

**SUPPORTING STATEMENT
U.S. DEPARTMENT OF COMMERCE
BUREAU OF ECONOMIC ANALYSIS
Institutional Remittances to Foreign Countries
OMB Control Number 0608-0002**

A. Justification

1. Explain the circumstances that make the collection of information necessary.

The Bureau of Economic Analysis (BEA) is responsible for compiling the U. S. international transactions accounts (ITA's), which it publishes quarterly in news releases, on its Web site, and in its monthly journal, the Survey of Current Business. These accounts provide a statistical summary of all U.S. international transactions and, as such, are one of the major statistical products of BEA. They are used extensively by both government and private organizations for national and international economic policy formulation and for analytical purposes.

The information collected in this survey is used to develop the "private remittances" portion of the ITA's. Without this information, an integral component of the ITA's would be omitted.

The information is collected under authority of the Bretton Woods Agreement Act, Section 8, and E.O. 10033, as amended.

2. Explain how, by whom, how frequently, and for what purpose the information will be used. If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, then explain how the collection complies with all applicable Information Quality Guidelines.

The survey requests information from U.S. religious, charitable, educational, scientific, and similar organizations on transfers to foreign residents and organizations and their expenditures in foreign countries. The information is collected on a quarterly basis from organizations remitting \$1 million or more each year and annually from organizations remitting at least \$100,000 but less than \$1 million each year. Organizations with remittances of less than \$100,000 each year are exempt from reporting. The survey is voluntary.

The Section 515 Information Quality Guidelines apply to this information. The information is collected according to documented procedures in a manner that reflects standard practices accepted by the relevant economic/statistical communities. BEA conducts a thorough review of the survey input data using sound statistical techniques to ensure the data quality before any estimates are released. The data are collected and reviewed according to documented procedures including the use of check lists, procedures manuals and on-going review by the appropriate supervisor or team leader. The quality of the data is validated using computerized edit checks to detect potential errors and to otherwise ensure that the data are accurate, reliable, and relevant for the estimates being made. Data are routinely revised as more complete source data become available. The collection and use of this information complies with all

applicable information quality guidelines, i.e., those of the Department of Commerce, OMB, and the Bureau of Economic Analysis.

Some specific uses of the data to be collected in the BE-40 survey are discussed below.

(a) Compile and improve U.S. economic accounts:

Data from the BE-40 survey are used to develop the “private remittances” portion of the U.S. international transactions accounts. Without this information, an integral component of the ITA’s would be omitted. The data are also used to compile the U.S. national income and product accounts.

(b) Other uses:

The information from this survey is used by international organizations, such as the International Monetary Fund; various private organizations; and other government agencies, such as the Treasury Department and the U.S. Agency for International Development, to, among other things, analyze economic trends and carry out international economic policies and programs.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological techniques or other forms of information technology.

BEA will offer an electronic filing option that makes use of fillable PDF forms, its eFile system, for use in reporting the BE-40 survey forms as an alternative to paper forms. The eFile system enables a respondent to download the survey

forms in PDF format for each reportable business enterprise, enter the required data, save the data to the downloaded form stored on its computer, and submit the forms securely to BEA.

Additionally, BEA places all of its survey forms and reporting instructions on its Internet Web site (www.bea.gov), which provides an alternative and, for some, a more convenient way to access information about BEA's surveys.

4. Describe efforts to identify duplication.

No other agency or organization collects comprehensive quarterly or annual data on U.S. non-profit institutions' transfers to foreign residents and organizations and expenditures in foreign countries.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.

Very few small U.S. organizations are subject to the reporting requirements of this survey. In order to minimize burden, organizations with annual remittances of less than \$100,000 are exempt from reporting. Only those organizations with annual remittances of \$1 million or more are asked to file this voluntary form quarterly; all other organizations are asked to file annually.

6. Describe the consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently.

The objectives stated in A. 2. above could not be accomplished if the collection

were conducted less frequently. Because the international transactions accounts are published quarterly and annually, the accuracy of the estimates would be seriously impaired if the data were collected less frequently.

7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.

No aspects of the proposed BE-40 data collection require a special justification.

8. Provide publication information of the PRA Federal Register notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

The public notice soliciting comments on the information collection prior to its submission to OMB appeared on page 44489 of the August 8, 2007 issue of the Federal Register. BEA received no comments in response to that notice.

BEA maintains a continuing dialogue with respondents and with data users, including its own internal users through the Bureau's Source Data Improvement and Evaluation Program, to ensure that, as far as possible, the required data serve their intended purposes and are available from existing records, that instructions are clear, and that unreasonable burdens are not imposed. In reaching decisions on questions to include in the survey, BEA considers the Government's need for the data, the burden imposed on respondents, the likely

quality of the responses (e.g., whether the data are readily available from respondents' books), and BEA's experience in designing surveys and collecting data.

9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.

No payments or gifts to respondents are made.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation, or agency policy.

Confidentiality is provided under Title V, Subtitle A - Confidential Information Protection – of the E-Government Act, Confidential Information Protection and Statistical Efficiency Act of 2002 (Public Law 107-347). A confidentiality pledge consistent with those suggested in the June 15, 2007 OMB Implementation Guidance for this subtitle will appear on the survey form.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

The proposed information collection contains no questions of a sensitive nature.

12. Provide an estimate in hours of the burden of the collection of information.

The BE-40 survey covers approximately 790 religious, charitable, educational, scientific, and similar organizations; about 590 organizations will report annually and about 200 will report quarterly. BEA proposes the following

changes to the form and instructions: 1) Increase the reporting threshold from \$25,000 to \$100,000; 2) request that organizations only report by country if amounts remitted to a particular country exceed \$10,000; and 3) update the list of pre-printed countries on the form and add space for respondents to enter information on remittances to countries that do not appear on the pre-printed list. Overall respondent burden will remain at 2,100 hours.

Average respondent burden remains at 1.5 hours per response. This covers the amount of time for respondents to review the instructions, search existing data sources, gather and maintain the data needed and complete and review the collection of information. The burden estimates used in this submission are based upon BEA's experience with the BE-40 survey for the last several years.

BEA believes its proposal reflects a reasonable balance between the needs of data users for complete, accurate, detailed, and timely data, and the concerns of respondents about the burden imposed.

The estimated annual cost to respondents is \$84,000, based on the estimated reporting burden of 2,100 hours and the estimated hourly cost of \$40.

13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection (excluding the value of the burden hours in #12 above).

Other than respondent cost associated with the estimated burden of 2,100 hours

(see A.12. above), the total additional annual cost burden to respondents is expected to be negligible. Total capital and start-up costs are insignificant, because new technology or capital equipment would not be needed by respondents to prepare their responses to the survey. As a consequence, the total cost of operating and maintaining the technology and capital equipment will also be insignificant. Purchases of services to complete the information collection are also expected to be insignificant.

14. Provide estimates of annualized cost to the Federal government.

The estimated annual cost to the Federal Government is \$30,000. The estimate includes salaries, overhead, computer processing, printing, and mailing.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB 83-I.

This request is for an extension of a currently approved collection. There is no change to the overall respondent burden of 2,100 hours currently shown in the inventory maintained by OMB. However, BEA proposes the following changes to the form and instructions: 1) Increase the reporting threshold from \$25,000 to \$100,000; 2) request that organizations only report by country if amounts remitted to a particular country exceed \$10,000; and 3) update the list of pre-printed countries on the form and add space for respondents to enter information on remittances to countries that do not appear on the pre-printed list.

16. For collections whose results will be published, outline the plans for tabulation and publication.

Estimates based upon the data obtained are published in articles in BEA's monthly journal, the Survey of Current Business and in news releases; the articles and news releases are placed on BEA's Web site on the Internet. For the 2007 estimates, the schedule is as follows:

Survey forms are mailed to potential respondents in January (respondents filing on a quarterly basis are sent multiple copies of the form). Quarterly reports are due 30 days after the close of each calendar or fiscal quarter and annual reports are due 90 days after the close of the calendar or fiscal year.

June, September, and December 2007, and March 2008 - Release of quarterly estimates as part of a news release on the U.S. international transactions accounts; details appear in articles in the July and October 2007, and January and April 2008 issues of the Survey of Current Business. Summary data are placed on BEA's Web site on the Internet, as are the articles and news releases.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.

The OMB expiration date will be displayed on the form.

18. Explain each exception to the certification statement identified in Item 19 of the OMB 83-I.

The BE-40 information collection is consistent with the certification in all aspects.