Supporting Statement
U.S. Department of Commerce
Bureau of Economic Analysis
Institutional Remittances to Foreign Countries (Form BE-40)
OMB Control Number: 0608-0002

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used. Data on the number of entities (e.g. establishments, State and local governmental units, households, or persons) in the universe and the corresponding sample are to be provided in tabular form. The tabulation must also include expected response rates for the collection as a whole. If the collection has been conducted before, provide the actual response rate achieved.

The potential respondent universe for the BE-40 survey is all religious, charitable, educational, scientific, and similar organizations, covering their transfers to foreign residents and their expenditures in foreign countries. The information is collected quarterly from organizations remitting at least $1 million or more each year and annually from organizations remitting at least $100,000 but less than $1 million each year. Organizations with remittances of less than $100,000 each year are exempt from reporting. The survey is voluntary.

The data collection process is carried out on both a quarterly and annual basis, as stated above. However, the data are published quarterly; therefore, reports from respondents that file annually are not available for inclusion in the preliminary quarterly estimates. In addition, some respondents will not participate in voluntary information collection requests. As a result, preliminary estimates, and, to a certain extent, final estimates, are based on extrapolations of previously reported data, supplemented by information obtained from the U.S. Agency for International Development and from other sources. Revisions to the estimates, as more information becomes available, are similar to those of other elements of the International Transactions Accounts.

BEA sends the survey to 1,220 U.S. religious, charitable, educational, scientific, and similar organizations that it believes may have remittances to foreign residents and organizations. Many of these organizations may, in fact, make no such remittances. However, in an effort to make the published results of the survey as accurate and analytically useful as possible, BEA will continue to send the survey to all such organizations in the event that remittances are made in any given calendar or fiscal quarter. Historically, BEA receives responses from about 60 percent of these organizations in time to reflect them in the final estimates. BEA has made every effort to improve the response rate for this survey by contacting those organizations that do not file in an effort to determine if they have reportable transactions. Given the voluntary nature of the survey many organizations simply decline to file, citing internal resource constraints, as well as the need to comply with other, mandatory U.S. Government surveys. However, without the data provided by the respondents that do file, BEA would be unable to develop the private remittances portion of the international transactions accounts.

BEA believes that the response rate is adequate for the purpose of the survey, which is to estimate of the remittance behavior of non-profit organizations. BEA has been developing estimates based on data received on the BE-40 survey forms, supplemented by information from other sources, for many years that meet its own data quality standards as well as those established by the Department of Commerce.

We have reviewed the survey, and concluded that it does not show significant bias due to non-response. The survey respondents represent a good cross section of large and small organizations, as well as different types of organizations. Moreover, BEA uses supplemental data from the U.S. Agency for International Development (USAID) and a philanthropic association, to provide information about a significant number of organizations that have not responded in the past. Estimates of remittances by organizations that are not currently responding to the survey but have responded in the past are based on their previous responses. Charities and institutions that receive money from USAID are required to report to USAID on their giving abroad. In 2007, thirty percent of BEA's estimate of institutional remittances was from these two supplemental sources.

The response rate has been low in recent years in part because BEA sent several hundred surveys to organizations that it thought might have reportable transactions as part of a special effort to identify potential new reporters. It is likely that many of these organizations did not respond because they did not have reportable transactions. Thus, their non-response does not create a gap in coverage. BEA already follows up with non-respondents, so it is unlikely that non-response follow-up studies would generate a sufficient number of new responses.

2. Describe the procedures for the collection, including: the statistical methodology for stratification and sample selection; the estimation procedure; the degree of accuracy needed for the purpose described in the justification; any unusual problems requiring specialized sampling procedures; and any use of periodic (less frequent than annual) data collection cycles to reduce burden.

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 quality of the data before any 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. Estimates 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., those of the Department of Commerce, OMB, and the Bureau of Economic Analysis.

The sample frame consists of approximately 1,220 religious, charitable, educational, scientific, and similar organizations. The list of potential respondents, which was originally derived from directories of not-for-profit organizations, is revised annually to include new entrants and delete inactive respondents.

The information is collected quarterly from organizations remitting $1 million or more each year and annually from organizations remitting at least $100,000 but less than $1 million each year. Organizations with remittances of less than $100,000 each year are exempt from reporting.

Estimates are based on tabulations of reports received, supplemented by information obtained from the U.S. Agency for International Development, and from other sources, including a philanthropic association. To the extent that reports are not filed, or are filed too late to be used for the current estimate, BEA generates an estimate based upon data previously reported or estimated for non-respondents.

A high degree of accuracy is needed for the purposes stated in the justification.

No unusual problems have been encountered that would require the use of specialized sampling procedures.

As discussed under items A.2. and A.6. of the supporting statement, the objective of the survey could not be achieved if the collection were conducted less frequently. Because the international transactions accounts are published quarterly and annually, the accuracy of the estimates would be seriously impaired if the data were collected less frequently.

3. Describe the methods used to maximize response rates and to deal with nonresponse. The accuracy and reliability of the information collected must be shown to be adequate for the intended uses. For collections based on sampling, a special justification must be provided if they will not yield "reliable" data that can be generalized to the universe studied.

Respondents are mailed copies of the BE-40 survey in January of each year. In addition, the form is available on BEA’s website. Any person contacted by BEA is requested to respond in writing or electronically using BEA’s *eFile* reporting system, by filing a completed form. Non-response is dealt with through follow-up letters and telephone consultations. Non-response mostly consists of reporting after the due date. This reflects the voluntary nature of the survey. As stated in B.1. above, the data collection process is carried out on both a quarterly and an annual basis. However, the data are published quarterly; therefore, reports from respondents that file annually are not available for inclusion in the preliminary quarterly estimates. In addition, some respondents will not participate in voluntary information collection requests. As a result, preliminary estimates, and, to a certain extent, final estimates are based on extrapolations of previously reported data, supplemented by information obtained from the U.S. Agency for International Development and from other sources, including a philanthropic association.

Typically, BEA receives responses from about 60 percent of all potential respondents in time to publish final estimates.

4. Describe any tests of procedures or methods to be undertaken. Tests are encouraged as effective means to refine collections, but if ten or more test respondents are involved OMB must give prior approval.

No tests were conducted.

5. Provide the name and telephone number of individuals consulted on the statistical aspects of the design, and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.

The survey is designed and conducted within BEA by the Balance of Payments Division (BPD). No substantive changes are being proposed on statistical aspects of the survey design. For further information, contact Robert Becker via email at robert.becker@bea.gov or by phone at 202-606-9576.