

ALTERNATIVE ESTIMATION SAMPLE REVIEW METHODOLOGY

The Alternative Estimation Sample Review Methodology was developed as a result of an analysis of the 1996 Cashiering Estimation Sample effort. Overall, the Alternative Method and the Estimation Sample Review detailed in ET Handbook No. 407, Chapter IV, are very similar. The significant differences are in the time frame from which sample items are to be selected and the opportunity to adjust for over/under-sampling. Pertinent Alternative Methodology instructions should be followed as indicated for Steps 1 and 4 in Chapter IV of ET Handbook No. 407. Except as indicated for Steps 1 and 4, all other instructions are to be followed as detailed in ET Handbook No. 407. Timeliness calculations will automatically be made by the Cashiering software and will be based on the Sampling Table shown on page IV-113 of ET Handbook No. 407. (All page numbers below refer to pages in ET Handbook No. 407.)

INSTRUCTIONS

SAMPLE SIZE GOAL: As in the Estimation Sample Review detailed in ET Handbook No. 407, Chapter IV, the sample size goal in the Alternative Method is 500 sample items for all SESAs. A sample size of 500 provides reliability of the sample findings in terms of sample representativeness and precision.

SAMPLING TIME FRAME: (Substitute these instructions for Sampling Procedures, Step 1, on page IV-100.) The reviewer will estimate the time period during which 90% of the receipts for the quarter are anticipated. (This could be as long as 5 weeks in some SESAs). From that time period, the reviewer should determine the 5 days during which the greatest amount of mail receipt is anticipated. The 5 days selected should be based on historical mail receipt data and the reporting due date. Reviewers must be able to support their decision. Sample items are to be selected from each of these 5 days. The samples may be chosen from 5 consecutive days OR from 5 days chosen at random over the course of the mail receipt period.*

NOTE: If 90% or more of the receipts for the quarter are expected to arrive in the SESA within 5 days or less, samples must be taken each day.

*In consideration of travel time and costs, this methodology can be modified for SESAs that do not perform the Cashiering function on site or near by. If the Cashiering function is performed at a bank lock box or Other Agency site (i.e., Dept. of Revenue), located **1 or more hours** from the SESA, the number of sampling days may be reduced, with Regional Office approval, to 3 days. The sample size goal will remain at 500 items, increasing the number of sample items to be selected each day to 167 items. Although this modification will be accepted, it is not preferable because it reduces the representativeness of the sample items.

SAMPLING TECHNIQUE: (Substitute these instructions for Sampling Procedures, Step 4, Check Interval Method (1) and (2), page IV-102 or Mail Tray Method (1) and (2), page IV-103, as appropriate.) The goal is to select 100 sample items in each of the 5 days. This requires the reviewer to estimate the number of mail trays or amount of mail to be received per day and to establish a sample interval or the number of sample items to be selected per tray, for that day. The reviewer may use either the Check Interval Method or the Mail Tray Method for selecting sample items, however, the Mail Tray Method will probably be the easiest to estimate. The reviewer should use the same method for each of the 5 days from which samples are selected. (Don't switch back and forth between the Mail Tray Method and the Check Interval Method during the 5 days.) At the end of the first day, 100 sample items should have been selected: at the end of the second day, a total of 200 items should have been selected, etc.

When **less** than 100 items are selected in a day

If less than 100 items are selected on any given day, the difference between the number of sample items actually selected and 100, must be added to the goal for the following day. For example, if **90** sample items are selected on **Day 1**, **110** items should be selected on **Day 2**, for a total of **200** items within 2 days. Sample selection should be discontinued at the end of the 5th day, even if less than 500 total sample items have been selected.

When **more** than 100 items are selected in a day

If 100 items are pulled on a day and there is still more mail from which samples could be selected, the reviewer(s) should continue to pull samples using the same sampling interval, and then reduce the number of samples selected the following day. For example, if **120** sample items are selected on **Day 1**, only **80** items should be selected on **Day 2**, for a total of **200** sample items within 2 days. If the 500 item target is reached during the 5th day and more mail remains, the reviewer should continue to select sample items at the same interval, until all mail received for the day has been sampled.

When mail is received beyond the hours the reviewer is on site

In some SESAs, mail is received around the clock or may be received prior to and/or after the time the reviewer is on site. Under these circumstances, the reviewer must make a "best guess" of how much mail will be received while he/she is available and select 100 sample items from incoming mail during that time period. Example: mail is delivered every hour between 3 AM and 11 PM. The reviewer is on site 7 AM - 4 PM. The reviewer would select items from each mail delivery between 7 AM - 4 PM, for a total of 100 items for the day. If the number of sample items selected during the time the reviewer is on site is not 100, the reviewer would adjust the sample selection the following day to make up the difference.