

Office of Management and Budget Clearance Package

Customer Satisfaction Surveys:

Government Entities Examination Customers

Internal Revenue Service
Tax Exempt and Government Entities Division

July 12, 2007

Background

IRS has replaced the traditional measures of accomplishment with a balanced measurement system, consisting of business results, customer satisfaction, and employee satisfaction, to assess how well it is achieving its mission and objectives. The IRS Tax Exempt and Government Entities division (TE/GE) has administered four ongoing monthly mail surveys since 1998. TE/GE collects feedback from four customer segments: Employee Plan (EP) Determination, Exempt Organization (EO) Determination, EP Examination, and EO Examination. The survey process is continuous, with reports produced semi-annually in March and September.

The Government Entities Division (GE) of TE/GE was created during the IRS reorganization and it serves three customer segments; Federal, State, and Local Governments (FSLG), Tax Exempt Bonds (TEB), and Indian Tribal Governments (ITG). Now that FSLG, TEB, and ITG have established a robust, ongoing examination program, TE/GE would like to begin surveying their customers on an on-going basis. By collecting customer feedback, TE/GE will be able to assess GE customers' satisfaction with the examination process and identify specific areas where targeted improvements can be made.

TE/GE's current statement of work covers four quarters of survey administration: October 2007 through September 2008 with an option year for Fiscal Year 2009. TE/GE will begin administering the three questionnaires beginning with October's closed cases on November 14, 2007. This clearance package will cover the administration of the three questionnaires for FY08 and FY09.

Research Methodology

TE/GE will contact customers multiple times to maximize response rates; given past experience with the ongoing mail surveys, IRS should achieve response rates near 50% for each of the three surveys. An independent research firm will administer the survey, analyze the data, and report on the results only in the aggregate.

The contractor will send the questionnaires to a census of all FSLG, TEB, and ITG Examination customers based on the extracts of monthly closed cases received from the IRS. The FSLG, ITG, and TEB Examination extracts are derived from the Audit Information Management System (AIMS) and the Tax Exempt/Government Entities case management databases. Cases closed by the Appeals division, cases closed with either of two disposal codes (claims allowed in full and referrals to other Operating Divisions), and cases with international address are excluded from the sample. Also, the contractor will not send a questionnaire to any customer that received one in the last six months.

The same mailing procedures currently in place for the EP and EO Examination and Determination questionnaires will be used for the three GE questionnaires. The fielding methods and structure mirror the Dillman approach (Dillman, "The Tailored Design

Method”, 1999). Customers will receive an advance letter from the Commissioner informing them of the survey, they will then receive a letter with the questionnaire followed by a reminder postcard. Lastly, non-respondents will receive an additional letter and questionnaire. Each survey mailing will contain a return postage paid envelope. The survey instrument contains rating questions, demographics, and space for an open-ended comment.

The IRS will assume responsibility for printing the survey with the assistance of Media and Publications, using the print contractor through GPO.

Evaluation

The contractor will use basic and advanced statistical techniques including, but not limited to, frequencies, averages, case mix analysis, and the prioritization of improvement priorities using the contractor’s established technique.

The contractor will, on an annual basis, summarize the quantitative ratings and produce a national report showing customer satisfaction scores on all survey items and overall improvement priorities for each of the three surveys. The contractor will deliver three top line reports semi-annually. The contractor will also include any relevant database variables in the analysis.

Concurrent with the delivery of the reports, the contractor will deliver to the designated IRS official anonymous data files as well as files containing open-ended comments each year. Verbatim and data files will be cleansed of any taxpayer and employee names before delivery to vendor. Data files will include full variable names. Complete record layouts will accompany these files. Files will be delivered in SPSS format and not be write-protected. Delivery will be by mailing a CD-ROM to Program Leader, Strategic Planning in TE/GE in Washington, DC. Documentation will be provided for all statistical techniques employed in producing the reports. During the first period of survey administration, the contractor will supply a report template for approval by TE/GE Planning. Reports will include:

- Survey counts and overall response rates.
- The overall level of customer satisfaction with services provided by TE/GE.
- The averages and frequencies for all ratings questions.
- Which areas of service, in priority order, TE/GE should focus their resources to improve overall satisfaction.
- Cross tabulations of variables with survey questions.
- Analysis of the relationship between survey responses.

Tallies and Other Information

The following information is needed to satisfy OMB clearance requirements. It must be provided within 60 days after survey data collection operations are concluded:

1. FINDINGS: Provide a brief summary of significant (important) findings that were evidenced in the results.
2. ACTIONS TAKEN OR LESSONS LEARNED: Provide a brief summary of any actions taken or lessons learned as a result of the findings.
3. TAXPAYER PARTICIPATION:
 - a. SURVEYS:
 - i. Number of requests for taxpayer participation
 - ii. Number of questionnaires returned or interviews completed
4. DATE THE DATA COLLECTION BEGAN
5. DATE THE DATA COLLECTION ENDED
6. COST: Include printing, postage, travel, overtime payments, payments to vendors, and any other costs incurred as a direct result of the survey (do not include regular salaries of IRS employees).

Estimated Burden Hours

The IRS plans to annually receive 500 (assuming a 50% response rate) GE questionnaires.

Only the burden of those customers completing the survey is calculated below since the amount of time required to refuse the survey is minimal.

(500 participants X 8 minutes per completed survey) = 4,000 minutes = 67 hours annually or 134 hours for FY08 and FY09.

Estimated Study Cost

The cost of this study will run approximately \$85,000 annually. This cost covers the kick-off meeting, research methodology, survey administration, analysis and reporting. For FY08 and FY09 the total cost will run approximately \$170,000.

Security and Safeguard

The security of the data used in this project and the privacy of taxpayers will be carefully safeguarded at all times. Security requirements are based on the Computer Security Act of 1987 and Office of Management and Budget Circular A-130, Appendices A & B. Physical security measures include a locked, secure office. Notes are stored in locked cabinets or shredded. Data security at the C-2 level is accomplished via the Windows NT operating system. Systems are password protected, users profiled for authorized use, and individual audit trails generated and reviewed periodically.

The IRS will apply and meet fair information and record-keeping practices to ensure privacy protection of all taxpayers. This includes criteria for disclosure—laid out in the Privacy Act of 1974, the Freedom of Information Act, and Section 6103 of the Internal Revenue Code—all of which provide for the protection of taxpayer information as well as its release to authorized recipients.

The survey will not contain tax return or taxpayer information. Survey participants will not be identified in any of the documents or files used for this project. We will limit and control the amount of information we collect to those items that are necessary to accomplish the research questions. We will carefully safeguard the security of data utilized as well as the privacy of the survey respondents. We will apply the fair information and record-keeping practices to ensure protection of all survey respondents. The criterion for disclosure laid out in the Privacy Act, the Freedom of Information Act, and section 6103 of the Internal Revenue Code provides for the protection of information as well as its releases to authorized recipients.

Study Contact

For questions regarding the study, contact:

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