

**OMB SUPPORTING STATEMENT  
STUDY TO MEASURE CUSTOMER SATISFACTION OF  
IRS SB/SE AUTOMATED UNDERREPORTER (AUR) CUSTOMERS  
APRIL 1, 2011 – MARCH 31, 2012**

**Introduction**

The 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 Small Business/Self-Employed will be responsible for resolving customer account issues on the phone and through the mail, providing account settlement (payment options), and working related issues. As an important customer interface for Small Business/Self-Employed, AUR will need feedback from customers 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 1) to survey our external customers on an ongoing basis regarding their expectations, 2) track customer satisfaction progress over time nationwide and 3) identify operational improvements with SB/SE AUR. **The feedback received will not institute new policy, yet will enable the Service to meet taxpayer needs effectively.**

**Customer Satisfaction Survey**

The customer satisfaction survey questionnaire is attached. Completion of the survey is expected to take approximately four 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 methodology, which asks respondents to evaluate various aspects of their experience and to provide an overall summary evaluation. The questionnaire was developed and revised based on inputs from focus groups with customers who had a recent closed case with AUR. The results have facilitated more effective management of SB/SE AUR by:

- Providing insight from the customer's perspective about possible improvements.
- Providing useful input for program evaluation.

The survey includes several rating questions evaluating service delivery during the AUR process as well as 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 case 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 anonymous. The vendor shall ensure that taxpayers responding to the survey are guaranteed anonymity.

### **Design and Methodology**

The sample will consist of closed AUR cases from April 2011 to March 2012. The project contractor will stratify the sample by the three SB/SE AUR sites and sample a total of 7,376 taxpayers per year, resulting in 1,844 completed questionnaires per year. These estimates assume an historical 25% response rate. That fact that the survey sample consists of taxpayers who have been through a compliance issue explains the low response rate. The results will be considered qualitative data and no decisions will be made solely on the basis of analysis of data from the survey. The contractor will aim to achieve a higher response rate.

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) a pre-notification letter on IRS letterhead about the survey, 2) cover letter and questionnaire, 3) a postcard reminder, and 4) a cover letter and a copy of questionnaire to non-respondents. The vendor will, on a quarterly basis, supply a weighted dataset. On an annual basis, the vendor will 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 while also including area level information. The vendor will include any relevant database variables in the analysis and will weight the survey responses as necessary to reflect accurately the entire customer base.

The Annual Report of survey findings will be distributed to the IRS in August of 2012.

### **Evaluation**

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

- Survey counts and overall response rates.
- 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.
- Analysis of the relationship between survey responses.
- Analysis of the one open-ended question for improvement suggestions.

### **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 4 minutes, plus 2 minutes to read the pre-notification letter. This is based on the questionnaire consisting of 20 rating questions and 7 additional questions on experiences, preferences, or demographics, plus one open-ended question on suggestions for improvement. 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 25 percent, the total burden in hours is estimated to be 368 hours broken down as follows:

Survey respondents: 184 hours (1,844 surveys x 4 minutes / 60 minutes + 1,844 pre-notification letters x 2 minutes / 60 minutes).

Survey non-respondents: 184 hours (5,532 pre-notification letters x 2 minutes/ 60 minutes).

The grand total burden is estimated to be 368 hours.

### **Privacy, Security, Disclosure and Anonymity**

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.

Fors Marsh Group 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 survey will not contain tax return or taxpayer information. Survey participants will not be identified in any of the documents 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.

### **Other Information**

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

- 1) Purpose
- 2) Findings: a brief summary of significant (important) findings that were evidenced in the survey results
- 3) Actions taken or lessons learned: a brief summary of any actions taken or lessons learned as a result of the survey findings
- 4) Number of requests or attempts for taxpayer participation for surveys
- 5) Number of questionnaires returned or number of focus group participants
- 6) Date the data collection began
- 7) Date the data collection ended
- 8) Response rate
- 9) Actual burden hours
- 10) 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).

The estimated cost for this project is \$73,830.67.

### **Statistical Contact**

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

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