

**Speeding Through Tax Time: Electronic W-2 Forms at George Mason
University
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Abstract:

The Payroll Department at George Mason University utilized web-based technology to make W-2 forms available to the university community in a more customer-driven, timely, and accurate manner. Mason was the first and largest university in Virginia utilizing the Banner software system to implement 100% paperless delivery of W-2s. Moving to an electronic W-2 form has saved the university time and money as well as improved delivery of important financial information.

Introduction:

Recognized internationally for its innovation, diversity, and entrepreneurial spirit, George Mason University offers 159 degree programs, some 5000 enterprising faculty and staff, and a student body numbering nearly 30,000 in a distributed university model over multiple campuses/locations including Arlington, Fairfax, Prince William and Loudoun counties in northern Virginia and Ras Al Khaimah in the United Arab Emirates. With its primary location in northern Virginia, only minutes from the nation's capital, Mason provides unparalleled opportunities in research, internships, and work experience through strong alliances with area businesses, government, and the community. Mason draws upon its diversity to harness a creative energy and drive to be the best it can be. Defining community in as broad a term as possible, Mason weaves itself into the educational, cultural, and business community fabric around the region and around the world.

Statement of Initiative:

The challenge for the Payroll Department at George Mason University was to change the method of delivery of W-2 forms, inform and educate the employees about the change, encourage participation, and streamline the process of delivering them through the use of electronic W-2s.

Design:

The delivery process for W-2s was changed from a paper-based system to an on-line system. Communication mechanisms were created to allow our customers to receive a rapid and timely response to any questions or concerns they had regarding their W-2s.

The process began with a stakeholder meeting in the fall of 2005. Bringing together all the relevant departments, the payroll department began to build the technological and communication vehicles that would be necessary to ensure a smooth transition to the electronic W-2. Participants included payroll, budget, finance, information technology, and some customer representatives, i.e. departments that would be large end users.

While the information system used university-wide, Banner, had the capacity to generate electronic W-2s, it had never been utilized. Moving to electronic W-2s however was more than turning on a switch in the Banner system. In order to be accepted university-wide, the product had to reflect the university and its way of doing things. So a small sub-group was created, Banner experts all, and they set to work to create a product that had the look and feel of George Mason University.

Others worked to develop communication vehicles that would help spread the word across the university community that using electronic W-2s would be easier, more efficient, and provide users with an opportunity to file their taxes electronically.

Implementation:

Our Associate Vice President was fully supportive of moving to an electronic delivery system. General or decentralized meetings were utilized as a communication channel to start the message of transfer from paper to electronic delivery. We took every available opportunity to let the Mason community know we were moving to electronic delivery via meetings with senior

administrators, budget staff, Human Resource Liaisons within the departments and information technology working group sessions.

Beginning in November of 2005, we began communicating with the university community that we would be moving to an electronic delivery system of W-2s. In addition, we created a “W-2 Hotline,” utilizing both telephone and email systems, to permit Mason faculty and staff to communicate in real time with the Payroll Department and have their questions and concerns addressed. Both avenues were checked on a multiple time daily basis and customer questions resolved expeditiously.

Recognizing that it would take time to meet federal requirements and enroll everyone in the value of an electronic W-2 process – ease of use, timeliness, and accessibility -- we permitted anyone who wanted one the option of receiving a paper printed W-2 as well. 3500 paper W-2s were mailed in 2007; we anticipate that number to decrease every year.

We published information and statistics on our website and in written communication regarding the ease of filing returns electronically. We utilized University-wide vehicles for communicating the message to the Mason community such as Mason eFiles which is electronically distributed to all Mason faculty and staff every Monday and our annual end-of-year fiscal message electronically delivered to all faculty and staff. We published numbers and metrics about the accelerated electronic filing process and how an electronic W-2 would help ensure that refunds would be processed faster and easier than if using the paper W-2. While Mason did not directly benefit from endorsing the electronic filing process or encouraging direct deposit of refunds, staff in HR & Payroll received significant feedback from happy well informed customers at Mason who had received their state refunds in 2-3 days and their federal

refund in about a week. Tax filing is not necessarily fun, but with direct deposit of refunds it did give everyone something to smile about.

The outcome of our move to a new system for W-2 delivery is that 7500 W-2 forms were delivered electronically. This represents 70% of total W-2s for university employees.

Benefits:

The on-line W-2 system has saved the department both time and money as well as greatly reducing the number of W-2 corrections that need to be made. The W-2s are delivered sooner providing ample time to resolve any questions or discrepancies prior to having to send the information to the IRS. The process is more customer focused as staff can spend additional time working with our University customers to ensure that the information we have is accurate.

Our customers receive more timely information in a format that facilitates submitting their tax returns electronically thereby receiving their refunds much faster. Because we deal directly with the employees, the administrators throughout the university no longer have to be involved in resolving any W-2 questions freeing their time up for other matters.

Hard Cost Savings:

Paper: \$1875

Mailing: \$2925

Total: \$4800

Time Savings:

Calls and emails to the Human Resources & Payroll department and the accompanying W-2 Hotlines were cut well in half. Employees were able to view the forms and print them from home at any time. To assist our customers in understanding both the new electronic W-2 process and W-2s in general, we published a step by step guide in how to reconcile the numbers on a pay

stub to the year-end statements and created a pictorial “How to Understand Your W-2” webpage on our website. While development of the web materials involved work by several individuals in the department, we estimate it saved hundreds of hours in calls and emails. We spent about 4 hours printing and mailing the remaining paper W-2s. In previous years four people normally worked an entire weekend, from Friday afternoon until Sunday afternoon printing, sorting, and readying the W-2s for mailing.

The Mason community also saved time with the electronic W-2 process. In the past, if there were questions or issues regarding an individual employee’s W-2, frequently their supervisor or the Human Resource liaison within the department would contact Payroll to address the question on behalf of the employee(s). By going electronic, we now deal directly with each employee thereby saving many hours of staff and administrative support time. Additionally, in the past, we charged \$25 for a duplicate W-2. Now, utilizing the electronic delivery system, employees can access their W-2 when they want, as often as they want, at no charge.

Retrospect:

In 2007, the electronic file was available to the university community to download their W-2s by mid-January. Our plan for 2008 is to have the information available by January 4.