	43%	39%
High School Graduates	66%	72%	67%
Community College Degree	82%	79%	84%***
College Degree	89%	91%	91%#
Graduate Degree	92%	96%	
* Pew reports less than \$30,000			
** Pew reports \$75,000+			
*** Pew reports some college			
# Pew reports College and Graduate Degree			

Source: *Tracking Home Computers and Internet Access in North Carolina 1999 to 2004* by Kenneth Wilson, Ph.D. East Carolina University, June 2004.

Use the Internet Outside the Home



Source: *Tracking Home Computers and Internet Access in North Carolina 1999 to 2004* by Kenneth Wilson, Ph.D. East Carolina University, June 2004.

e-Government Usage

The July 2003 survey by the Pew Internet & American Life Project shows that 97 million adult Americans, or 77% of Internet users, took advantage of e-government in 2003, whether that meant going to government websites or e-mailing government officials. This represented a growth of 50% from 2002. At the same time, citizens who contact government said they are more likely to turn to traditional means - either the telephone or in-person visits - rather than the Web or email to deal with government. Of the 54% of Americans who contacted government in the past year, the telephone or in-person visits were preferred to the Web or email by a 53% to 37% margin.



Small Business Action Group

Survey administered at NC State Fair and in TPA Service Centers throughout NC

- Number surveyed was 690
- For business type surveyed, retail had the highest results with 242
- DOR had the highest results, average of 63.48% count 438, for state agency contacted first for business start-up information
- IRS had the highest results, average of 27.25% count 188, for non-state organization contacted for business start-up information
- State Agencies had the highest results, average 31.16% count 215, for provided the most help in establishing business
- In person had the highest results, average 75.07% count 518, for methods used in registering business. Internet was next with a count of 162, 23.48% average.
- The question of would or would not like a “one-stop-shop” for all state government start-ups requirements:
 1. Yes-526, average 76.23%
 2. No-112, average 16.23%
- Information mailed in a packet had the highest results of 294 for method liked for receiving small business information
- The question of would or would not attend a new business workshop sponsored by DOR:
 1. Yes-456, average 66.09%
 2. No-165, average 23.91%
- The question of would or would not attend a small business workshop for continuing education sponsored by DOR:
 1. Yes-430, average 62.32%
 2. No-181, average 26.23%
- Call the NC Department of Revenue had the highest results, average 27.39% count 189, for would most likely use for small business needs. And Access NC Department of Revenue webpage was next with an average of 26.38% count 182.
- Determining all of the requirements for your business had the highest results, average 42.46% count 293, for area causing most difficulty registering your business

The following are items the Small Business Team listed from the survey results:

Survey Notes:

- Tutorials on website
- One stop
- Online registration
- Something showing all requirement and procedures
- Taxpayers want answers to their specific business needs
- Better Workshop

The following are some additional ideas that were listed:



- Florida has a business calendar of when things are due
- Mass customized questions and answers for Business requirements from website

Web Business Team Suggestions (2005) and Website Survey Recommendations (9-05 thru 1-27-06)

The following is a list of web related enhancements taken from web suggestions and website survey improvements. (Note-The website survey was placed on the website as a permanent addition in September of 2005.)

Forms

1. Make All Forms Web Fill-ins.
2. Add a Tax, Penalty and Interest Calculator to Forms.
3. Add a Form to Request Copies of Previously Filed Returns, of W-2s.
4. Provide a Taxpayer Alert of the Estimated Release Date for Current Year Forms
5. Modify Forms Pages to Index by Task vs Form Name
6. Allow Partially Completed Forms to be Saved to Return to at a Later Time

Electronic Business

1. Add a Penalty and Interest Calculator.
2. Allow Electronic Update of Personal Information Such as Name and Address Changes.
3. Allow Online Filing of NC-5Q.
4. Allow Online Filing of D-400.
5. Store Reoccurring Payment and Taxpayer Information By Web Applications to Reduce Keying.
6. Allow Scheduling of Automatic Draft of Estimated Tax for the Year.
7. Review Online Web Application Filing Requirements Relative to Supported Operating Systems and Browsers to Determine if We are Excluding Users
8. Allow Online Inquiry of Account Balance and Account History.
9. Review Credit Card Validation or Screen Text for Improvement (Repeated web suggestions that credit card payment could not be accomplished).
10. Request Online Payment by ACH Credit.
11. Add a Log Off Feature or Suggest User Close Browser When Electronic Transaction is Complete to Address Security Concerns.
12. Allow Online Renewal of Privilege License.
13. Allow Online Registration of Business for Sales and Withholding
14. Allow Withdrawal of a Payment\Return if Error is Caught Soon After Transmission
15. Allow Online Request for Hearing
16. Allow Upload of a Data File
17. Add Printer Friendly Web Pages Specifically the Confirmation Page of the Web Applications.
18. Allow Email Capability to Include Taxpayers Emailing Tax Questions and Receiving an Email Response



19. Allow Online Reporting of Tax Fraud
20. Allow Acceptance of Foreign Telephone Numbers and Zip Codes by Online Filing and Paying Web Applications
21. Permit Credit Card Payment Without Charging a Fee
22. Add Live Chat Help
23. Allow Online Filing of NC-4
24. Replace Personal Data With Symbols
25. Allow Online Filing of All Forms
26. Rethink Different Deadline for Payment Initiated Online vs Payment Mailed
27. Provide Immediate Acknowledgement of Electronic Transmission vs 1 to 2 days
28. Allow Online Filing of W-2s and Year-End Withholding Report
29. Allow Online Payment of Other Taxes (Example: unemployment tax, property tax) Using DOR Website

Website

1. Provide Information on the Website to Focus on Special Groups of Taxpayers (examples: Nonresident and Part Year Residents, Retired Taxpayers Moving to the State, Elderly Taxpayers, New Taxpayers, Small Businesses, Internet Businesses)
2. Expand Privilege License Information on Website
3. Develop a Consistent Look for All NC Government Websites

Miscellaneous

1. Determine if Website is Robust Enough During Peak Usage Periods (Due to repeated web suggestions that the website or the online web applications are not accessible).
2. Listen and Act Upon User Feedback

DOR Telephone Survey

1. Have you ever used the department's web site?

- Yes
- No

(If no, go to question 6)

2. If yes, what were you trying to do?

- Get information
- To File or Pay
- To get a form
- Resolve a problem
- Find out how to contact the department by telephone or in person
- Register a business
- Research the tax law
- Other _____

3. Were you able to do what you intended?

- Yes
- No

4. If not, why not?

- Couldn't find what I needed
- The service that I needed was not available
- The information provided did not answer my question/problem
- Other _____

5. How often do you visit our site?

- Daily
- More than once per week but not daily
- Less than once per week
- Other _____

6. If you have never used the Department's website, why haven't you?

- Do not use the Internet
- Don't have a computer
- Don't know the website address
- Prefer to use other means to contact the Department
- Other _____

7. Which of the following methods do you prefer to use to conduct business with DOR? List by order of preference (first is most preference and the last is least preferred).

- In person
- Telephone



- Internet
- Mail
- Fax

8. Rate the current business services offered by the NC Department of Revenue:

NC Department of Revenue Website Excellent Very Good Good
 Poor

Telephone Assistance Excellent Very Good Good
 Poor

Office Visits Excellent Very Good Good
 Poor

Written Correspondence Excellent Very Good Good
 Poor

9. What types of services would you most like to see on our website?

10. What would you say are the greatest barriers that would deter you from using the DOR website?

11. If you could do anything to make better, what would you recommend?

To be completed by the person filling out the survey

12. What type of caller was this?

- Individual
- Business



EBIT Telephone Survey Results

The survey was administered by the Tax Technician Group in TPA over a period of several days.

Type of Taxpayer

Individual	58
Business	51

Have you ever used our website?	Number	Percent
Yes	75	67%
No (If no go to question 6)	37	33%

If yes, what were you trying to do?	Number
Get information	36
To file or pay	24
To get a form	32
Resolve a problem	9
Find out how to contact the Dept by telephone or in person	14
Register a business	21
Research the tax law	9
Other	6

Were you able to do what you intended?	Number	Percent
Yes	57	63%
No	20	22%
No Response	13	14%

If not, why not?	Number	Percent
Couldn't find what I need	8	9%
The service that I needed was not available	7	8%
The information provided did not answer my question/problem	5	6%
Other	9	11%
No Response	56	66%

How often do you visit our site?	Number	Percent
Daily	3	4%
More than once per week but not daily	8	12%
Less than once per week	17	25%
Other	40	59%

If you have never used the Dept's website, why haven't you?	Number	Percent
Do not use the Internet	7	7%
Don't have a computer	14	13%
Don't; know the website address	4	4%
Prefer to use other means to contact the Dept	5	5%
Other	11	10%
No Response	65	61%

What types of services would you like to see on our website?

- Frequently asked questions
- Everything she wants is always there
- Right now everything she needed was on display. Could not think of anything
- Instructions
- To be able to obtain a Privilege License
- Start business information - How to start a business
- Submit amended returns online and be evaluated faster
- Refund Information
- Register Business
- Be able to close my account - Privilege License
- Clearer Instructions for line 6 on D-400
- To be able to file all tax schedules online
- Be able to close/cancel Privilege License account New Business Services
- A live chat with a representative
- Order certificate of registration
- Registration for Sales Tax
- Email
- Setup for computer dummies
- All schedules being filed online
- Status of Refund
- T/P states the website was good
- Happy with availability - T/P would like not to hand write in zip code and 4 digit code
- Appreciate being able to download

- Explanation of NC-40
- Quick links are notice to IRS and other information
- More fill in form NCK-1, NC-401- Value of zero fill would not take
- More detailed information about filing a NC return if you work in another state
- No computer
- No computer internet
- Pull up tax information to see current balances
- Look up return information or status of return
- More adobe files to fill in online
- Fine Like it is
- Q & A section
- To have the Internet remember account and banking account numbers when filing and paying online
- Personal contact numbers
- Able to resolve a penalty without speaking to a person able to get t/p's filing frequency - payroll services. Sarah Taylor assisted me 3 times and has been excellent - Angela
- Account balance / payments made
- Live help online
- More information concerning nonresident
- Questions and answers to frequently asked questions
- I like the web and use it before calling
- Would like to order copy of merchant certificate myself from web
- File taxes free online
- Information and payments
- Files applications online
- Being able to file and pay a privilege license for a 1st time filer
- No preference
- Not up to date, need to call and double check
- T/P account access online
- When accountants with P.O.A's can go in and check status online with t/p's ID number. The IRS has it
- Info about the tobacco buyout program
- Draft State payments with a password
- Power of Attorney, transaction, history

What would you say are the greatest barriers that would deter you from using the DOR website?

- On the Job would be a barrier
- Personal internet problem - not DOR
- Not knowing that report was submitted
- Time
- Inability to get on the Internet
- Not easy to use
- Not having a computer or access to the Internet

- Don't like using computers
- Must dig to find
- If when taxpayer logged in DOR would monitor who logs in and what they were asking
- Accounting software she uses is not user friendly against virus and is afraid to use
- The taxpayer says once she got on the Internet she was not able to access the information that she was looking for
- Not having access at time of need
- If Internet is down
- Internet service might be down
- Not having access to the internet
- Do not know of any obstacles to using website
- Not computer literate
- If login and password
- Security
- T/P computer cannot download forms
- T/P had no computer
- T/P states if she had Internet nothing would deter her from using the website
- Not finding what you need - better search engine
- Not having a computer or access to the Internet
- Misunderstanding
- No computer
- Lack of information - refund amended return or prior years information
- Where to find info is confusing
- Default to locate info pertaining to a specific subject
- Cannot ask specific questions and get answers quickly
- Does not have quick access to it. Just dial-up
- Locating information quickly\
- Unable to locate answers quickly
- Unable to locate answers quickly
- Internet Security in general
- Need to look carefully a lot to research
- Payment not applied correctly
- Prefer to speak to a live person
- Lack of internet use
- Learning to e-pay initially - I like it now
- Slow response
- If you have a general question to ask in detail
- None on the website, telephone op time not so good
- A lot of information is on our Web
- Up to date information is questionable
- Not able to go online to check t/p's account status
- Run around

If you could do anything to make better, what would you recommend?

- File 100% taxes - all schedules online
- Keep up the good work - none at this time
- List information for out-of-state companies
- Stayed on hold too long. Stayed on hold 20 minutes. Once she got through the service was good
- Be able to verify information on our website
- A new business packet online. Business package from DOC did not help with setting up a W/H account
- Phone calls to t/p should be better, not so intimidating
- Ensure that it was user friendly. Topics or tool assistance that you could ask computer question and it would direct you where to go
- To be able to find things easily and quickly
- None reference
- Make the Internet more user friendly
- Thought website was helpful
- Be able to close a privilege license account
- Same as line 9 above
- Process payments better
- No recommendations
- Better phone system - Internet needs to be made user friendly. Hard to find information
- More local offices to assist
- Be able to close / cancel privilege license account. Be able to change address
- Website be clearer for military filing. Information is not presented clearly
- Not easy to understand
- Faster response getting to a real person to talk to
- More pictures
- Make easier to use
- More user friendly
- Address was a factor because t/p was out of the US (Canada)
- T/P states forms in general are not written in straight forward instructions
- Not as simple as federal government and other states
- Add more state links like Virginia State since it is adjacent to NC
- More details on working in one state and living in NC
- Nothing - great phone customer service
- Instructions on how to fill out D-400 could be made simpler
- Prefer to talk with person instead of going through so many problems
- More information on previous years. Info for offsets - to whom they went
- Search engine - wants strange info so that when you put in example in example: 1099's that it brings up info on a particular subject
- Less rules and regulations
- Property tax division - everything be listed under one name. Do not think that the tax info should be public record

- Time waiting cut in half/telephone wants to be able to get operator by pressing "0"
- More adobe files to fill online
- Link header to homepage that say's contact
- More user friendly
- Want to see tax types: Sales, W/H, Corp, Ind, Misc with all info under each type. Rather than individual business practitioner
- Put in tax year on payments
- Prefer to talk with person instead of going through so many problems
- Prefer Tele Tax
- Less time to speak with an agent - put on hold up to 45 minutes
- File forms online
- Being passed off
- Research - how to recognize term
- Online account checking
- Be able to correspond by email
- No recommendation - caller from SC and preferred to speak with an individual



Internal Focus Groups

Focus Group Agenda

1. Welcome and Self-introductions – Name, years of service with DOR, where you have worked at DOR, and current work area.
2. Identify electronic tools you use internally: PC programs—Word, Excel, Access; Intranet; GroupWise; Internet/Web; Sorters; Scanners; Copiers; Faxes, call center technology/IVR; Predictive Dialer; etc.
3. What the statement “DOR’s business is e-Business” means to you.
4. What you would like to do electronically at work that you currently do manually.
5. What weaknesses/deficiencies you experience when using current DOR electronic tools at work.
6. As a taxpayer or from working with taxpayers—
 - What do you think an external customer’s service delivery preferences are?
 - For various transactions, what is the preferred delivery method?
 - What are the major reasons for not using the web currently?
 - Assuming DOR offered all transactions over the web, why not use the web to transact all business with DOR?
7. Next steps.

Internal Focus Groups: Make-up and Schedule

1. Processing Staff

Tuesday – Feb 7, 10-12 Room 636-4

- Mail Opening/Sorting
- Doc Prep Money.
- Doc Prep No Money
- Exceptions-Registration,
- Data Capture E-Series
- Data Capture S-Series
- Data Edit
- Suspense
- Central Files
- TPA Support
- TPA Correspondence Unit

2. Assistance Staff

Tuesday – Feb 7, 2-4 Room 636-4

- TACC – TPA Level I
- TPA Service Ctrs.
- TPA Level II (2 people)
- TPA Level III (1 person each from Darryl, Wallace, and Pierre’s groups – total of 3 people)



- Tax Admin – Personal Taxes
- Tax Admin – Sales Tax
- Tax Admin – Corporate
- Tax Admin – Property Tax

3. Compliance Staff

Thursday – Feb 9, 8:30-10:30 Room 637

- Central Exam – Ind Inc.
- Central Exam – Business Taxes
- Motor Fuels – Support
- Motor Fuels – Audit/Investigator
- Interstate
- USUB
- CID
- AG’s Office
- Tax Research

4. Collection Staff

Thursday – Feb 9, 2:30-4:30 605

- Central Collection
- Field RO’s
- Bankruptcy
- TACC – Collection Level I
- TPA Service Ctrs.
- Raleigh Field Audit

5. Support Staff

Tuesday – Feb 14, 10-12 636-4

- HR
- Financial Services
- Training
- Admin Services
- IT (1 person from Applications and 1 person from Network)
- Security
- EPMO
- Secretary’s Office

SORTED Opportunities from 2-7-06 and 2-9-06 Focus Groups

Comprehensive User Account Management on the Web

- T/P be able to request a copy of Certificate of Registration on line
- Garnishment release letters to t/p/employer
- Change corporate name – DANGER

- Being able to give taxpayer “clean” transcript – something that does not require explanation
- T/P e-mail – settlements
- Update phone numbers on website & “app. Approval”
- Abrv. F208 to allow t/p to see acct. specific – oc.mo Sales and Corporate
- Non-filer – request copy of W-2 wage and tax information
- T/P have greater access to their account info, frees up time for employees to devote to issues requiring their personal attention.
- Be able to accept additional documentation thru e-mail – scan it and attach it to e-mail.
- Common Errors – Audit adjustments t/p can see what errors were made. T/P could access notice information on line.
- Field audit reports – explanation of assessment would reduce calls for hearings.
- More Account Specific information available to Taxpayers

Electronic Communication

- Instant Messaging—think it would be a good tool to have to communicate with employees they must reach to resolve problems.
- Tele – conference
- Web meetings
- Be sure we are protecting t/p information.
- On line live assistance.
- Ability to receive e mails including bulk messages.

Expansion of Electronic Payment and Electronic Filing Options on the Web

- An e-tool that will provide a faster way of calculating tax/county breakdown.
- Applying for Sales /WH Account – online registration – get # at time
- Processing Payments
- Applying for Privilege License – pay fee- close account
- File no tax due return
- Take settlement payments electronically and let people working the case know that it has been sent so assoc. adjustments will be made.
- Instantly debit from bank account and post it immediately – w/o lag time on ITAS. – So in-date in ITAS is payment date would elim. problems – settlement dates.
- Capture total amount withheld/total amt claimed @ Agg. Level – check/balance
- Posting payments – big manual effort currently – split/payment, reports - * Field Audit & Hearings
- Software company – last year refund shows as est. tax
- Calculate form mathematically for t/p.
- Calculations for Web-fill forms – Automatically transfer of information
- Allow Withholding Reports with out payment to be submitted electronically through the Web.
- Allow Zero return for filing frequency change be file electronically (quarterly reports)

E-Forms

- Any DOR form available on website



- Allow forms “PDF”
 - allow the taxpayer to type in information to print in standard way to scan better when received
 - Auto fill lines

Emphasis on Usability

- More use of Internet.
- FAQ’s – updated – dynamically – so they are the “frequently” asked? & currently.
- Instructions – what to provide to resolve common errors
- Redacting letter rulings and make them available to public – would have to pull history information when law changes.

Enhanced Educational Tools for General Audiences

- Getting tax law info electronically.
- Improve forms and instructions to help taxpayer’s fill out forms correctly.
- Web-cast – for emerging issues – esp. for practitioners – (IRS has it)

Integrated Systems

- More use of Excel and Word.
- Improve drop-down menus in Excel and Word.
- “Do not do!” signs—better/more warnings in ITAS to prevent user errors that cause account problems.
- Improving ability of ITAS to read scanned images.
- When taxpayers e-file or use ELF and the return suspends, suspense employees write down taxpayer's name and social security on paper from F202 in ITAS because there is no image with ELF. If we could pull up an image of the ELF document and see the taxpayer's name and social security, it would result in a faster process for getting the return posted to ITAS.
- Corp. Process Limitations- Requires manual adjustments
- W/H Process Limit on Recons.
- Individual Income – ITAS= account in balance – cross reference to see if additional payments applies somewhere else – joint/single.
- Window Based System for ITAS
- Pull down Menu in ITAS
- -To make it easy to know what information you have available
- Uniformity of conversations & Tax Types
- -Numbers are different in different conversations
- Have One System (JETS info cross-referenced)
- Merge System – ITAS/VISTA Data
- reduce manual processes (difficulty in transferring info to VISTA)
- Offsetting money
- Ability to access EFT information.
- Track returns that are in Doc Query but not in ITAS.

Organizational Reengineering

- More electronic process’ – less manual



- Move BAR Code so it will not fall within a natural fold line
- Scan taxpayer documents to download to database
- Review and Evaluate DOR divisions to see what could be automated

Enhanced Technology Infrastructure and Support Services

- Wireless Access/Connection to DOR from Laptop.
- System availability –
 - Soft phone
 - Core Bank
 - Doc Query

Partnerships with Public- and Private-Sectors

- CP-2000/RAR Adjustments – Once IRS made final decision – if that information could be down loaded to our system.
- Resp. Officer Assessment – Federal version – would be nice to get these.
- More current ESC information.

Conducting Internal Business Electronically

- E- timesheet, expense report
- Provide Temporary employees Time Cards/Time Sheet electronically
- Internet for Time/Expense Reports – e.g. American Express
- Speed up hiring process – from recommendation to time you can offer position

Flexibility to handle cases and track throughout their lifecycle using a variety of workflow capabilities.

- Automatic calculations of Collection by TACC Agents (Case Management)
- Automatic process for Case Assignments
- Electronic means to create Vouchers
- Automatic means to deal with returned mail.
- Better tracking of Money orders (can't see)
- Electronic way to manage skill set needs automatically at the TACC.
- Ability to transfer calls to non-TACC phones, including field offices.
- Better way to track non-ITAS collections.
- Avaya phones – Real Time – difference in phone time & PC time (7 min. diff in phone and PC time, causing a back up in the afternoons)
- Maintain data on transferred calls – TACC-CCU-Level III, data is lost)
- Be able to track calls
- F651 – Require universal use of this screen.
- Require one location for ITAS Notes.
- Manual Refund Process to electronic means (Bankruptcy)
- Streamline of audit process- Use electronic transmittal – Key audit, process it, and send it to tax administration electronically- eliminate time lag.
- Misapplied payment cross match more research
- CTL file and release elect.



Knowledge management capabilities through sophisticated document and information management processes that enable employees to share information that assists in providing services and enhances organizational learning.

- Using GroupWise or another e-communication tool—Intranet, e.g.—to communicate problems that one area is having that affect other areas---e.g., when jobs are run, particularly if they are run out of sequence and cause other problems; also to report suspense problems.
- Way of letting ITAS users know how the changes they are making on the system affect other users.
- Cross Divisional Communication - Notes From Database to Assist in Responding to T/P questions. Match payments. Match payments c in DOR Cross Ref. (mis applied)
- More effective means of processing/handling Correspondence – Document Management.
- Field audit – has own database – when there is a hearing request/protest need to share files electronically. Would give tax administration ready access to audit report/file. Whoever wanted to see it, could see it.

Powerful data management capability that will allow employees to flexibly sort, match, and mine data using business/decision analytics for segmentation and other business intelligence gather purposes.

- Cross Reference – Program to ID T/P – matching for audit purposes.
- Non-Resident – S-Corp Cross Match
- Systems that speak with each other -Correlate data from various databases e.g. W-2's
- System easier to Query – to extract information
- Systems that Cross-match and Query for audit purposes.
- Better Analytical ability/Tools – e.g. Tools developed by SAS

Unedited 2-14 Focus Group Results

E-Business

- Electronic Business
- Web
- Doing business better
- Streamline processes
- Paperless
- Operating 24x7
- More Accurate

Systems Used

- Payment Vouchers
- PMIS – 1975 (old legacy system), Personnel Mgt., Info. Sys.
- NC Accting. System
- DMV System – Research
- Registration for Training
- SOS System



- Tripwire, FD5 & IPS Systems for Security
- Group Wise
- Internet
- e-Procurement

Weaknesses & Tools

- Insecure Workstations
- Eliminate paperwork – get pay stub on line – electronic check stubs – W-2 form.
- More online training
- Enroll in NC Flex – Benefits online
- Not defined what employers can do online – programs for state agencies on line – need set of DOR guidelines for using web to access this information.

Tools – Deficiencies

- Not all employees have computers at home to access info available online for State employees.
- Automate e – DORSA process.
- Standardized forms that t/p send in with payments – size
- Electronic training registration.
- Garnishments – vouchers – misspelled names based on what employer provides – need electronic research tool to verify spellings.
- More access to databases.
- ITAS – addresses – ability to search by address to identify t/p's.
- More online payments to reduce problems identifying payments.

Taxpayer Preferences

- Older people don't like doing business on web.
- Fear – of identity, theft.
- A lot of people want face to face.
- Want to get a warm body, don't like to have to press a lot of buttons to get to someone.
- Our phone system is not user friendly – not meeting caller needs – too many options – needs to be more direct.
- Older people in particular do not like using automated phone system.
- Personal preference would be to receive notices – online.
- Would need way of identify accounts/prior communications so taxpayers expect it – don't treat it as spam – will not fear opening it.
- Allow payments through electronic checks for those without credit/debit cards particularly.
- Some don't want their money to get here sooner – mail delays cashing of check.
- Give away our old, discarded computers to those who don't have one.
- Libraries offer computers – fear that information is not secure using a public computer.
- Overnight drop-off box at building.



- Extended hours at TACC for those who have difficulty calling between 8:00 – 5:00 – flex time to extend phone coverage hours.
- Website works better for businesses, than for individuals – needs to be easier for individuals – on first page provide option for individuals.
- Majority of individuals use tax preparers on turbo tax.
- Provide free online filing service.
- Click on a button on web and be able to communicate with a live person.
- If person gets lost and has to call, retain information so they can pick up where they left off without losing information – retain taxpayers data.
- New State HR System- online applications – job applications req. a signature now.
- 1305 forms sent online- pilot to not req. signature – use “sent” function as authorization/signing.” – may need to be tested in courts.
- Career banding – will need to have criteria online.
- Currently allow applicants to fax job applications then send hard copy by mail.
- Job descriptions – classifications process – online – need e-file for job descriptions – running out of space for retaining HR paper files – exp. considering # of new positions.
- Need to be able to scan current paper files – doc. mgt to develop e-file.
- Timesheets – online – will be part of new State HR System.
- Provide online training – especially policy training.



LIST OF SOURCES FOR E-BUSINESS STRATEGIC PLAN

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NC DOR Sources

“Design Criteria to Guide DOR Business Process Reengineering Efforts,” TACC Steering Group. 2002.

“Doing Business in 2010,” Senior Staff Operations Subgroup. Fall 2005.

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North Carolina Department of Revenue Vision 2010 Plan: Our Roadmap to the Future. July 2004.

“Vision 2010/e-Business,” Secretary E. Norris Tolson’s Memo to all DOR Employees. October 27, 2005.

Websites/e-Businesses

All State Revenue Agencies

American Kennel Club

Apple

Amazon

Bank of America

Bank One

BB&T

Citi Bank

Evite

Google

Microsoft

NetFlix

NC Commerce

NC DMV

NC ESC

ProgressEnergy

RBC

SECU

Wachovia

Yahoo