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Automated Check Processing

WHITE PAPER

JDI DATA | Fort Lauderdale, FL



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Executive Summary

Each month, JDi Data receives between 400 and 500 insurance carrier checks that must be sorted to the appropriate case file. Then applied to the correct carrier, deposited into one of 600 trust accounts, and attached to the case file database. Due to each carrier having their own unique check format, the task is daunting for any size organization. Deploying this solution has enabled staff to streamline the process by reducing manual data entry and potential errors.

The Manual Process

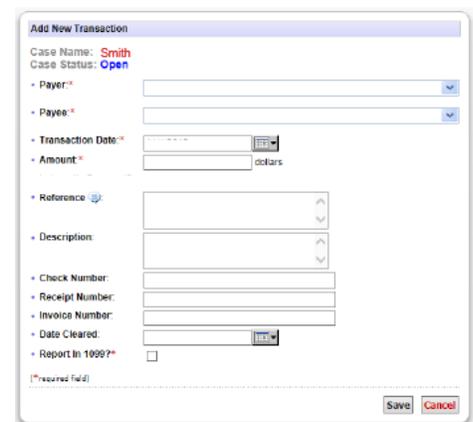
Our process began with an individual sorting checks from the incoming mail and organizing them by case file. Manual data entry began when the case name was identified by the payee designated on the check or by keying a claim number into the system for verification. Once the case file was identified, the payment screen was selected and the payer was chosen from a drop down screen. The employee then manually entered the check date, amount, and check number.

Once all of the checks were entered into the payment screen, the task of saving the documents to the appropriate case file began. First, the checks were scanned into a PDF file. Then each individual check was extracted to a separate PDF file, renamed with the appropriate case name, and saved to the corresponding case folder.

Finally, another employee was tasked with the verification process. Each check was compared to the deposit report to verify the correct case name, payer, date, dollar amount and check number. At last, the checks were ready for deposit. At a minimum, this process involved multiple employees and hours each day to complete the entire procedure. During month's end, the volume of checks increased so heavily that the entire 8 hour day was spent on this one task.

The Solution

Automated business processes streamline the flow of information more accurately, more quickly, and in a more cost effective manner than the human process. Increasing efficiency in labor intensive and repeatable tasks will reduce costs and ultimately improve customer service. The quicker that your company's important data is available, the quicker your employees will be able to access that relevant data to better serve your customers.



The screenshot shows a web-based form titled "Add New Transaction". At the top, it displays "Case Name: Smith" and "Case Status: Open". Below this are several input fields: "Payer:" with a dropdown arrow, "Payee:" with a dropdown arrow, "Transaction Date:" with a date picker, "Amount:" with a text input and "dollars" label, "Reference:" with a text input and a small icon, "Description:" with a text input, "Check Number:" with a text input, "Receipt Number:" with a text input, "Invoice Number:" with a text input, "Date Cleared:" with a date picker, and "Report In 1999?" with a checkbox. A red asterisk and "required field" text are visible at the bottom left. At the bottom right, there are "Save" and "Cancel" buttons.

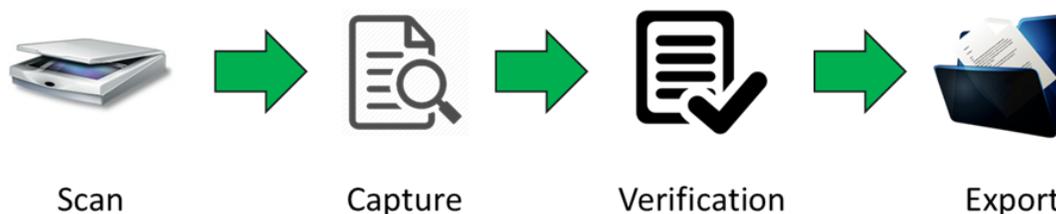
Benefits

First and foremost, the time spent on repeatable tasks can be tedious and unproductive. The possibility of errors increases as each employee touches the document during the workflow. Since the automated capture system may be validated against existing databases, the user is provided with a highly accurate and robust way of searching and matching documents.

With the addition of new templates that capture the unique location of data on checks from different carriers, the system is able to identify the required information in a much quicker fashion. Since the verification by multiple employees may be done from within the software, the chance for misplaced or mishandled checks is reduced as well. Each check is placed in your document management system as specified by your business rules. Both the front and back view of the check are made available in addition to documentation associated with the check.

How It Works

This check processing system is fully automated. Beginning with document capture and ending with each check archived into the appropriate case file and document depository. This technology enables users to process checks regardless of format from any number of carriers. Users may work locally or remotely as documents can be dropped into a “hot folder” (temporary holding stage until business rules identify where to direct document) via email or directly from a computer file.



The process begins by simply scanning the checks into a single PDF document. The PDF document is dropped into a hot folder that begins the capture process of reading the document. The system will correct misaligned pages or auto rotate pages that are facing the wrong direction. Separate hot folders may be created for single page or multi-page documents to allow the system to identify the boundaries between groups of loose pages. For example, if a check includes multiple pages as opposed to a single page, the hot folder would be able to identify and include the additional pages without effecting the separate single page upload.

The capture station functions automatically and does not require any outside monitoring. Capture of the document is based upon criteria set up in the workflow parameters and business rules. We began with a basic check template that listed the names of fields that were required from our payment screen. The system looked for text we defined such as *Payer*, *Check Date*, *Check Number* and *Amount*. Data may be found based on its location on the page, its location in relation to other objects on the page or the contents



of the field itself. Additional custom templates were added to support carriers who submit a high volume of checks to further streamline the workflow process.

Next, the document is pulled into the Verification station. This allows the user to review fields that have not been identified and enter new data. This station may be connected to an existing database allowing the user to match information from a drop down box, even if data is only partially recognized. As each data cell is filled, the system moves automatically to the next field. Once all fields have been populated, the user selects Document Validation. At this time, the system confirms the validation results either pre-populated or manually entered against the validation rules set up in the workflow. The user then selects Character Verification. This will allow the user to confirm or change any characters flagged by the system for review. Once completed, the documents are ready to export.

The Export station reads the document formatting information and naming rules from the workflow settings and converts the document to the correct format. The Export station also functions automatically and does not require any outside monitoring. Once formatted and named correctly, the Export station will generate output files in PDF or TXT format and attach them directly to your existing database or document depository. This technology can read computer based type or handwritten text in order to streamline document workflow for any organization.

The Results

JDi Data completed our first test run of the automated system with 16 checks from various insurance carriers. It took one employee 90 minutes to manually enter the 16 checks through the payment screen. At this point, the checks were handed to a second employee that scanned them into a PDF document. The individual checks were extracted into single pages, renamed, and saved into the case information folders located on our company server. From scanner to completion, the second stage of the process took 40 minutes. At this time, none of the checks were viewable from the payment screen. They were only viewable by accessing the individual case file folder on the server.

Total project time: 2 employees, 2 hours and 10 minutes

Average time per check: **8.12 minutes**

The same 16 checks were scanned into a single PDF folder, dropped into a hot folder and run through the automated system. With the addition of new check templates to our workflow, we have noticed a decrease in the number of documents that must be manually identified. All 16 checks were handed to the Accounting Manager for deposit 18 minutes later. All of the checks were named and copied to the case file folder and available for viewing through our payment system.

Total project time: 1 employee, 18 minutes

Average time per check: **1.12 minutes**



Who We Are

We're a team of unique specialists that strive to create innovative solutions for professionals within the insurance, risk, and legal, communities. For the past three decades we have provided cost savings solutions to thousands of users. By putting the needs of customers first, we have been able to stay ahead and create continuous disruption to serve the marketplace.

Our Innovations Are Your Solutions!

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