

## 2007 Innovations Awards Program APPLICATION

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ID # (assigned by CSG): 07-~~S-05SCBUSINESSONESTOP~~

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### Please provide the following information, adding space as necessary:

State: South Carolina

Assign Program Category (applicant): Business/Commerce (Use list at end of application)

1. Program Name: South Carolina Business One Stop
2. Administering Agency: South Carolina Department of Revenue
3. Contact Person (Name and Title): Norman W. Davis, Jr. Program Manager
4. Address: PO Box 125 Columbia, SC 29214
5. Telephone Number: (803) 898-5036
6. FAX Number: (803) 898-5507
7. E-mail Address: davisn@sctax.org
8. Web site Address: www.scbos.com
9. Please provide a two-sentence description of the program.  
South Carolina Business One-Stop (SCBOS) was created to be a "one-stop" business portal for business Licenses/Permits/Registrations, professional registration & licensing, as well as for other business related services offered by federal, state, and local governments.
10. How long has this program been operational (month and year)? Note: the program must be between 9 months and 5 years old on April 2, 2007, to be considered.  
May, 2005
11. Why was the program created? What problem[s] or issue[s] was it designed to address?

SCBOS is a one stop award-winning website that is designed to reduce the typical amount of time and paperwork necessary to start a new business in South Carolina. SCBOS is truly a comprehensive resource for South Carolina businesses, enabling businesses to register and obtain permits and licensing, as well as file and pay taxes. The scope of SCBOS includes information and resources for entrepreneurs who are seeking guidance in opening a business in South Carolina.

12. Describe the specific activities and operations of the program in chronological order.

SCBOS website was launched March 5, 2005. This first "go live" was a soft launch establishing the Web site as an information and resource site for businesses. The "official" launch was May 24 and enabled businesses to register for Licenses/Permits/Registrations for a number of state agencies. The Office of the Secretary of State (SOS), Department of Revenue (DOR), and the Employment Security Commission (ESC) were the initial state agencies. The Department of Health and Environmental Control was added in October 2005.

The Single Sign On function was added in February 23, 2006, allowed the business consumer to access Department of Revenue electronic filing and payment functions through SCBOS

and vice versa, using the same user ID and password. The process uses an encrypted sign on using measures to identify and authentic the user. Each new user sets up a user profile and can obtain forgotten user ID and/or passwords. This is a stand alone component and can be shared with other agencies.

The business consumer by the way of a wizard (selected questions asked and answers given) is able to complete transactions and checkout with a single payment by credit card or electronic funds withdrawal even through the transaction may involve several agencies. Initially the functionality only consisted of the ability to start a new business. On March 28, 2006, existing businesses were able to add their business to SCBOS and subsequently apply for Licenses permits and registrations. This allowed an estimated 300,000 Businesses already registered in South Carolina to use SCBOS.

The following functionality is now provided by SCBOS:

**Secretary Of State:**

- Reserve or Register an entity name
- Certificate of Limited Partnership
- Articles of Incorporation – Corporation, Statutory Close Corporation, Professional Corporation, Non-Profit Corporation
- Certificate of Authority - Non-Profit Corporation, Limited Liability Partnership, Corporation, Limited Liability Company
- Articles of Organization - Limited Liability Company
- Limited Liability Partnership – Registration
- Foreign Limited Partnership – Registration
- Assumed Name Certificate of Limited Partnership

**Department of Revenue**

- Sales Tax (Retail License)
- Accommodations (Retail License)
- Aviation Fuel Tax
- Business Personal Property
- Corporate Tax Account
- Solid Waste Tax
- Use Tax
- Employee Withholding
- The Alcohol Beverage License Project (ABL 901):
  - On premises beer & wine
  - Off premises beer & wine
  - Brewpub
  - 7-day off-premises beer & wine
  - Sunday/Sabbath beer & wine
  - Business (restaurant/hotel/motel) Liquor By the Drink
  - Nonprofit private club Liquor By the Drink
  - Retail liquor store
- File and Pay Sales Tax
  - Sales tax returns ST-3 & ST-3EZ
  - Accommodations tax return (ST-388)
  - Schedule for Local Taxes (ST-389)
  - Withholding:
    - Quarterly Reconciliation (WH-1605)
    - Annual Reconciliation (WH1606)
    - Withholding Payment (WH1601)
  - Business Tax Payments
    - Corporate Declaration (SC1120-CDP)
    - Corporate Extension (SC1120D)

- Delinquent Tax Bill

### **Employment Security Commission**

- Unemployment Insurance Tax

### **Department of Health and Environmental Control**

- Well Permits (Residential and irrigation)
- Asbestos Demolition
- Asbestos Renovation
- Underground Storage Tanks (UST)

13. Why is the program a new and creative approach or method?

SCBOS utilizes a “wizard” concept as a data collection mechanism that walks the business consumer through the application by asking simple questions and requesting answers. The transformation of the paper process into a “wizard” allows information sharing to minimize the data collection process. By gathering information in an interview driven format and asking for only relevant information in light of answers to previous answers, the entering of duplicate information is removed and the prompting for unnecessary information is eliminated. When required, information is checked in real time with agency systems before a user is allowed to continue. This approach has eliminated agency errors from misread or illegible written applications, inconsistent information within and across agencies, and enables agency to agency transfer of joint registration information. This has decreased the registration process from thirty days to two days. It ensures in “real time” that License, Permit, and Registration (LPR) prerequisites and requirements are completed before they are electronically submitted to each agency. A central accounting system was developed to process and account for the financial transactions across state agencies.

14. What were the program’s start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)

The approximate startup cost for the project was \$5,000,000. The project uses web servers, application servers, and database servers and are all distributed among a central site and the various participating agencies. The entire system uses the latest Microsoft .Net technology.

The central staff was small – about 8 people. We contracted with a primary vendor to develop the required software.

15. What are the program’s annual operational costs?

The current year’s operational budget is \$2.7 Million for SCBOS.

16. How is the program funded?

The funding source for SCBOS is provided through a contribution from the SC Department of Revenue’s collection activity.

17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.

No?

18. What equipment, technology and software are used to operate and administer this program?

Refer to the answer of question 14.

19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator’s name, present address, telephone number and e-mail address.

There are a few states that have the same idea but the approach we have taken is different from all others. The beginning was due to the need to provide a service level to the citizens of SC with shrinking budgets and staff and the confusion, complicated and time consuming process to start a business in SC. In 1998, The director of the SC Department of Revenue initiated a team to begin a study. An internal team was formed and then expanded to include other agencies, and some private organizations. SCBOS was then on its way.

20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ? This program is different from any other program in that:
- 1) A partnership was formed to begin the process and to continue.
  - 2) The funding mechanism which comes from an assessed tax penalty. The budget is determined but is subject to the actual collection activity. This translates to you can't spend what you don't have.
  - 3) The payment process which accepts credit card and electronic fund withdrawal, adds no user fee's.
  - 4) A customer assistance desk is provided
  - 5) A User workspace is provided
21. Has the program been fully implemented? If NO, what actions remain to be taken?
- NO? Implementing future opportunities is now a matter of incrementally extending what we already have in place. This includes adding state agencies, counties and municipalities and license, permits and registrations of the current and future agencies. We will also add additional functionality to the program which will allow the flow of information from agency to agency from the agency paper process.
22. Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples. See question 23
23. How has the program grown and/or changed since its inception?
1. Business Established—businesses approved since availability of SCBOS.

>>SCBOS reports a total of 12,077 approved new businesses through February 28, 2007. These approvals translate into a new business savings registering through SCBOS of approximately 136.4 man years (2080hrs) = \$4,257,143. This figure is based on 50% savings of the 47 hours spent to start a new business.

>>Since March 28, 2006, existing businesses that registered by "paper" are now allowed to add their business to SCBOS. These businesses are able to obtain any additional LPR's on-line. A total of 3,133 existing businesses have taken advantage of SCBOS.

>>Since January 1, 2007, Businesses were allowed to renew their LPR's On line. His renewal process automatically adds the business to the site. When the user returns to his user workspace he see not only the renewed LPR but all LPR's for the business in which the LPR was renewed.

2. Electronic process (SCBOS) versus all processes—business consumer adoption of SCBOS.

>> Since SCBOS went live on May 24, 2005 through February 28, 2007, the Licenses/Permits/Registrations (LPR) originating from SCBOS versus all sources of the same applications has grown steadily. Currently, electronic utilization for the Office of SC Secretary of State is 11.1%. The SC Dept of Revenue's electronic utilization is 23.3%.

Electronic utilization is continually increasing. LPR fees in the amount of \$1,367,740 have been electronically transmitted to the State Agencies, credited and deposited to the proper States General Ledger accounts.

3. Site usage—statistical data collected on the number of visits and visitors of SCBOS website.

>> Visitors since SCBOS's launch: 111,940; of those 24,993 visited more than once.

>> Visit totals since launch: 201,345; average per day 547; average visit duration of 9.43 minutes with a median duration of 3.24 minutes.

>> Successful hits for the entire site: 5,964,859 with an average of 16,208; home page hits of 255,155.

24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program? The complexity of the application process by paper, the many agencies issuing registrations, licenses, and permits, the lack of common identifiers of businesses between agencies, different back in data systems, accounting system of processing the monetary transactions, different political structure of agencies, and the requirement of a signature on documents.

## **2007 Innovations Awards Program Program Categories and Subcategories**

Use these as guidelines to determine the appropriate Program Category for your state's submission and list that program category on page one of this application. Choose only one.

### *Infrastructure and Economic Development*

- Business/Commerce
- Economic Development
- Transportation
- Drugs
- Emergency Management
- Public Safety

### *Government Operations*

- Administration
- Elections
- Public Information
- Revenue

### *Health & Human Services*

- Aging
- Children & Families
- Health Services
- Housing
- Human Services

### *Human Resources/Education*

- Education
- Labor
- Management
- Personnel
- Training and Development
- Workforce Development

### *Natural Resources*

- Agriculture
- Energy
- Environment
- Environmental Protection
- Natural Resources
- Parks & Recreation
- Water Resources

### *Public Safety/Corrections*

- Corrections
- Courts
- Criminal Justice

**Save in .doc or rtf. Return completed application electronically to [innovations@csg.org](mailto:innovations@csg.org) or mail to:**

CSG Innovations Awards 2007  
The Council of State Governments  
2760 Research Park Drive, P.O. Box 11910  
Lexington, KY 40578-1910

**Contact:**

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This application is also available at [www.csg.org](http://www.csg.org), in the Programs section.

**Deadline: April 2, 2007**