

# Regulatory Audits Leave Nonprofit Agency Burdened with Paper Records Storage



## About ETHRA

East Tennessee Human Resource Agency (ETHRA) is a regional service agency in Eastern Tennessee that provides services such as child nutrition programs, housing assistance for low-income families, transportation, workforce development and community corrections for 16 counties. They are a nonprofit organization with 425 employees that receives government funding for the dozens of programs they offer to the community.

## The Problem

Because ETHRA is a nonprofit agency that receives federal, state and local funding, they are required to retain extremely accurate records of the services they provide, for audit purposes.

“Because of the type of work we do and where we receive our funding, we are audited frequently,” said Cyndie Cecil, Support Services Manager for ETHRA. “We generate a lot of paper. It has to be moved from the county offices to the main office, where it is archived. We have auditors here all the time for different programs and we have to be able to provide them with all the records they need.”

Keeping these documents on file was creating an issue for ETHRA’s Accounts Payable department. In order to maintain accurate records, they were storing physical invoices and manually matching them to the corresponding check stubs. This process was very time-consuming. Every time ETHRA went through an audit, they would have to manually retrieve the files and then return them to the file cabinets.

“We write in excess of 2,000 checks a month,” Cecil said. “[Prior to the solution implementation] when we would undergo an audit, someone would have to pull the checks from storage and then return them afterward. Sometimes we’ve been asked to provide 800 checks in one audit. It took such a long time.”

Another issue ETHRA faced had to do with their children’s nutrition program. In order to keep track of which child received a meal on any given day, the employees were required to fill out information on bubble sheets. The resulting filled-in forms would have to be manually tallied by an employee, a task that was very time-intensive.

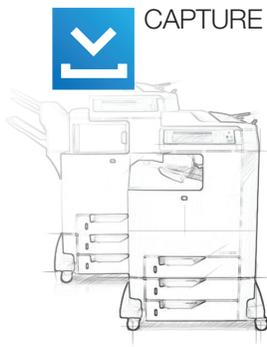
## Solution Requirements

Flexibility and HIPAA compliance were priorities for ETHRA’s document management solution. Ease of use for the employees was another necessity.

“We had a legacy system that was not user friendly that just did not work for us,” said Cecil. “In implementing a new system we needed something that would help us cut down on paper and that was capable of a high level of automation.”

ETHRA had recently implemented M-Files as their new document management system, so the document capture software they chose would have to integrate easily with their new system.





Employees from several departments scan in their documents to the appropriate folder.



Designated employees trained on PSICapture handle the rest of the capture process. ETHRA also utilizes Optical Mark Recognition (OMR) technology to eliminate the need for manually counting bubble sheet data for the children's nutrition program.



PSICapture processes the documents for auto-indexing the invoices and checks of the Accounts Payable department. After PSICapture indexes the invoices, M-Files matches them up with the corresponding checks.

## The PSIGEN Solution

Working with software solution provider Centriworks, ETHRA decided on PSIGEN's PSICapture as their document capture solution. PSICapture provides several advantages for ETHRA. Its seamless integration with M-Files makes it easy for employees to scan paper documents and send them along to the repository.

"PSIGEN offered us a very versatile product," said Cecil. "It worked well with the document management software we already had [M-Files] and it was available at a good price point."

ETHRA also benefits from PSICapture's auto-import function, which allows employees from several departments to simply scan in their documents to the appropriate folder, where designated employees trained on PSICapture then take over to handle the rest of the capture process. ETHRA also utilizes Optical Mark Recognition (OMR) technology to eliminate the need for manually counting bubble sheet data for the children's nutrition program.

ETHRA has seen significant improvement in their Accounts Payable department, which uses PSICapture to capture and index their invoices and checks. After PSICapture indexes the invoices, M-Files matches them up with the corresponding checks. This way, when employees need to pull information for audits, they can access it very easily without having to collect any paperwork from storage.

"PSICapture's automation ability has really benefited us. It's allowing us to put things into digital storage so we don't have to keep so much paper, while saving employees lots of time they would normally spend manually entering data and retrieving files," said Cecil.

When PSIGEN released PSICapture 5.4, ETHRA made the decision to purchase the Classification module. They have plans to begin using it soon in the Accounts Payable department and eventually in other departments as well.

"We are expanding the solution as quickly as we can throughout the agency," said Cecil. "But as we expand we also have to go through and analyze the processes in each department in order to make them as efficient as possible. So the expansion is slow, but it's a very worthwhile change for our agency."

## Conclusion

The PSICapture solution, in conjunction with M-Files, has increased the organization's productivity by providing an easy way to house important files digitally, and has greatly reduced the amount of time employees spend searching for documents during audits. The implementation of PSICapture has been so successful that the organization is planning to expand it into other departments.

## Solution Components in Summary:

Capture Software:	PSIGEN PS <b>icapture</b> with OMR and Classification
Content Repository:	M-Files
Scanners:	Ricoh MFP Copier / Scanners