



N.C. Department of Transportation
Continuous Improvement Project Submission Form



Project Name: Elimination of Refunds
Business Unit: DMV - Vehicle Services
Team Members: Mike Bryant, Mike Farmer, Michele Bailey, Paula Windley, Portia Manley, Julia Gorelik, Srinivasarao Kandimalla, Tammy Carlisle, Rebecca Driver
Project Type (Select 1 from the List): Cost Savings

Submission Date: 12/17/2010
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Date Implemented: 9/23/2010
Supervisor Approving Project: Michael D. Robertson

Project Objective: Eliminate the issuance of refund checks resulting in savings to the state. The objective sought to eliminate refunds checks and issue a credit on the customers' account. The customer would be notified by correspondence of the credit issued, thus reducing the cost of printed checks. The customer would also be informed of the requirement to obtain an inspection in order to obtain an updated registration.

Former Process: The Division required all customers who were applying for a registration renewal to be issued a refund if the vehicle had not been inspected within 90 days of the registration expiration. Customers that mailed in their renewal with the required amount and didn't have a current inspection were notified by correspondence; they were also notified that their registration would be blocked due to the vehicle requiring an inspection. There were approximately 76,000 renewal requests each month, and 35,000 were not in compliance due to lack of the required inspection. Those not in compliance were notified through correspondence that their registration could not be renewed and the customer was subsequently issued a refund. The time lapse from receiving a renewal request and issuing a refund was approximately three weeks. This resulted in many customer complaints and numerous hours logged in issuing responses to the complaints.

Revised Process: The customer is no longer issued a refund by mail. If a customer mails in their registration renewal without the proper inspection, the customer is notified by correspondence that their vehicle requires an inspection and they are issued a credit. Once the customer has their vehicle inspected, they can immediately proceed to any License Plate Agency and obtain their updated registration and sticker without having to pay again. If the customer does not proceed to a License Plate Agency on the same day as the inspection, the STARS system will automatically update overnight and the customer will be issued the updated registration and sticker by mail the following business day.

Benefits: The benefits are the cost savings. The Division will save approximately \$19,600 per month. This is due to the fact that 35,000 checks no longer have to be printed and mailed. The cost to print each check is .21 cents each and .35 cents each for postage. This results in an annual savings of \$235,200.

Improvement Analysis: Annual savings of \$235,200 and customer complaints have significantly been reduced. The cost savings have been reduced due to the number of checks that are no longer being printed and mailed on a monthly basis. The number of calls about refunds have been reduced by approximately 99%. Now customers can obtain their updated registration much more quickly instead of waiting for their refund check in the mail. This change process has affected the Division in a positive manner by reducing costs and negative comments about the Division's processes.

The Continuous Improvement Project Submission Form is Recommended To Be Emailed to: "NCDOT Continuous Improvement" OR attach a hardcopy of the form and mail to: "Quality Enhancement Unit, 1502 MSC, 104 Fayetteville St., Raleigh, NC 27601"

Questions About The Form Email: "NCDOT Continuous Improvement"

The Continuous Improvement and Management Studies Team will contact you within 10 Business Days

Thank you for taking your time to share your project with the full DOT team!