

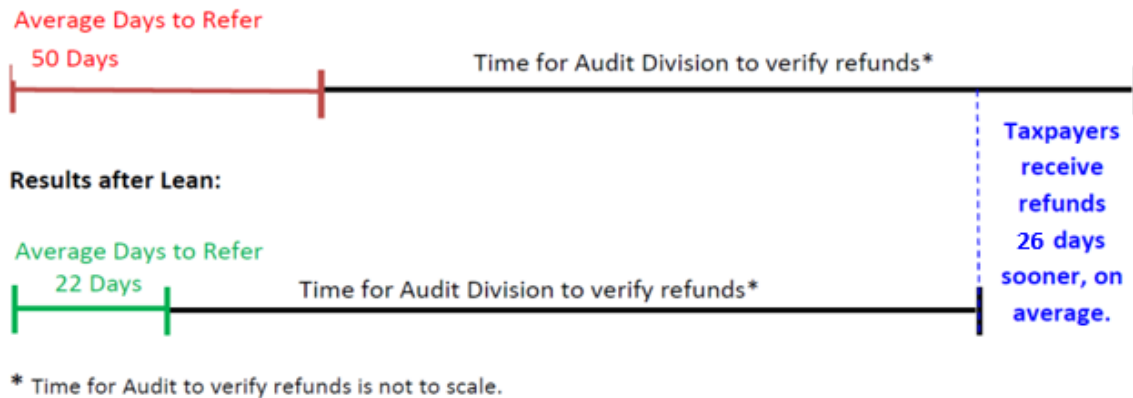
Refund Referral Process

Agency: Department of Revenue (DOR)

Partners and Customers: Worked with process partners in Audit Division.

Project Impact

The Department of Revenue improved the Refund Referral Process, resulting in a reduction in the average number of days for a refund request to be referred from the Taxpayer Account Administration Division (TAA) to the Audit Division (Audit) from 50 days to 22 days.



Project Summary

TAA examines 14,000-16,000 refund requests every year for taxpayers. Refund requests are received both electronically and via paper in the form of refund applications, amended returns, and annual apportionment reconciliations. TAA refers approximately 300 refund requests per year to the Audit division (Audit) for processing using predetermined criteria (i.e. an account in audit status) or when an examiner believes a refund will be better accomplished through an audit review in the field.

Most requests for refunds enter the DOR through TAA. Each year, approximately 300 refund requests meet predetermined criteria and are referred to Audit to be completed.

When refund referrals from TAA to Audit are delayed, it affects Audit's ability to meet their refunds performance measure. It also delays refund requests issued to taxpayers.

Currently, the average time it takes for TAA to refer a refund to Audit is 50 days compared to our target of 40 days, which we want to reach by 12/31/2016.

Working with process partners in Audit, the following changes were implemented by the Lean project team to make the refund referral process more efficient:

- Updated procedures so examiners can send referral requests directly to Audit's Refund and Deferral Unit team, allowing decisions to be made at the lowest appropriate level
- Developed reports to expedite referral of amended returns received electronically
- Changed assignment processes of paper refund request cases
- Instituted a dollar threshold to limit nonessential referrals
- Updated taxpayer letters to eliminate or limit the need for subsequent and prolonged correspondences

Strategic Lean Project Report



Project Results



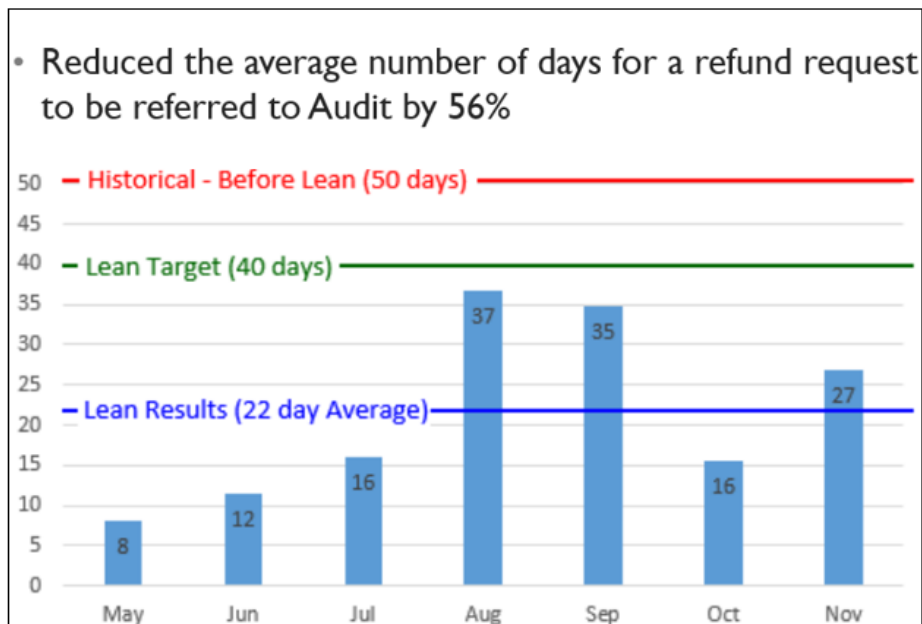
Time

Decreased the average number of days for a refund request to be referred to the Audit Division **from 50 days to 22 days**. Much of this time savings was passed on to the customer because the Audit Division issued the refunds to taxpayers an average of 26 days sooner. Although it was anticipated that refunds would be issued 28 days sooner, the Audit Division experienced resource constraints during the measurement period. The Audit Division has since engaged in a problem solving routine to sustain or increase this improvement margin for customers.



Taxpayers receive their refund an average of 26 days sooner.

Results from May 2016 – November 2016



Project Details

Date improvement project was initiated: 10/27/2015

Project Contact: Heather Boe

Email: heatherboe@dor.wa.gov

Phone: 360-534-1607

Report reviewed and approved by: Vikki Smith, Director