Supporting Statement
U.S. Department of Commerce
Bureau of Economic Analysis
Institutional Remittances to Foreign Countries
OMB Control Number 0608-0002

A. JUSTIFICATION

1. <u>Explain the circumstances that make the collection of information necessary.</u>

This request is for an extension of a currently approved collection.

The Institutional Remittances to Foreign Countries Survey (Form BE-40) is used by the Bureau of Economic Analysis (BEA) for compiling of the U. S. International Transactions Accounts (ITAs). These accounts provide a comprehensive and detailed view of economic transactions between the United States and other countries. In addition, they provide input into other U.S. economic measures and accounts, contributing particularly to the National Income and Product Accounts. The ITAs are used extensively by both government and private organizations for national and international economic policy support and for analytical purposes.

The information collection, BE-40 Institutional Remittances to Foreign Countries, is necessary to develop the "private remittances" portion of the ITAs. Without this information, an integral component of the ITAs would be omitted.

The BE-40 is a voluntary survey, conducted under the authority of the Bretton Woods Agreement Act, Section 8 and Executive Order 10033, as amended (copies are in ROCIS). It is the subject of this supporting statement. The survey requests that non-profit organizations such as U.S. religious, charitable, educational, scientific and similar organizations voluntarily provide data regarding transfers to foreign residents and organizations, and their expenditures in foreign countries. The information is requested quarterly from organizations remitting $1 million or more each year and annually for organizations remitting at least $100,000 but less than $1 million each year. Organizations with remittances of less than $100,000 in the year covered by the report are exempt from reporting.

2. <u>Indicate how, by whom, and for what purpose the information is to be used.</u>

BEA uses the data from the BE-40 survey to prepare the "private remittances" portion of the U.S. ITAs. BEA estimates the institutional remittances to foreign countries based on the data from the BE-40 survey, that in turn are used to develop the "private remittances" portion of the U.S. international transactions accounts. The data are also used to compile the U.S. national income and product accounts. Information from the survey is used by international organizations, such as the International Monetary Fund, various private organizations, and other government agencies, such as the Treasury Department and the

U.S. Agency for International Development, to, among other things, analyze economic trends and carry out international economic policies and programs.
The Section 515 Information Quality Guidelines apply to this information. The information is collected according to documented procedures in a manner that reflects standard practices accepted by the relevant economic/statistical communities. BEA conducts a thorough review of the survey input data using sound statistical techniques to ensure the data quality before the final estimates are released. The data are collected and reviewed according to documented procedures including the use of check lists, procedures manuals, and on-going review by the appropriate supervisor or team leader. The quality of the data are validated using computerized edit checks to detect potential errors and to otherwise ensure that the data are accurate, reliable, and relevant for the estimates being made. Data are routinely revised as more complete source data become available. The collection and use of this information complies with all applicable information quality guidelines, i.e., OMB, Department of Commerce, and those of the Bureau of Economic Analysis.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

eFile is BEA's electronic filing system and has been used successfully for many of BEA's surveys. The *eFile* system makes use of fillable Adobe PDF forms that can be downloaded, completed, saved, and submitted securely to BEA. The survey will use eFile or a similar system for electronic data submission. Currently, nearly half of the respondents to the BE-40 survey file reports using BEA's *eFile* system.

4. Describe efforts to identify duplication.

No other Government agency collects comprehensive quarterly or annual data on U.S. non-profit institutions' transfers to foreign residents and organizations, and expenditures in foreign countries.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.

Very few small U.S. organizations are subject to the reporting requirements of this survey. In order to minimize burden, organizations with annual remittances of less than $100,000 are exempt from reporting. Only those organizations with remittances of $1 million or more are asked to file this voluntary form quarterly; all other organizations are asked to file annually. Any small businesses that report would likely have remittances to a small number of countries and so the burden on them would be relatively small.

6. Describe the consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently.

If the institutional remittances to foreign countries survey were not conducted or were conducted less frequently, the quality of the U.S. international transactions accounts would be compromised. Because these accounts are published quarterly, their accuracy would be impaired if the data were collected less frequently.

7. <u>Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines</u>.

Not Applicable.

8. <u>Provide a copy of the PRA Federal Register notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported</u>.

This submission follows a public request for comments in the *Federal Register* (pages 22101-22102 of the April 27, 2010 issue). BEA received no comments in response to that notice.

BEA maintains a continuing dialogue with respondents and with data users, including its own internal users through the Bureau's Source Data Improvement and Evaluation Program, to ensure that, as far as possible, the required data serve their intended purposes and are available from existing records, that the instructions are clear, and that unreasonable burdens are not imposed.

In reaching decisions on questions to include in any survey, BEA considers the Government's need for the data, the burden imposed on respondents, the likely quality of the responses (e.g., whether the data are readily available from respondents' books), and BEA's experience in designing surveys and collecting data.

9. <u>Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees</u>.

No payments or gifts to the respondents are made.

10. <u>Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation, or agency policy</u>.

BEA provides respondents with assurance that it will keep the reported data confidential. The following statement is taken directly from the reporting instructions for the survey. "The information you provide will be used for statistical purposes only. In accordance with the Confidential Information Protection provisions of Title V, Subtitle A. Public Law 107-347 and other applicable Federal laws, your responses will be kept confidential and will not be disclosed in identifiable form to anyone other than Bureau of Economic Analysis (BEA) employees or agents without your consent. By law, each BEA employee as well as every agent is subject to a jail term, a fine, or both if he or she willfully discloses ANY identification information that you report about your business or institution."

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

No questions of a sensitive nature are asked.

12. Provide estimates of the hour burden of the collection of information.

The BE-40 survey will be mailed to approximately 1,529 organizations and is expected to result in the filing of approximately 103 quarterly reports (412 reports annually = 618 burden hours) and 1,117 annual reports (1,676 burden hours). BEA expects that approximately 301 of the organizations will report data and 816 of the organizations that receive the survey will not report data. The average respondent burden for this collection of information, both the organizations that report data and those that do not, is estimated at one and one half hours. This estimate covers the amount of time for respondents to review the instructions, search existing data sources, gather and maintain the data needed, and complete and review the information collection. Thus, the total annual respondent burden for this survey is estimated at **2,294** hours as shown in the RISC/OIRA Consolidated Information System (ROCIS).

The actual burden will vary from respondent to respondent, depending upon the number and amounts of their transactions and the ease of assembling the data. The estimated annual cost to respondents is $91,760 based on the estimated reporting burden of 2,294 hours and an estimated hourly cost of $40.

13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection (excluding the value of the burden hours in Question 12 above).

Other than respondent cost associated with the estimated burden of 2,294 hours (see A.12 above), the total additional annual cost burden to respondents is expected to be negligible. Total capital and start-up costs are insignificant because new technology or capital equipment would not be needed by respondents in order to prepare their responses to the survey. As a consequence, the total cost of operating and maintaining the technology and capital equipment will also be insignificant. Purchases of services to complete the information collection are also expected to be insignificant.

14. <u>Provide estimates of annualized cost to the Federal government</u>.

The estimated annual cost to the Federal Government is $50,000. The estimate includes salaries, overhead, computer processing, printing, and mailing.

15. <u>Explain the reasons for any program changes or adjustments</u>.

The change in the estimate of burden, from 2,100 hours to 2,294 hours, is an increase of 194 hours. This change is shown as an adjustment and is entirely due to an increase in the number of respondents (from 1,380 to 1,529).

16. <u>For collections whose results will be published, outline the plans for tabulation and publication</u>.

The data from this survey will be used to estimate international private remittances and other transfers services transactions by major world region and selected countries for the U.S. ITAs on a quarterly basis. These estimates will be included in larger aggregates published in BEA's monthly journal, the *Survey of Current Business*, and on BEA's web site (www.bea.gov).

Quarterly statistics developed from the survey results are released four times a year as part of the U.S. international transactions accounts approximately 75 days after the close of each quarter. Annual summations of the quarterly statistics are released approximately six months after the end of the year. An analysis of the quarterly statistics appears in the *Survey of Current Business* approximately 105 days after the end of each quarter, and is available on BEA's web site as well as in hard copy.

17. <u>If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate</u>.

The OMB expiration date will be displayed on the forms.

18. <u>Explain each exception to the certification statement</u>.

Not Applicable.