

Supporting Statement
Approval Request to Conduct Usability Testing Research (OMB #1545-1432)
Cost-Benefit Analysis of Outreach Activities for Small and Mid-sized Tax Exempt
Organizations

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

Executive Order 12862 directs Federal agencies to provide service to the public that matches or exceeds the best service available in the private sector. In order to work continuously to ensure that our programs are effective and meet our customers' needs, The Internal Revenue Service Tax Exempt and Government Entities (IRS TE/GE) (hereafter "the Agency") seeks to obtain OMB approval of a information collection to collect feedback on our service delivery. The information we obtain will provide useful insights on perceptions and opinions, but are not results that can be generalized to the population of study due to the anticipated response rate.

This collection of information is necessary to enable the Agency to garner customer and stakeholder feedback in an efficient, timely manner, in accordance with our commitment to improving service delivery. The information collected from our customers and stakeholders will help ensure that users have an effective, efficient, and satisfying experience with the Agency's programs. This feedback will not institute new policy, yet it will enable the Agency to meet taxpayers' needs by providing insights into customer performance, perceptions, experiences and expectations, which may highlight the need for improvements in the delivery of products or services. These collections will allow for ongoing, collaborative and actionable communications between the Agency and its customers and stakeholders. It will also allow feedback to contribute directly to the improvement of program management.

2. Purpose and Use of the Information Collection

Improving agency programs requires ongoing assessment of service delivery, by which we mean systematic review of the operation of a program compared to a set of explicit or implicit standards, as a means of contributing to the continuous improvement of the program. The Agency will collect, analyze, and interpret information gathered through this information collection to identify strengths and weaknesses of current services and make improvements in service delivery based on feedback and performance. Responses will be assessed to plan and inform efforts to improve or maintain the quality of service offered to the public. If this information is not collected, vital feedback from customers and stakeholders on the Agency's services will be unavailable.

Specifically, IRS set up this research project to explore and determine the characteristics of small and mid-sized tax-exempt organizations – their outreach needs, awareness preferences and use of EO outreach programs – to provide a research baseline and to help the Agency improve their outreach services to this community. This study is the third phase of this project and serves the primary goal of researching specific options to communicate to tax-exempt organizations most efficiently and cost-effectively.

From the survey responses, TE/GE will be able to gain insight into the preferences of some of our small and mid-sized exempt organizations. This information will assist us in improving our products and services.

3. Consideration Given to Information Technology

Invitations to participate in the study will be sent via mail, as the Agency does not collect email addresses. Respondents however, will complete the survey online.

4. Duplication of Information

This survey will provide valuable information that is not available in any internal IRS data source.

5. Reducing the Burden on Small Entities

Small exempt organizations will be involved in these efforts but the Agency will minimize the burden on them of information collections approved under this clearance by sampling, asking for readily available information, and using short, easy-to-complete information collection instruments.

6. Consequences of Not Conducting Collection

Without this feedback, the Agency will not have timely information to adjust its services to meet customer needs.

7. Special Circumstances

There are no special circumstances. The information collected will be voluntary and will not be used for statistical purposes.

8. Consultations with Persons Outside the Agency

N/A

9. Payment or Gift

No forms of remuneration to respondents will be provided in exchange for their feedback.

10. Confidentiality

No PII will be collected during the survey.

11. Sensitive Nature

No questions will be asked that are of a personal or sensitive nature.

12. Burden of Information Collection

The estimated time to complete the survey is 15 minutes, but some variation in the length of time required to answer the survey is expected. Assuming a 7 percent response rate, the total annual burden hours requested (187.43 hrs) are based on the number of collections we expect to conduct over the requested period for this clearance (collection start date: April 1st, 2012; collection end date: July 31st, 2012).

Category of Respondent	No. of Respondents	Participation Time	Burden
Private Sector (asked to participate via letter)	5486	1 minute	91.43 hrs
Private Sector (who respond -subset of above)	384	15 minutes	96.00 hrs
Totals			187.43 hrs

13. Costs to Respondents

No costs are anticipated.

14. Costs to Federal Government

The total cost to the Federal Government is \$74,936.

15. Reason for Change

Not applicable. This is a new request for an ICR.

16. Tabulation of Results, Schedule, Analysis Plans

The primary analyses will compare respondent feedback regarding their experience using the electronic documents in the three different electronic format conditions. Feedback collected provides useful information, but due to the anticipated response rate it does not yield data that can be generalized to the overall population. Findings will be used for general service improvement, but are not for publication or other public release.

Although TE/GE does not intend to publish its findings, TE/GE may receive requests to release the information (e.g., congressional inquiry, Freedom of Information Act requests). TE/GE will disseminate the findings when appropriate, strictly following IRS' "Guidelines for Ensuring the Quality of Information Disseminated to the Public.", and will include specific discussion of the limitation of the qualitative results discussed above.

17. Display of OMB Approval Date

We are requesting no exemption.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

These activities comply with the requirements in 5 CFR 1320.9.

B. STATISTICAL METHODS

Data collection methods and procedures will vary; however, the primary purpose of these collections will be for internal management purposes; there are no plans to publish or otherwise release this information.

1. Universe and Respondent Selection

The sampling frame is all 501(C)(3) exempt organizations that reported in Tax Year 2009 with gross receipts of less than \$200,000 and assets less than \$500,000 on the Form 990 or Form 990-EZ. It will also include all individuals who filed the form 990-N (e-postcard) in Tax Year 2009. This information will be retrieved through the IRS Returns Inventory and Classification System (RICS).

Once the information is retrieved, one master list will be created and potential respondents will be selected using simple random selection. All entities in the sampling frame will have an equal chance of being selected for this study.

2. Procedures for Collecting Information

All data collection will be conducted by Porter Novelli Public Services and their research partner, Ipsos. As previously stated, the initial sample will be randomly selected from a list of eligible small and medium 501(c)(3) organizations. Those selected respondents will be mailed an invitation letter containing:

- Compelling reasons for participating in the study
- A URL for the online study
- A unique log-in credential (user name and password)
- A toll free number for participants to contact if they have questions about the survey.

See **Attachment A** for a copy of the recruitment letter.

Participants will use their unique log-in credentials to sign in and begin the survey online. At the beginning of the survey, participants will be exposed to an outreach method that is presented in one of three formats (Participants will be randomly assigned to the formats). See **Attachment B** for descriptions of the outreach methods. Once a respondent has a chance to explore the outreach material, he/she will be presented with a set of questions about their experience with the material. These questions will include but not be limited to ease of access, clarity of information provided, and ability to complete the task assigned to the individual. See **Attachment C** for a copy of the survey. The survey will also include a millisecond timer and will gauge click-through rates as additional metrics for the study.

3. Methods to Maximize Response

Information collected under this information collection will not yield generalizable quantitative findings; however, it can provide useful customer input. Regardless, efforts will be made to maximize response rates to the extent possible. For example, the recruitment letter will stress why it is important to participate in the survey.

4. Testing of Procedures

Ipsos will be conducting internal checks of the survey tool to ensure that the survey functions properly and can be completed as intended.

5. Contacts for Statistical Aspects and Data Collection

Consultations will be made with social scientists and statisticians in the development, design, conduct, and analysis of customer/partner service surveys, when appropriate. This statistical expertise will be available from contractors at Porter Novelli Public Services and Ipsos. Those consulted include:

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