

**SUPPORTING STATEMENT
BUREAU OF ECONOMIC ANALYSIS
BE-40, Institutional Remittances to Foreign Countries
(OMB Control Number 0608-0002)**

B. Collections of Information Employing Statistical Methods

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used. Data on the number of entities (e.g. establishments, State and local governmental units, households, or persons) in the universe and the corresponding sample are to be provided in tabular form. The tabulation must also include expected response rates for the collection as a whole. If the collection has been conducted before, provide the actual response rate achieved.

The survey requests information from U.S. religious, charitable, educational, scientific, and similar organizations on transfers to foreign residents 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 data collection process is done on both a quarterly and annual basis, as stated above. However, the data are published quarterly; therefore, reports from respondents that file annually are not available for inclusion in the preliminary quarterly estimates. In addition, some respondents will not participate in voluntary information collection requests. As a result, preliminary estimates, and, to a certain extent, final estimates, are based on extrapolations of previously

reported data, supplemented by information obtained from the U.S. Agency for International Development and from other sources. Revisions to the estimates, as more reports are received, are similar to those of other elements of the International Transactions Accounts.

BEA sends the survey to 790 U.S. religious, charitable, educational, scientific, and similar organizations that it believes may have remittances to foreign residents and organizations. Many of these organizations may, in fact, make no such remittances. However, in an effort to make the published results of the survey as accurate and analytically useful as possible, BEA will continue to send the survey to all such organizations in the event that remittances are made in any given calendar or fiscal quarter. Historically, BEA receives reports from about 60 percent of these 790 organizations in time to publish final estimates. BEA has made every effort to improve the response rate for this survey by contacting those organizations that do not file in an effort to determine if they have reportable transactions. Given the voluntary nature of the survey many organizations simply decline to file, citing internal resource constraints, as well as the need to comply with other, mandatory U.S. government surveys. However, without the data provided by the respondents that do file, BEA would be unable to develop the "private remittances" portion of the international transactions accounts.

BEA believes that the 60 percent response rate is adequate for the purpose of the survey, which is to develop an estimate of the remittance behavior of non-profit organizations. BEA has been developing estimates based, in large part, on data received on the BE-40 survey forms for many years that meet its own data quality standards as well as those established by the Department of Commerce. BEA does not believe that the sample for the BE-40 survey is subject to non-response bias because the survey respondents represent a good cross section of large and small organizations, as well as different types of organizations. Estimates of remittances by organizations that are not currently responding to the survey are based on their previous responses; for organizations that have never responded, BEA obtains indicators of their remitting behavior from secondary sources.

2. Describe the procedures for the collection, including: the statistical methodology for stratification and sample selection; the estimation procedure; the degree of accuracy needed for the purpose described in the justification; any unusual problems requiring specialized sampling procedures; and any use of periodic (less frequent than annual) data collection cycles to reduce burden.

The sample frame consists approximately 790 religious, charitable, educational, scientific, and similar organizations. The list of potential respondents, which was originally derived from directories of not-for-profit organizations, is revised annually to include new entrants and delete inactive respondents.

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.

Estimates are based on tabulations of reports received, supplemented by information obtained from the U.S. Agency for International Development, and from other sources. To the extent that reports are not filed, or are filed too late to be used for the current estimate, BEA generates an estimate based upon data previously reported or estimated for non-respondents.

A high degree of accuracy is needed for the purposes stated in the justification.

No unusual problems have been encountered that would require the use of specialized sampling procedures.

As discussed under items A.2. and A.6. above, the data collection cycle 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.

3. Describe the methods used to maximize response rates and to deal with non-response. The accuracy and reliability of the information collected must be shown to be adequate for the intended uses. For collections based on sampling, a special justification must be provided if they will not yield "reliable" data that can be generalized to the universe studied.

Non-response is dealt with through follow-up letters and telephone consultations. Non-response mostly consists of late reporting--filing after the due date. This reflects the voluntary nature of the survey.

As stated in B. 1. above, the data collection process is done on both a quarterly and an annual basis. However, the data are published quarterly; therefore, reports from respondents that file annually are not available for inclusion in the preliminary quarterly estimates. In addition, some respondents will not participate in voluntary information collection requests. As a result, preliminary estimates, and, to a certain extent, final estimates, are based on extrapolations of previously reported data, supplemented by information obtained from the U.S. Agency for International Development and from other sources. Typically, BEA receives reports from about 60 percent of all potential respondents in time to publish final estimates.

4. Describe any tests of procedures or methods to be undertaken. Tests are encouraged as effective means to refine collections, but if ten or more test respondents are involved OMB must give prior approval.

No tests were conducted.

5. Provide the name and telephone number of individuals consulted on the statistical aspects of the design, and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.

The survey is designed and conducted within BEA by the Balance of Payments Division. For further information, contact Michael Mann, Chief, Current Account Services Branch, Balance of Payments Division via email at michael.mann@bea.gov or by phone at (202) 606-9573.