Supporting Statement
U.S. Department of Commerce
Bureau of Economic Analysis
Institutional Remittances to Foreign Countries (Form BE-40)
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 Bureau of Economic Analysis (BEA) produces the International Transactions Accounts (ITAs) of the United States. 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 (NIPAs). The ITAs are used extensively by both government and private organizations for national and international economic policy support and for analytical purposes. The information collected on the Institutional Remittances to Foreign Countries Survey (Form BE-40) 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 the RISC and OIRA Consolidated Information System (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 their 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.

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 estimates of institutional remittances, a sub-component of the private remittances component of the ITAs; the institutional estimates are not separately published. The data also contribute to the estimation of 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 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 quality of the data before the final statistics 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 project manager. The quality of the data is validated using a battery of computerized edit checks to detect potential errors and to 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.

BEA's electronic filing system, eFile, 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, over eighty percent of the respondents to the BE-40 survey file reports using eFile.

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 not asked to report. Only those organizations with remittances of $1 million or more are asked voluntarily to file quarterly; all other organizations are asked to file annually. Any smaller organizations that report would likely have remittances to a small number of countries, 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 was not conducted or was conducted less frequently, the quality and coverage of the ITAs would be compromised.

Because these accounts are published quarterly, their accuracy would be impaired if the data were collected less frequently.

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

No aspects of the Institutional Remittances to Foreign Countries Survey require special justification.

8. Provide citation information for 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.

This submission follows a public request for comments in the *Federal Register* (page 38011 of the June 25, 2013 issue). No comments were received.

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 reporting burdens are not imposed.

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

No payments or gifts to the respondents are made.

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

In accordance with the Confidential Information Protection provisions of Title V, Subtitle A. Public Law 107-347 and other applicable Federal laws, BEA provides respondents with assurance that it will keep the reported data confidential and the data will not be disclosed in identifiable form to anyone. The information provided will be used for statistical purposes only.

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 585 organizations. Based on historical responses from those 585 organizations, BEA expects approximately 468 to report data and 117 not to report data in any given year. From the 468 organizations expected to report data, BEA expects approximately 125 quarterly reports (500 reports annually = 750 burden hours) and 343 annual reports (515 burden hours). The average respondent burden for this collection of information, for 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 collected. Thus, the total annual respondent burden for this survey is estimated at 1,265 hours.

The actual burden will vary by respondent depending on the number of transactions to report and on the ease of assembling the data. The estimated annual cost to respondents is $50,600 based on the estimated reporting burden of 1,265 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 1,265 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 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.

14. Provide estimates of annualized cost to the Federal government.

The estimated annual cost to the Federal Government is $50,600. The estimate includes salaries, overhead, computer processing, printing, and mailing.

15. Explain the reasons for any program changes or adjustments.

The slight increase of burden (88 responses/132 hours) for quarterly reporting was due to enhanced effort for getting respondents with large transactions to report to the survey. The substantial reduction of burden (774 responses/1,161 hours) for annual reporting was due to a decrease in the number of organizations surveyed. Following a review of organizations previously surveyed, BEA determined that approximately two thirds were not relevant to the survey and removed them from the mailing list.

Net Adjustment Decrease = -686 responses and -1,029 burden hours

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

The data from this survey will be used to estimate international private remittances and other transfers transactions by major world region and selected countries for the U.S. ITAs on a quarterly basis. These statistics will be included in higher-level 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 ITAs 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. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.

The OMB expiration date will be displayed on the forms.

18. Explain each exception to the certification statement.

Not Applicable.