



South Dakota Secretary of State

SHANTEL KREBS

November 17, 2015

Representative Justin Cronin, Chair
Senator Deb Peters, Vice Chair
Legislative Research Council
500 East Capitol Avenue
Pierre, SD 57501

Dear Representative Cronin and Senator Peters:

The Secretary of State's Office is pleased to inform you that the UCC program for which \$275,000.00 was appropriated went live on November 16, 2015. The full amount of \$275,000.00 has been expended on the development of this program.

The vision was for a UCC system that was user friendly, simple for the SOS office to operate, and allowed the SOS office to efficiently keep track of what had happened in the past and what is happening today. The previous system had few of those features.

For your information, some of what has been done will also be a basis for future computer upgrades. For example, receipting, which is now done on different systems within both BPro and the Bureau of Information and Telecommunications, will all merge into one system.

1. The services provided included in the Base Configuration:

- General System Configuration/Setup for South Dakota
- User Account Creation, Access Rights, Roles Defined
- Configuration of State Seal, Graphics, Forms, etc.
- Scanning/Document Imaging Module Configuration
- Rejection Module Configuration
- Comprehensive Search Configuration
- Notification/Messaging Module Configuration
- Dashboard/User Metrics Module

To break this down, the new system has different accounts for Vendor Staff, SOS office staff and management, and for the users and the subscribers of the system. For example, staff can edit documents if needed, but users cannot.

For the system the basics, such as headers with the State Seal and other graphics, had to be created.

This computer system allows paper filings to be scanned into the system in batches rather than having the SOS staff scan and enter the information provided one document at a time. The paper filing will be a printed copy of what the user prepares online. The

prepared document will be in the user's que, waiting to be filed upon the office receiving a printed copy. Once the document is received, it will be scanned, the scanned document compared to the online document, and then filed. Instead of having to type in each piece of information, staff time will be cut to scanning and comparing. This will allow same day filing for virtually every document. This module also stores the images for copies, searches, and other documentation. All the data and images will be stored in a single system, instead of multiple systems.

For rejecting documents, there is a module that allows selection of the reason(s) why the document is being rejected.

The search function is improved in that more intuitive searches are allowed. Such as, if the letters "ickson" are a requested search term, it can be searched and all the Ericksons and Dicksons, etc. will be found.

In the Notification/Messaging Module, the County Register of Deeds will automatically be sent an email, notifying them of a county filing. This module will also be used for all types of notifications, including renewals, notices, lapsed documents, annual report reminders, etc.

The Dashboard/User Metrics Module is where we get the filing statistics we are requesting. For example, how many UCC1's were filed by a particular company for a specific time period.

2. In the Financial/Accounting Module the services provided include:

- Receipt Integration
- Payment Type Integration
- Charge Type Integration/Fee Calculation Configuration
- Receipt Form Print Layout
- Batch Configuration
- Daily Close Reports (Batch Close)
- Financial Reports Configuration
- Stage Deployment/User Acceptance Testing
- Production Deployment

To further explain, this system will automatically generate a receipt that will include how the payment was made – credit card, PAD Account, or whatever. It also houses all of the 300+ receipt/payment types the office administers.

The fee being charged for each document will automatically be calculated as the document is being prepared by the user. For example, if more than one debtor is being added, then the fee for each debtor is added into what the user needs to pay in order to file the document.

The receipt has been formatted into what is an easily readable and decipherable document.

The Batch Configurations, Daily Close Reports, and Financial Reports Configuration are where each person working in this office, each PAD account accessed, and each user who filed a document on a particular day or week or month can be individually queried and a report generated. Almost any way a person wants to see the financials can be queried and a report generated. A second function is compiling our daily deposits and

revenue disbursements. Each staff member needs to balance at the end of the day to ensure the money on hand balances with the day's activity. Then the entire office needs to reconcile daily before the deposits go to the State Treasurer. The third function is automatic tabulation of the revenue splits.

The Stage Deployment/User Acceptance Testing involved a webinar put on by the vendor and then webinars put on by the SOS staff. These webinars were offered 8 different times for select groups. There was one for the Register of Deeds put on by the vendor, Tecuity. Two webinars were for the bankers, one general webinar at the county officials meeting, and five webinars for subscribers. Tecuity attended all the webinars and then created testing environments for the users who wanted to test the product. After the users did their testing, their responses were tabulated, discussed by Tecuity and SOS staff, and changes were made to the system or explanations on how to use the system were given to the users. Throughout the development process there has been extensive internal testing by our staff as well as users.

3. In the UCC/EFS Module the services provided include:

- Internal Staff Functions (Paper & Web-Prepared)
- Scanning/Imaging Processing Integration
- UCC1/EFS
- UCC3/EFS Amendment
- UCC5
- UCC/EFS Tribe Designation Integration
- UCC2 – Information Request
- Submitter Lookup Configuration
- UCC/EFS Fee Configuration
- Edit/Delete/Void Configuration
- Officer Correction
- REST Web Service - Automatic XML Interface
- Responsive Design Website
- Stage Deployment/User Acceptance Testing
- Production Deployment Integration

Explaining further, internal staff functions are in response to web prepared documents. All filings will be web prepared. They may be prepared online or printed off and mailed in with a check. The procedure was explained above. For web prepared and web filed documents, there is nothing the internal staff needs to do except receipt the payment.

Scanning/imaging processing has been used for moving documents from the old computer system to the new, so the files can be accessed more efficiently. It also includes how we process images internally, the scanning system for documents coming into the office, and how we can retrieve documents in the system.

The UCC1/EFS modules are the actual filing. This is where the user fills in the information into the wizards (filing modules) and then pays for filing the document. These documents utilize auto fill whenever this feature can be utilized. This allows subscribers to only fill in the data once and then click a box to autofill or prepopulate another document. By filling in all the required fields on the separate wizards, this virtually guarantees that the document will be filed. Filling in all the required fields does not guarantee that the person filling in the information filled in the correct

information; accuracy is still left to the person who completes the document. This system eliminates SOS staff from having to do data entry. It removes all errors from staff typos, etc., which keeps questions regarding the validity of the document out of the SOS office and squarely with the user.

The XML function is waiting to be implemented. It will begin to be configured after the new system has been running for a few weeks. This allows large volume subscribers to connect directly from their database to the UCC database, importing the information to the UCC database, thereby filing the imported documents without any further data entry by either the subscriber or the SOS staff. This eliminates any handling of the documents by the SOS office. This system has been successfully implemented in many states.



Shantel Krebs
Secretary of State

cc: Representative David Anderson
Representative Shawn Bordeaux
Senator Angie Buhl O'Donnell
Representative Dan Dryden
Senator Terri Haverly
Senator Phyllis Heineman
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