

# Guardian

The Total Cost of Ownership

# The Total Cost of Ownership: How to Achieve Perfect I-9 Compliance While Reducing Costs and Saving your Organization Thousands of Dollars

---

## Uncovering Hidden Costs in your I-9 Process

Do you know what your I-9 process is costing your organization? Although employers have been tasked with completing the Form I-9 for all newly hired employees in the United States since the inception of the the Immigration Reform and Control Act of 1986, the vast majority of employers suffer from lack of visibility into the true cost of their I-9 and E-Verify process.

As an example, consider the time and financial impact of the administrative and ownership components of your Form I-9 operations. Are you able to accurately determine how much time is spent completing section 1 and 2 for each new hire? How many hours per week are spent administering the entire follow-on systems: name changes, re-verifications, purging, corrections, weekly reporting, updates for receipts, or questions from the HR field? What is the salary or hourly wage paid to your personnel managing I-9 operations? Have you truly considered the total cost of your I-9 process, or perhaps the thousands of dollars in hidden savings if you were to automate your I-9 and E-Verify operations?

## Saving Money While Eliminating Risk

Not only are employers lacking visibility into the true cost of their current I-9 process - resulting in higher costs and missed savings - but many are also running a dangerous financial risk due to non-compliance.

The Form I-9 can be deceptively simple to complete and even more difficult for HR personnel to compliantly correct when, or even if, mistakes are discovered. For an organization operating without the help of an I-9 and E-Verify compliance software solution, the problem is widespread. For instance, [in a recent article, Sue Kohlwey of the USCIS's Outreach Branch, stated that 76 percent of paper I-9s contain an error that could result in a fine](#). Then, if you factor in an average penalty of \$935 per form, it is not hard to see the crippling financial repercussions of ignoring your I-9 compliance problem.

Although the financial risks and penalties outlined above are daunting for any employer, it is possible to virtually eliminate your historical and future I-9 compliance risk while simultaneously reducing the costs of your I-9 and E-Verify process and saving your organization thousands of dollars.

## The Total Cost of Ownership

Most experts agree that if an organization is looking to find the true cost of their I-9 process, uncover savings and eliminate their historical and future I-9 compliance risk, the first and best place to start is a Total Cost of Ownership (TCO) analysis. In this context, TCO measures the true cost of an organization's I-9 and E-Verify operations as they stand today. When an I-9 and E-Verify TCO evaluation is performed correctly and comprehensively, organizations not only gain an accurate picture of what they are currently spending on their I-9 and E-Verify process, but also where they can save by implementing an electronic I-9 and E-Verify solution.

Following a TCO evaluation, the organizations who go on to select and implement an I-9 and E-Verify compliance solution typically see results that are two-fold. The first is a direct impact on the bottom line - both from a cost saving and a financial risk perspective. The second, and equally important, is a sustainable and efficient solution for ensuring compliance with ever-changing I-9 and E-Verify rules.

## Calculating the Total Cost of Ownership

When calculating I-9 and E-Verify Total Cost of Ownership, a company should consider all aspects of their I-9 and E-Verify processes and the time and financial values associated with each. For instance, how many hours and minutes per week are spent on administering name changes, re-verifications, purging, corrections, etc. What is the average HR/I-9 staff salary cost?

Below is a sample TCO calculation. *Note that this is a sample analysis and not inclusive of all factors that should be taken into consideration for a comprehensive, accurate I-9 and E-Verify TCO.*

## Example Total Cost of Ownership Calculation

### Sample questions and answers that organizations should consider when starting a TCO:

1. How long you will likely use the new I-9 system in years: **7**
2. Likely number of government audits during the use period: **1**
3. Likely locations per audit: **1**
4. Total number of locations in organizational operation: **10**
5. New hires per year (estimated for 7-year use period): **1,000**
6. Historical paper I-9s: **10,000**
7. Historical electronic I-9s: **0**
8. Current I-9 error rate: **66%**
9. Historical I-9 error rate: **66%**
10. Average fine for each non-compliant I-9 (assumes 50% or more of the employer's I-9s have at least one error): **\$935**
11. Average hourly HR/I-9 staff cost (salary, withholdings, insurance, etc.): **\$28.85**

**Values determined above converted into time and financial values and entered into a sample TCO table below:**

DESCRIPTION	
I-9 Completion (section 1 and section 2)	\$ 106,010
E-Verify Completion	\$ 30,288
I-9 System Management and Maintenance	\$ 157,500
<b>Ownership Sub-Total</b>	<b>\$ 293,798</b>
Preparation of all documents and materials required to be produced on 3 days notice in response to a NOI/audit	\$ 7,212
Estimated fines and penalties resulting from government review of historical I-9 population for specific location(s)	\$ 1,049,070
	<b>\$ 1,056,282</b>
<b>TOTAL COST OF OWNERSHIP - OVER LIFE OF SYSTEM</b>	<b>\$ 1,373,637</b>

**What to Look for in an I-9 and E-Verify Compliance Solution**

While the above TCO data is only a sample, organizations that have performed a true TCO analysis have quickly realized the cost savings and benefits that come with implementing an I-9 and E-Verify compliance solution - typically more than a 60% savings on the cost of completing an I-9 for every new hire the organization makes.

In addition to completing a TCO analysis, proactive organizations should also carefully vet the available solutions on the market by analyzing a number of key compliance and corporate characteristics before they pick the best compliance vendor for their business. For example, leading organizations should seek a thriving company backed by a team of trusted immigration and software advisors with several years combined experience, who are vested in their customers’ success. Furthermore, organizations should always select the most compliant solution - the one that can handle every possible I-9 scenario with ease and create compliant I-9s each and every time, for every employee. Other attributes should include seamless integration and the ability to plug into virtually any onboarding system, as well as capability to compliantly handle and process remote hires throughout the US. Other valuable features to look for include superior data protection and security, and unsurpassed training and customer support, backed by a team of professionals who are thoroughly familiar with I-9 and E-Verify rules and procedures.

Finally, and perhaps most importantly, because historical I-9s represent the single largest source of financial risk, the solution should offer the organization the ability to migrate all historical I-9 records into the system and easily identify and remediate errors in this population.

## Why it Pays to Be Compliant

In light of increasing immigration enforcement activities under the Trump administration, employers, big and small, should be fully prepared for a potential audit by Immigration and Customs Enforcement (ICE) in the coming months. If an employer is looking to uncover hidden costs in their current I-9 operations, seeking compliance and wanting to avoid hefty fines, the first and best place to start is a Total Cost of Ownership (TCO) analysis, which reveals the true compliance risk and costs of managing the organization's I-9 and E-Verify program. Following a TCO evaluation, proactive employers who select and implement an I-9 and E-Verify compliance solution, will get results that pay for themselves. The first is cost savings and elimination of financial risk. The second, and equally important, is a sustainable and efficient solution for ensuring compliance with ever-changing I-9 and E-Verify rules.

### About LawLogix

An electronic I-9 and E-Verify program is not just about a software solution – it is about delivering a compliant solution which provides peace of mind and restores confidence, while providing the opportunity to bring your organization's existing I-9s into perfect compliance. LawLogix recognizes this challenge, which is why we regularly engage with the Department of Homeland Security (DHS) and other agencies to stay on top of the latest I-9 and E-Verify developments and to voice our clients' concerns. LawLogix routinely collaborates with leading immigration law firms and industry think tanks to engage the government on issues ranging from Form I-9 review standards and inspection protocols, to E-Verify requirements at the state and federal levels. As the only company in the industry with an in-house staff of immigration attorneys, LawLogix is also frequently invited to provide feedback on I-9 and E-Verify updates before changes are implemented. As a trusted advisor to the largest employers in the United States, we have embedded our legal expertise and I-9 advocacy into Guardian, the most compliant and widely respected electronic I-9 and E-Verify software.

**Learn more about LawLogix Guardian and get a complimentary Total Cost of Ownership evaluation by visiting**

**<http://www.lawlogix.com/products/guardian/>**

**or Call 877-725-4355**