Berkheimer Handles 500,000 Forms a Year with OCR *for* Forms™

Founded in Bangor, Pennsylvania, Berkheimer Associates ("Berkheimer") is Pennsylvania's largest independent local tax administrator, maintaining offices throughout the state. More than 1,100 municipalities and school districts process their tax records and payments through Berkheimer. Despite a dramatic increase in the number of municipalities served, Berkheimer decreased processing time and simultaneously avoided staff increases by implementing Microsystems Technology's award-winning forms processing software solution, OCR *for* Forms™.

In Pennsylvania, municipalities and school districts share in a percentage of individuals' earned income. Berkheimer, as a designated administrator for the local earned-income tax, processed in excess of 500,000 tax forms last year through automation. Some tax forms are joint returns and most forms contain three to four pages of attachments such as W2s, *etc.* This year, Berkheimer is printing more than 1.2 million forms for distribution to taxpayers, a 15% increase from the previous year. While the firm still audits tax data throughout much of the year, all tax refunds are issued by July 1, which leaves a short time frame for the initial data-entry phase. Prior to automation, this was a tedious process; part-time staff had to open every envelope and sort the forms by municipality. After manual data entry, the firm temporarily filed the forms until retrieved for the required audit, then archived them.

The company's management had recently decided to implement form imaging technology to save valuable storage space. Imaging would also allow the staff to retrieve the forms on-screen, reduce paper handling, filing and retrieval time, as well as lead to an overall decrease in processing time. Robert Fehnel, Director of MIS, was familiar with the capabilities of OCR technology and realized it could be used to provide even greater efficiencies.

After evaluating several competing products, Berkheimer concluded that OCR *for* Forms would provide the greatest accuracy, and best utilizes the recognition technologies available for bar codes (BCR), mark-sense boxes (OMR), hand-print (ICR) and machine-print (OCR) data types. The product was also selected because of its ability to take data from paper to ASCII text — quickly and accurately — then effectively move that data into a custom database. Fehnel was also impressed with Microsystems' local reseller, Document Conversion Associates of Annandale, NJ, which demonstrated the expertise needed to ensure the project's success from start to finish.

After a brief trial period in which Berkheimer proved the system would meet expectations, they quickly moved it into full production. Using Bell+Howell scanners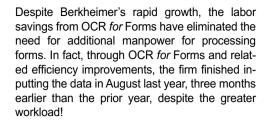, Berkheimer now captures the data onto Novell network servers with a Windows® client, then stores the images in a Progress database running on a UNIX system. The processed data is then accessed by Berkheimer's cutting-edge tax-administration software.

To maximize the scanning accuracy, Berkheimer extracts only select data fields. The software then verifies the taxpayer's math, and compares the numbers against quarterly estimated tax forms and the state's W2 data. In the past year, of all the forms scanned, 30% completely balanced and required absolutely no manual intervention. The rest of the scanned forms required some manual verification, correction or amendment due to status or address changes.

> **Through OCR *for* Forms, the firm finished inputting the data three months earlier than the prior year, despite the greater workload!**

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Despite Berkheimer's rapid growth, the labor savings from OCR *for* Forms have eliminated the need for additional manpower for processing forms. In fact, through OCR *for* Forms and related efficiency improvements, the firm finished inputting the data in August last year, three months earlier than the prior year, despite the greater workload!

Berkheimer continues to fine-tune its OCR accuracy and data verification through forms modernization. The company also plans to expand its use of OCR *for* Forms to include additional tax forms. During the first year of use, Berkheimer scanned approximately 60% of all forms; the following year, the figure rose to 80%. "OCR *for* Forms has enabled us to realize increased efficiencies in several areas," commented Robert Fehnel. "These efficiencies translated into money and time saved, better use of staff and improved customer responsiveness."

OCR *for* Forms is a Windows®-based forms processing software solution that offers users more applications, more features and more automated data entry solutions for more types of forms than any other product in the industry. What used to be time-consuming, labor-intensive data entry projects are no longer a problem with OCR *for* Forms.

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