

**OMB SUPPORTING STATEMENT  
STUDY TO REVISE CUSTOMER SATISFACTION QUESTIONNAIRE FOR  
IRS SB/SE COMPLIANCE SERVICES COLLECTION OPERATION (CSCO)  
CUSTOMERS  
AUGUST 1, 2007 – OCTOBER 31, 2007**

## **A. Introduction**

IRS currently conducts a customer satisfaction survey among Small Business and Self-Employed customers concerning their experience with the Compliance Services Collection Operation process. Pacific Consulting Group (PCG) conducts this survey. This survey concentrates primarily on the post-filing aspect of the customer's experience. This surveying initiative is a result of Executive Order 12862, which requires all government agencies to survey their customers and incorporate customer preferences in their process improvement efforts. The customer satisfaction surveys has three primary goals: 1) to survey external customers on an ongoing basis regarding their expectations, 2) to track customer satisfaction at the SB/SE sites and 3) to identify operational improvements.

The CSCO survey in use for measuring customer satisfaction has not been reviewed for at least four years. This particular task has two components. The first will utilize a letter to invite taxpayers who have participated in a prior CSCO survey to participate in a telephone focus group to provide feedback. The second component will be conducting the CSCO telephone focus groups with the taxpayers.

## **B. Research Methodology**

### Focus Group Letter

A focus group provides an opportunity to gather information from a small group of taxpayers. Since neither the IRS nor the contractor collects telephone numbers from the taxpayers who have taken the survey, a letter will be sent from the contractor inviting participation in a telephone focus group. The purpose of the focus groups is to:

Provide insight from the customer's perspective about possible improvements to the survey.

Provide useful input for program evaluation and execution at the programmatic and field office level of service delivery.

### Focus Groups

Focus group interviews use interview and discussion techniques, in a small group setting, to capture qualitative information. While these interviews are not representative of any particular population, they are useful in identifying trends or areas of concern. The focus groups will be conducted during third quarter of 2007. The times and dates for the focus group are:

Tuesday, September 25, 2007 at 8:00 p.m. Eastern Time; 5:00 p.m. Pacific Time

Thursday, September 27, 2007 at 12:00 noon Eastern Time, 9:00 a.m. Pacific Time

Thursday, September 27, 2007 at 4:00 p.m. Eastern Time, 1:00 p.m. Pacific Time

#### Justification for Nonstandard Honoraria

PCG plans to conduct three focus groups via conference call with participants from across the United States to gain feedback from a variety of CSCO taxpayers on a variety of topics.

Because taxpayers are very busy and are most likely inundated with requests for information, it is difficult to recruit participation. In addition, people are also less likely to provide feedback in a focus group about compliance agencies, such as the IRS, than about other kinds of government agencies. Consequently, offering monetary honorarium is standard practice for successful recruiting.

Our experience with previous SB/SE customer satisfaction focus groups with small business and self-employed taxpayers has shown that an OMB approved \$75 incentive yielded the minimum number of participants desired for telephone focus groups. In the current project, we propose offering a lesser amount of \$50 incentive per respondent since the time constraint from prior projects is not an issue. This amount is the same as that used in comparable focus groups across the IRS.

### **C. Design and Methodology**

#### Focus Group Letter

The letter will be sent to 500 customers who have completed the CSCO customer satisfaction survey from September 2006 through March 2007. The database for the letter distribution list will be drawn from PCG's secure IRS database for customer surveys and will be produced through our secure system. The letter will use PCG letterhead and be mailed to 500 customers. Taxpayers who want to participate in the focus group can call or email in their interest. A copy of the focus group letter is attached.

#### Focus Groups

The focus groups will be conducted on a toll-free conference line. Taxpayers will call into the line. The moderator guide for the focus group is attached.

### **D. Estimates of the Burden of Data Collection**

#### Focus Group Letter

The focus group letter has been designed to minimize burden on the taxpayer. The time that a respondent takes to read the letter and reply has been carefully considered. The average time of letter reading is expected to be 2 minutes. For those respondents who choose to participate, and additional 3 minutes is expected to respond to the letter. We have made every attempt in designing this letter to maximize Response Rate.

Using the response rate of 10 percent, then the total burden in hours is estimated to be 19.2 hours (500 letters x 2 minutes / 60 minutes plus 50 responses x 3 minutes/60 minutes).

#### Focus Groups

A total of 18 participants are expected to participate in the three one-hour phone groups (six people per group). The total burden is 18 hours (18 participants x 1 hour = 18 hours).

The grand total burden for the focus group letter and the focus groups is 37.2 hours.

The estimated cost of these focus groups is \$7,453.

### **E. Privacy, Security, Disclosure and Confidentiality**

All participants will be subject to the provisions of the Taxpayer Bill of Rights II during this study and the contractor will ensure that all participants are treated fairly and appropriately.

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 Server 2003 operating system. Systems are password protected, users profiled for authorized use, and individual audit trails generated and reviewed periodically.

PCG 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 letter will not contain tax return or taxpayer information. 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 respondents. We will apply the fair information and record-keeping practices to ensure protection of all letter recipients. 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.

### **F. Other Information**

The following information will be provided to the Performance Planning and Analysis Section within 60 days after the close of the focus group operations:

- Purpose

- Number of requests or attempts for taxpayer participation for surveys:
- Date the letter solicitation began:
- Date the letter solicitation ended:
- Response rate:
- Number of focus group participants:
- Actual burden hours
- Cost: Including reproduction costs, travel, overtime payments, stipends, and any other costs incurred as a direct result of the survey (does not include regular salaries of IRS employees or those of contractors).

#### **G. Statistical Contact**

For questions regarding the study or the statistical methodology, contact:

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