

DataMagine™ Clears Up Tax Record Clutter

Asahi Glass America Meets IRS Standards with Document Management System

Asahi Glass America, Inc. (AGA) is a Charlotte, NC-based corporation. Its subsidiaries manufacture architectural glass, insulated glass and sheet glass for a variety of industries as well as automobile glass for several major automakers including Chrysler, Ford and General Motors. In 1993, the company purchased AFG Industries, making it one of the largest manufacturers of commercial glass in the world.

Like most large corporations, AGA was faced with the challenge of handling an increasingly large number of records, particularly in its tax department. With 35 distribution centers in the United States alone, each generating thousands of tax documents, there was an avalanche of paper.

Moreover, the Internal Revenue Service and state taxing authorities have special documentation and record retention requirements for large corporations. Penalties for lost paperwork are steep – as much as \$20,000 for a missing tax-exemption certificate.

Everyone agreed something had to be done to streamline the recordkeeping. When the tax department moved from Kingsport, TN, to the company's Charlotte, NC, headquarters, AGA decided it was also time to eliminate the file cabinets and clean up the clutter.

Tax Department Goes Paperless

AGA realized it needed help with the paperwork and that a document management system was the answer. The company looked at a half-dozen systems, eventually narrowing the choice to two. A committee selected DataMagine, a document management system that scans, indexes and retrieves documents and computer reports for e-mailing, printing, processing and routing. The software is designed to handle the extremely large volume of documents that AGA's tax department is required to process.

The committee chose DataMagine based on two factors, said Tom Farris, manager of ad valorem taxes for AGA. First was the software's performance. "It loaded up quickly and outperformed the other systems. I knew from an IRS standpoint that we needed copies as clear as the original, and DataMagine reproduces identical documents." Second was DataMagine's total integration with the company's Great Plains accounting software and its AS/400 J.D. Edwards software. "When you load this product, it works. And you can change platforms, and it still works," he said.

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DataMagine by Agilysys Can Help Eliminate Tax Penalties While Saving Paper, Time and Money



Prior to installing DataMagine, the tax department generated documents on paper and stored them in large file cabinets. When someone needed a copy of a particular document, a department staff member had to search the file cabinets, locate and make a copy of the document and then fax or mail it to the appropriate party, which was costly in terms of staff time and efficiency.

Audits were even worse, said Farris. "During a recent audit, more than a thousand invoices were pulled, which took about two weeks." When the audit was completed, some of the paperwork was misfiled. "We wasted a lot of time pulling all those documents and then having to file them again."

*"One lost document can cost you a fortune.
That's all it took to sell me on the system."*

– Tom Farris, Manager of Ad Valorem Taxes

Now, it's easy to access individual documents, because DataMagine has captured the appropriate indexes, such as year, company name, account number, sales tax and document type. Using a CD burner, the department can send the information to an auditor, or Farris can simply give that person a high-level clearance for a specified time period, during which the auditor can view the records on-site.

IRS Approved

With DataMagine, AGA is converting its paper tax files to digital documents, and the tax department is eliminating the file cabinets.

A primary benefit is instant access to the data. "Employees can view documents right from their desks," said Farris. As a result, staff time is spent more efficiently.

Another advantage is the absence of a learning curve. "There's no down time," he said, noting that employees from the tax department now teach other staff how to use the system.

Perhaps the most important benefit is the assurance that comes from knowing the tax department is in compliance with government regulations. According to Farris, the IRS has seen the department's DataMagine software in action and has approved the entire process of scanning, storing and retrieving. "They know exactly how we operate, and they like it." In fact, he quipped, "When IRS staff saw DataMagine, they showed an interest in getting it for their own office."

Future Expansion Planned

Asahi Glass America is so pleased with the document managing software it plans to expand its use. In fact, the company hopes to have its three largest U.S. divisions using DataMagine within the year.

According to Farris, the switch to DataMagine was a no-brainer. "It's a matter of economics. The system saves paper, time and money." What's more, he notes, the software pays for itself if it prevents even one tax penalty. "One lost document can cost you a fortune. That's all it took to sell me on the system."



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