

SUPPORTING STATEMENT
U.S. Department of Commerce
U.S. Census Bureau
Quarterly Financial Report (QFR) Program
OMB Control Number 0607-0432

B. Collections of Information Employing Statistical Methods

1. and 2. Description of the Sample/Procedures for Collection

The frame from which the major portion of the QFR sample is selected consists of the IRS file of those corporate entities which are required to file Form 1120, 1120A or 1120S and which also have as their principal industrial activity either Manufacturing, Mining, or Wholesale, Retail trade, Information, or Professional and Technical Services, excluding legal services. The IRS file is sampled once each year. At the time the sample is selected, the file does not contain those corporate entities whose first income tax return has not been processed. In addition, several months elapse between the selection of this sample and its introduction into the QFR Program.

To keep the QFR sample up-to-date, staff reviews current corporate news releases and public records to identify any potential additions and changes to the target population. Corporations thus identified and thought to meet QFR in-scope criteria are contacted to verify their in-scope status. If determined to be in-scope of the QFR, the corporation will automatically be included in the survey sampling fraction for the remainder of the sample year.

About 25% of the cases initially sampled are outside the scope of the QFR industry designation or are already included in companies reporting in the sample. The survey estimator adjusts for the resulting reduction in the sample.

Nearly all corporations whose operations are within the scope of the QFR and which have total assets greater than \$250 million are included in the sample. They are permanent sample members, with a one-out-of-one sampling fraction. In addition, receipts cut-off values are determined on an industry basis. If a corporation has receipts at or above the receipts cut-off value for their industry, that corporation is made a permanent sample member, with a one-out-of-one sampling fraction.

Simple random samples are selected from the eligible units in the remaining industry-by-size groups. The total sample size for the non-certainty portion of the sample remains the same from year to year. The number of sampling units allocated to each group is adjusted annually to minimize the sampling variability in the industry-by-size groups.

The non-certainty sample in each industry-by-size group is divided systematically into four panels that are introduced over the next year. Each panel is in the survey for eight successive quarters. Each quarter, one panel is rotated out and a new panel is rotated into the sample.

This means that the non-certainty portion of the sample for adjacent quarters is seven-eighths identical, and is one half identical for quarters ending one year apart.

These statistical procedures yield a sample of corporations that are considered potential respondents. After an initial screening, and if the company is found to be within the scope of the program, filing of the QFR report form is required.

The following table summarizes the resulting sample size by industry division and size groups.

Composition of the Sample, by NAICS Sector and Size of Total Assets Third Quarter 2008						
Asset size	Manufacturing¹			Mining²		
	Total assets³		Number of active corps. in sample⁴	Total assets³		Number of active corps. in sample⁵
	Million dollars	Percent		Million dollars	Percent	
All asset sizes	7,134,139	100	7,727	712,705	100	256
Under \$10 million	186,723	3	3,426	30	0	1
\$10 million and over	6,947,415	97	4,301	712,675	100	255
\$10 million to \$25 million	109,490	2	1,106	76	0	2
\$25 million to \$50 million	92,392	1	626	949	0	9
\$50 million to \$100 million	104,442	2	501	4,088	1	30
\$100 million to \$250 million	153,444	2	578	14,014	2	61
\$ 250 million to \$1,000 million	440,159	6	748	33,989	5	46
\$1,000 million and over	6,047,487	85	742	659,558	93	107
	Wholesale trade²			Retail Trade^{2 8}		
	Total assets³		Number of active corps. in sample⁶	Total assets³		Number of active corps. in sample⁷
	Million dollars	Percent		Million dollars	Percent	
All asset sizes	800,805	100	1,015	999,222	100	609
Under \$10 million	195	0	11	164	0	12
\$10 million and over	800,610	100	1,004	999,059	100	597
\$10 million to \$25 million	1,556	0	28	710	0	16
\$25 million to \$50 million	8,808	1	76	4,862	1	41
\$50 million to \$100 million	32,929	4	233	18,062	2	138
\$100 million to \$250 million	67,884	9	279	31,114	3	142
\$250 million to \$1,000 million	144,231	18	253	73,264	7	132
\$1,000 million and over	545,203	68	135	871,047	87	128

¹Includes manufacturing corporations with assets \$250 thousand and over.

²Includes mining and trade corporations with assets \$50 million and over.

³Estimated universe total; figures are rounded and will not necessarily add to totals.

⁴Drawn from a universe of approximately 151,000.

⁵Drawn from a universe of approximately 500.

⁶Drawn from a universe of approximately 1,800.

⁷Drawn from a universe of approximately 1,200.

⁸Composition of sample, second quarter 2008, revised.

Source: U.S. Census Bureau, Quarterly Financial Report, QFR/08-Q3

The following table provides anticipated sample sizes for the Information Sector and selected industries in the Professional, Scientific, and Technical Services sector.

Anticipated Composition of the Sample, by NAICS Sector and Size of Total Assets						
Asset size	Information			Professional, Scientific and Technical Services, excluding Legal Services		
	Total assets¹		Number of active corps. in sample	Total assets¹		Number of active corps. in sample
	Million dollars	Percent		Million dollars	Percent	
All asset sizes	273,754	100	522	6,068,137	100	720
Under \$10 million	0	0	0	0	0	0
\$10 million and over	273,754	100	522	6,068,137	100	720
\$10 million to \$25 million	0	0	0	0	0	0
\$25 million to \$50 million	0	0	0	0	0	0
\$50 million to \$100 million	18,638	7	132	308,893	5	221
\$100 million to \$250 million	29,387	11	102	551,428	9	176
\$ 250 million to \$1,000 million	80,259	29	157	1,066,306	18	225
\$1,000 million and over	145,470	53	131	4,141,510	68	98

¹Estimated universe total; figures are rounded and will not necessarily add to totals.

The QFR report form response rates differ by size category. In all categories, companies with assets of \$250 million and over achieve response rates of about 90 percent.

Nonrespondents from this group are imputed for, by using previously filed reports or industry averages for similar size companies. Companies below the \$250 million asset level respond at a lower rate, about 62 percent. Nonrespondents from this group are accounted for by adjusting the sample weights of the respondents. The over-all coverage rate, defined as the percentage of published total assets represented by data from respondents, is over 89 percent. This level is adequate to support the precision requirements of the survey.

Each QFR report form received is reviewed by QFR staff accountants for adherence to GAAP, and QFR guidelines. Should QFR requirements dictate a classification of data different from the reporting corporation's report the accountant is responsible for reclassifying or adjusting the data item(s). If complex problems arise, officials of the reporting corporation are contacted to discuss proposed adjustments.

3. Methods to Maximize Response

A set of QFR report forms is mailed during the last month of a company's quarter. Upon expiration of the 25-day filing requirement, a letter advising the company of its delinquency is mailed. In the event of continued noncompliance, companies are contacted by telephone and advised of the report's mandatory nature. This follow-up process results in an acceptable response rate.

4. Testing

Forms and methods used in the QFR program are subject to continued informal assessments. They have been refined as warranted to reflect changed conditions in the private sector and improved data program practices. The program has over 60 years experience collecting this information. The information requested is easily accessible by reporting corporations, and the burden associated with completing these forms is not considered significant.

The QFR report forms are in traditional corporate income statement and balance sheet formats. Reporting rules conform, for the most part, to GAAP and financial statement presentation. The QFR report short form was developed and introduced in 1981. The short form (a simplified version of the long form) was developed in response to comments from small companies and representatives of small businesses.

5. Consultations on Statistical Design

In July 1998 the QFR's statistical methods were evaluated in accordance with OMB Directive No. 3, and the completed evaluation clearly supports continuation of the current methodology. In addition, the QFR's primary users, the BEA and FRB, have expressed continued satisfaction with the reliability of this data series for estimation of the corporate profits component of the GDI and the Flow of Funds accounts respectively.

Ms. Demetria V. Hanna, Chief of the Financial Report Branch for the Quarterly Financial Report Program, is responsible for collection and analysis of QFR data. She can be reached at telephone number (301) 763-6600. Mr. Mark Sands, Chief of the Statistical Research & Method Branch is responsible for oversight of and consultation regarding the QFR statistical methods. He can be reached at telephone number (301) 763-3310.

List of Attachments

A. Forms Used in Conducting the QFR Program:

QFR-200 (MT) and instructions QFR-200 (I)

QFR-201 (MG) and instructions QFR-201 (I)

QFR-300 (S) and instructions QFR-300 (I)

B. Cover Letters:

QFR-006 (L1)

QFR-29 (L2)