

**OMB SUPPORTING STATEMENT FOR  
AUTOMATED UNDERREPORTER (AUR) – CY09  
TO MEASURE CUSTOMER SATISFACTION  
IRS, WAGE AND INVESTMENT DIVISION  
Period of Performance: January 2009 – July 2010  
TIRNO-05-Z-00014**

**Introduction**

IRS has replaced its traditional measures of accomplishment with a balanced measurement system consisting of business results, customer satisfaction, and employee satisfaction. The Automated Underreporter (AUR) section within the Compliance Operating Unit (OU) of the Wage and Investment (W&I) Division will be responsible for notifying taxpayers of discrepancies between the income information reported on their tax returns and the income information supplied by their employers and other organizations. As an important customer interface for Wage & Investment, Automated Underreporter will need feedback from customers (i.e., taxpayers) to continuously improve its operations. This initiative is part of the Service-wide effort to establish a system of balanced organizational performance measures mandated by the IRS Restructuring and Reform Act of 1998. This is also 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 key goals of the survey are to track customer satisfaction at the three Wage and Investment Automated Underreporter sites and nationwide and to identify operational improvements.

**Customer Satisfaction Survey**

The customer satisfaction survey questionnaire is attached. Completion of the survey is expected to take approximately two minutes.

The objective of the survey will be to gauge customer expectations and perceptions about the AUR process. The questionnaire is based on the vendor's Net Impression methodology, which asks respondents to evaluate various aspects of their experience and to provide an overall summary evaluation. The questionnaire was developed based on inputs from a focus group with customers who had received a notice from the IRS notifying them of a discrepancy between their W2 or 1099 Forms and the earnings information reported on their tax returns. The results should facilitate more effective management of W&I Automated Underreporting by:

- Providing insight from the customer's perspective about possible improvements.
- Providing useful input for program evaluation and execution at the programmatic and field office level of service delivery.

The survey will include several ratings questions evaluating service delivery during the AUR process as well as several demographic items. In addition, ample space will be provided for suggestions for improvement. Survey scoring for this contract will be based on the Customer Satisfaction Survey Score response average to the keystone question – "How would you rate your overall experience with the way your discrepancy

was handled?" Questions will utilize a 5-point rating scale, with 1 being very dissatisfied and 5 being very satisfied. All survey responses generated will be confidential. The vendor shall ensure that taxpayers responding to the survey are guaranteed anonymity.

### **Disclosure, Security & Confidentiality**

Anonymity will be safeguarded. The data collection process, participants will be identified to IRS personnel by their first names only. In addition, no participant's names will be mentioned in the focus group report. Participants will be advised that observers from the IRS may be behind the one-way mirror and that their comments will be audio and videotapes.

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.

We will apply fair information and record-keeping practices to ensure protection of all taxpayers. 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 taxpayer information as well as its release to authorized recipients.

### **Design and Methodology**

The sample universe will consist of taxpayers with closed AUR cases beginning in January 2009. The vendor will select 670 taxpayers per quarter (stratifying by the three W&I AUR sites), resulting in a total of 400 completed questionnaires each quarter (133 per site) and 1,600 completed questionnaires per year (400 per site).

The vendor will administer the survey by mail on a monthly basis. Standard procedures will be used in order to obtain the highest response rate possible for the mail survey. These will include: 1) an advance letter about the survey; 2) the initial survey with a cover letter; 3) a postcard reminder; and, 4) a second letter and survey to non-respondents.

The vendor will, on a quarterly basis, summarize the quantitative ratings and produce a national report showing customer satisfaction scores on all AUR survey items and overall improvement priorities for the function. The vendor will deliver two versions of each national report, one with any appropriate site-level data and one without site references. On an annual basis, the vendor will prepare three site reports containing individual site scores on each of the survey items and improvement priorities for the individual sites. The vendor will include any relevant database variables in the analysis

and will weight the survey responses as necessary, to accurately reflect the entire customer base.

Reports of survey findings will be distributed to the IRS each quarter. Each report will be delivered approximately seven weeks after the survey cut-off date for the quarter.

### **Evaluation**

For the quarterly reports, the vendor will use basic and advanced statistical techniques including, but not limited to, analysis of variance and the prioritization of improvement priorities using vendor's established technique.

- Survey counts and overall response rates for the local partners.
- The overall level of customer satisfaction with services provided by AUR.
- The averages and frequencies for all rating questions.
- The differences in satisfaction ratings and attitudes across customer segments.
- Which areas of service, in priority order, AUR should focus its resources to improve overall satisfaction.
- Cross tabulations of variables for the customer surveys.
- Analysis of the relationship between survey responses.
- Analysis of the one open-ended question for improvement suggestions. The vendor shall transcribe and code the responses to the open-ended question and will conduct content analysis in order to provide AUR with the top ten categories of concern.

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

The AUR survey has been designed to minimize burden on the taxpayer. The time that a respondent takes to complete the survey has been carefully considered and only the most important areas are being surveyed. The average time of survey completion is expected to be 2 minutes, plus 2 minutes to read the pre-notification letter. This is based on the questionnaire consisting of 10 satisfaction questions (5 being open-ended), and 1 suggestion for improvement question, and 1 future survey research participant question. The questions are generally one sentence in structure and on an elementary concept level.

We have made every attempt in designing this survey to maximize response rate.

Using the response rate of 60 percent, then the total burden in hours is estimated to be 106 hours (1,600 surveys x 2 minutes / 60 minutes + 1,600 pre-notification letters x 2 minutes / 60 minutes).

For non-respondents, the total number of burden hours is estimated to be 35 hours (1,067 pre-notification letters x 2 minutes/ 60 minutes).

The grand total burden is estimated to be 141 hours for the year.

### **Cost Estimate**

The estimated cost for administering this survey is \$93,104.00.

### **Other Information**

The following information will be provided to the Human Capital Office within 60 days after the close of the survey data collection operations:

- Findings: A brief summary of significant findings that were evidenced in the results.
- Actions taken or lessons learned: A brief summary of any action taken or lessons learned as a result of the findings.
- Number of completed questionnaires

### **Statistical Contact**

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

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