

# Case Study: Loudoun County Treasurer's Office

The Loudoun County Treasurer's Office Saves Money and Improves Service by Verifying Taxpayer Address Data



## Situation

The Loudoun County Treasurer's Office was experiencing a high volume of returned tax bills despite regular checks against the NCOA<sup>Link</sup> change-of-address data, potentially delaying revenue collection and irritating tax payers with accelerated payment cycles or late fees.

## Solution

The treasurer's office purchased three address verification products from Experian QAS to validate address data before it is entered into the tax collector's database.

## Results

In six months of deployment, the Loudoun County Treasurer's office estimates to have saved at least \$17,500 by eliminating re-work associated with returned tax bills. Residents now receive their bills on the first attempt and have the standard cycle to remit payment.

### Faced with a Returned Mail Mystery

Residents of Virginia are taxed semi-annually on the assessed value of every vehicle they own, unlike some states in which residents only incur real estate taxes. In Loudoun County, where the population has exploded more than 325% in the last twenty years, accurately assessing and taxing personal property in a timely manner is no small feat.

The Loudoun County treasurer's office gets two-thirds of its motor vehicle ownership data through a feed from the Virginia Department of Motor Vehicles, a quarter over the phone or through face-to-taxpayer interaction, and a small but growing percentage through its website. Data from these three channels is critical in

billing taxpayers, but was not always accurate.

In one 2007 tax bill mailing of 231,000 pieces, 6,600 bills were returned to the treasurer's office as undeliverable. Of those, 5,100 had a forwarding address but were returned even though the treasurer's office ran the recipient list against the official change-of-address file. Upon closer examination, it discovered that address data inconsistencies – ranging from missing apartment numbers to absent or oddly abbreviated street directionals – were hindering NCOA match rates. All of those bills needed to be updated with the correct address and re-sent before the tax deadline so that the recipient could avoid paying a 10% late penalty.

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The greatest operational cost of these returns was the time it took to re-work each piece. The returns also cost the department additional postage and delayed revenue collection and potentially upset tax payers.

### Outfitting Data Capture Points with Real-Time Address Verification

To prevent inaccurate address data from entering any of its systems, the Loudoun County Treasurer, Commissioner of Revenue and Assessor's offices purchased verification tools from Experian QAS. Each office captures and works with address data for critical initiatives and all saw the value in safeguarding the data they use and provide to other departments.

Dianne Blackwell, Operations Manager, pushed for an immediate roll out of QAS Batch to cleanse the data to make an impact on a major upcoming tax bill mailing. "I wanted to get the software in place before the mailing because I knew it was going to help us substantially," said Blackwell. The QAS Batch data cleansing process checks each record against the latest U.S. Postal Service® (USPS®) address data file to complete ZIP + 4® codes and correct any formatting errors.

After getting the back-end data in good shape the Treasurer's Office implemented QAS Pro to interactively verify in real-time any address data submitted over the phone, from a form or a face-to-face interaction.

"If someone typed Boothill St. but meant to type Foothill St. – how do you correct that as a misspelling? It can't be corrected on the back end," said Blackwell. "Missing apartments can't be corrected by a back-end solution – you have to have the person there in front of you to tell you their apartment

number. In the town of Leesburg, VA, every single address has a street directional such as NE, SW or SE. If those are missing, we won't get a hit from NCOA."

QAS Pro runs interactively on any computer in the county treasurer's office that may process an address. "We didn't think anything was going to work with our legacy application. QAS Pro actually makes the green screen application easier to use because it is a Windows application on top of our old system," said Blackwell. Employees in the office invoke QAS Pro with one keystroke and then use the interactive tool to capture address information. The data is automatically pasted back into record fields.

User acceptance of the workflow change has been high. "People love this software because it is just that simple to operate" added Blackwell. "I've not had one complaint from anyone in my office. It was installed in minutes, I trained them in a two minutes session and they were up and running."

The purchase of address verification tools didn't take a toll on the group's overall budget. "We figured that we were going to save enough in postage that we actually didn't really budget for it. We got our return on investment in it – it cost us nothing really when you really look at it because we just took the money right out of our postage account and we're even," said Blackwell.

### Bottom Line: The County Treasurer's Office Saves \$17,500

The Loudoun County Treasurer's Office is only halfway through its total address data initiative but has already experienced a decrease in returned bills as well as solid cost savings.

The reduction in returns is most probably related to higher match rates against the NCOA<sup>Link</sup> change-of-address data now that the county is comparing accurate data to that record.

More impressive has been the amount of money the county has saved by grouping tax bills. Even though the overall number of tax bills grew from 2007, Blackwell and her team were able to mail significantly fewer pieces in 2008 as Loudoun County can now confidently bundle tax bills to the same households in one envelope. This represents additional cost savings and perhaps more importantly left a better impression on tax payers. "County budgets are tight; we don't want people wondering why we are sending them separate pieces of mail when we could have just put them in the same envelope," commented Blackwell.

With two major mailings per year, this benefit alone has saved the Loudoun County Treasurer's office more than \$16,000 annually; the savings from reduced returned mail puts the department's yearly cost savings around \$17,500.

Despite the cost savings, the Loudoun County Treasurer's Office finds the most value in a benefit to be improved taxpayer improved satisfaction. Customer satisfaction and positive perception of the treasurer as an elected official managing the county's finances is the department's highest priority.

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