About Iowa

■ Population: 3.1 million
■ 2.1 million registered voters
■ What SOS does:
  - Business Entity filings
  - UCC filings
  - Other filings (Notary public, mechanic’s liens, inter-governmental agreements, etc)
  - Election/Voter Registration
  - Address confidentiality program
■ Staff size of SOS office
  - 12 - Business Services
  - 6 - Elections
  - 12 - support staff (Accounting, IT, communication, administrative)
Iowa Secretary of State filing volume

- UCCs
  - 120,000 per year (97% online)
- Business Entity filings
  - 171,000 per year
    - 105,000 are Biennial Reports (95% online)
    - 66,000 paper based filings
- Notary Filings
  - 42,000 per year (35% online)
- 28E agreements, Ag Reports, Mechanic’s Liens
  - Low volume but 100% online
Business Entity Filings Challenges

- Business entity filings require high degree of human intervention
- Human review for:
  - Name availability
  - Name suffix
  - Registered agent requirements
  - Many requirements for foreign entities
    - Cert of Existence from home state
    - No forms; Did filer provide all the required elements?
    - Signature requirements
    - More
- Most other online filings are real time
Bringing business entity filings online

- 2012
- Form to upload your drafted document
- But still a paper process behind the scenes
- 2012 system was only a quicker way to deliver documents to SOS; no affect on processing times
If you are forming a new business entity in Iowa, use the Fast Track Filing system. Please use Fast Track Filing to submit these document types: Certificate of Organization, Articles of Incorporation or Certificate of Authority.

Business Entity Filings

For additional information and requirements please see the corresponding section in our forms and fees schedule.

File type:*

Payment type:*
- Pay by account
- Pay by credit card

Filing party:*

Address:*

Address:

City:*

State:*

Zip:*

Country:
Paper process..... What is it?

- Open mail / Print & sort documents
- Verify documents
- If ok, cashier
- Data entry
- Scan document
- Redact document
- Mail outs
- If rejected: correspondence out
Paper process by the numbers

- Paper document process - about 15 minutes per document
- In 12 months, 23,000 new business submissions are accepted by Iowa SOS.
- That’s almost 90 new business filings every day!
- That equates to 5,750 hours staff time
- And that doesn’t include time spent on rejections....
Rejections

- No forms in Iowa for new business formations
- 30% of paper submissions are rejected
- 7,000 paper submissions rejected annually (new business formations only)
- Paper processing – 3 weeks processing time (May 2018).
  - Becomes 6 weeks with a rejection.
- Rejection process is entirely paper based correspondence.
  - No email.
  - No online system.
Fast Track Filing

- True online filing system
- Online system can do a higher level of validation (reduce rejections)
- Financial transactions are all online
- Data entry online
- No scanning
- Correspondence is all online (email and online dashboard)
- Still requires human review... but that is the only task SOS staff is needed for.
Comparing FTF to paper process

- Processing time per document goes from 15 minutes to less than 2 minutes
- Rejection rate goes from 30% (paper) to 9% (online)
FTF vs. Paper (Processing Time)

- 23,000 new business filings in the 12 months
- Paper: 5,750 hours staff time (15 min per document)
- FTF: 766 hours (2 min per document)
- Most FTF submissions are approved & on file in less than one hour.
- Since July 1, 2018: 74% new business filings have been filed online
  - 80% since Jan 1, 2019
FTF v. Paper (Rejections)

- 30% rejection rate for paper documents
- 9% rejection rate for FTF documents
- Paper rejection timeline has been 4-6 weeks to complete a filing.
- Online rejections can be resubmitted the same day.
FTF Demo

- Filing an LLC
  - *What the customer sees*
  - *What SOS staff does*
- Filing a change of agent
- Filing a UCC
- Administrative functions
FTF Next Steps

- Add more filing types to Fast Track Filing
  - Fictitious Names (May 2019)
  - Biennial Reports (Jan 2020)
Fast Track Filing Development

- Fast Track filing is a custom application developed by SOS staff and local vendor
- SOS Office managed the project
- SOS Staff wrote code for internal system
- SOS partnered with local company, QCI, to develop the FTF online site