

Date of Approval: 06/26/2024
Questionnaire Number: 1248

Basic Information/Executive Summary

What is the name of your project (system, database, pilot, product, survey, social media site, etc.)?

Individual Master File Individual Tax Processing Engine

Business Unit
Taxpayer Services

Preparer
For Official Use Only

Subject Matter Expert
For Official Use Only

Program Manager
For Official Use Only

Designated Executive Representative
For Official Use Only

Executive Sponsor
For Official Use Only

Executive Summary: Provide a clear and concise description of your project and how it will allow the IRS to achieve its mission.

The IMF application is a system that is used for individual tax administration. It receives individual tax information from various sources, processes the information and generates data for refunds. It consists of a series of batch runs, data records and files. The IMF system receives individual tax submissions in electronic format and processes them through a pre-posting phase, posts the transactions, analyzes the transactions and produces output in the form of Refund Data, Notice Data, Reports, and information feeds to other entities. After the implementation of the Customer Account Data Engine 2 (CADE2) daily processing, IMF processes a daily processing cycle for individual tax submission. The ITPE Step 1 project focuses on the posting, settlement, and analysis functions, executed through IMF Runs 460-12 and 460-15. These two Runs perform the functions that post transactions to accounts, settle the accounts, and then perform analysis to determine whether to generate refunds, notices, transcripts, etc. In IMF today, two programs are required due to sequential processing constraints, which limit each program to only handle one Tax Module

at a time and one Account at a time. In Java though, there are no limitations to only keeping one Tax Module in memory, as it keeps all Tax Modules for an Account in memory, available for processing. While J12 and J15 are two separate applications in ITPE today, in future steps of the program to streamline and complete account processing in fewer cycles, ITPE J12 and J15 can be merged into a single job. Replicating these IMF Runs in CADE 2 TS2 is critical to achieving the goal of retiring IMF.

Personally Identifiable Information (PII)

Will this project use, collect, receive, display, store, maintain, or disseminate any type of Sensitive but Unclassified (SBU), Personally Identifiable Information (PII), or Federal Tax Information (FTI)?

Yes

Please explain in detail how this project uses sensitive data from inception to destruction (data lifecycle).

The Personally Identifiable Information (PII) collected from the IRS 1040 Forms and all supplemental documentation filed along with an individual's tax information is used to validate an individual's taxes. CADE 2 IMF only use SBU/PII data that are necessary to assess the taxes. This includes the SSN since it is the one unique identifier that taxpayers must identify themselves.

Please select all types of Sensitive but Unclassified data (SBU)/Personally Identifiable Information (PII)/Federal Tax Information (FTI) that this project uses.

Centralized Authorization File (CAF)

Email Address

Financial Account Number

Name

Other

Please explain the other type(s) of PII that this project uses.

Date of Birth, Phone Numbers, Mailing Address, Protection Personal Identification Numbers (IP-PIN)

Cite the authority for collecting SBU/PII/FTI (including SSN if relevant).

Information by CI for certain money laundering cases - 18 USC

PII about individuals for Bank Secrecy Act compliance - 31 USC

PII for federal tax administration - generally IRC Sections 6001 6011 or 6012

PII for personnel administration - 5 USC

SSN for personnel administration IRS employees - 5 USC and Executive Order 9397

SSN for tax returns and return information - IRC section 6109

Product Information (Questions)

1.1 Is this PCLIA a result of the Inflation Reduction Act (IRA)?

No

1.2 What is the IRA Initiative Number?

Initiative 4.1, project specific to ITPE according to SIMs: 4.1.1.1 - CADE 2
Individual Tax Processing Engine (ITPE)

1.3 What type of project is this (system, project, application, database, pilot/proof of concept, power platform/visualization tool)?

System

1.35 Is there a data dictionary for this system?

No

1.36 Explain in detail how PII and SBU data flow into, through and out of this system.

The Personally Identifiable Information (PII) collected from the IRS 1040 Forms and all supplemental documentation filed along with an individual's tax information is used to validate an individual's taxes. CADE 2 IMF only use SBU/PII data that are necessary to assess the taxes. This includes the SSN since it is the one unique identifier that taxpayers must identify themselves.

1.4 Is this a new system?

No

1.5 Is there a Privacy and Civil Liberties Impact Assessment (PCLIA) for this system?

Yes

1.6 What is the PCLIA number?

7483

1.7 What are the changes and why?

The ITPE Step 1 project focuses on the posting, settlement, and analysis functions, executed through IMF Runs 460-12 and 460-15. These two Runs perform the functions that post transactions to accounts, settle the accounts, and then perform analysis to determine whether to generate refunds, notices, transcripts, etc. Replicating these IMF Runs in CADE 2 TS2 is critical to achieving the goal of retiring IMF.

1.8 If the system is on the As-Built-Architecture, what is the ABA ID of the system? If this PCLIA covers multiple applications shown on the ABA, please indicate the ABA ID for each application covered separated by a comma.

210599

1.9 What OneSDLC State is the system in (Allocation, Readiness, Execution)?
Execution

2.1 If this system discloses any PII to any third party outside the IRS, does the system have a process in place to account for such disclosures in compliance with IRC 6103(p)(3)(A) or Subsection c of the Privacy Act? Contact Disclosure to determine if an accounting is required. Enter "Yes" or "No". If Exempt, type "Exempt".

No

2.2 Please provide the full name of and acronym of the governance board or Executive Steering Committee (ESC) this system reports to.

Individual Master File (IMF) Modernization Governance Board

3.1 Does your project/system involve any use of artificial intelligence (AI), including virtual assistant, chat bot, and robotic process automation, as defined in Executive Order 13960?

No

3.3 Does this system use cloud computing?

No

3.31 Please identify the Cloud Service Provider (CSP), FedRAMP Package ID, and date of FedRAMP authorization.

This application is not hosted by a Cloud Service Provider (CSP).

3.4 Is there a breach/incident plan on file?

No

3.5 Does the data physically reside in systems located in the United States and its territories and is all access and support of this system performed from within the United States and its territories?

Yes

3.6 Does this system interact with the public through a web interface?

No

3.61 If the system requires the user to authenticate, was a Digital Identity Risk Assessment (DIRA) conducted?

The system has no end users that are authenticating to it. This is a batch processing system.

3.63 If individuals do not have the opportunity to give consent to collect their information for a particular use, why not?

This is not a public facing system this is a connected to an internal database.

3.64 If the individual was not notified of the following items prior to the collection of information, why not? 1) Authority to collect the information 2) If the collection is mandatory or voluntary 3) The purpose for which their information will be used 4) Who the information will be shared with 5) The effects, if any, if they don't provide the requested information.

Notice is provided to individuals by other IRS applications or through forms (e.g., 1040 forms) that interact directly with the taxpayer at the time of collection. Due Process is provided pursuant to 5 USC.

3.65 If information is collected from third-party sources instead of the individual, please explain your decision.

Information is not collected from a third-party source.

3.7 Describe the business process allowing an individual to access or correct their information.

Individuals do not access or correct their information. IMF, to include ITPE J12 and J15, is a batch processing application. No users can access any information. Users of this application trigger a batch process to run via Control-M Service Account.

4.1 Who owns and operates the system (IRS Owned and Operated, IRS Owned and Contractor Operated, Contractor Owned and Operated)?

IRS-owned and operated

4.2 If a contractor owns or operates the system, does the contractor use subcontractors?

The contractor doesn't own or operate the system.

4.5 Identify the roles and their access level to the PII data. For contractors, indicate whether their background investigation is complete or not.

Answer: FIT EXECUTOR MF INTEGRATION CONTROL-M (MASTERFILE)
FIT TESTER FIT INTEGRATION (MASTERFILE) FIT2 DEVELOP
ENTERPRISE ARCHITECTURE FIT2 EXECUTOR FIT2 RESEARCHER SAT
TESTER CADE2 ITPE SAT EXEC CADE2 ITPE SAT RES CADE2 ITPE The
MBI Background Investigations are up to date.

4.51 How many records in the system are attributable to IRS Employees? Enter “Under 50,000”, “50,000 to 100,000”, “More than 100,000” or “Not Applicable”.

50,000 to 100,000

4.52 How many records in the system are attributable to contractors? Enter “Under 5,000”, “5,000 to 10,000”, “More than 10,000” or “Not Applicable”.

More than 10,000

4.53 How many records in the system are attributable to members of the public? Enter "Under 5,000", "5,000 to 10,000", "More than 10,000" or "Not applicable".

More than 10,000

4.54 If records are attributable to a category not mentioned above in 4.51 through 4.53, please identify the category and the number of corresponding records to the nearest 10,000. If none, enter "Not Applicable".

Not Applicable

4.6 How is access to SBU/PII determined and by whom?

Under the principle of Least Privilege, access to SBU/PII is determined by the needs of the project to modernize IMF Runs.

5.1 Please describe any privacy risks, civil liberties and/or security risks identified for the system that need to be resolved and what is the mitigation plan?

None

5.11 Is there a Risk Assessment Form and Tool (RAFT) associated with this system on file with your organization or the IRS Risk Office.

No

5.2 Does this system use or plan to use SBU data in a non-production environment?

Yes

5.3 Please upload the approved SBU Data Use Questionnaire or Request. If the request has been recertified, please upload the approved recertification form. Select Yes to indicate that you will upload the SBU Data Use form.

Yes

Interfaces

Interface Type

IRS Systems, file, or database

Agency Name

Generalized Unpostable Framework (GUF)

Incoming/Outgoing

Incoming (Receiving)

Transfer Method

Secure File Transfer Protocol (SFTP)

Interface Type

IRS Systems, file, or database

Agency Name
Integrated Data Retrieval System (IDRS)

Incoming/Outgoing

 Incoming (Receiving)

Transfer Method

 Secure File Transfer Protocol (SFTP)

Interface Type

 IRS Systems, file, or database

Agency Name

 Notice Review Processing System - Individual Master File (NRPS
 IMF)

Incoming/Outgoing

 Incoming (Receiving)

Transfer Method

 Secure File Transfer Protocol (SFTP)

Interface Type

 IRS Systems, file, or database

Agency Name

 Individual Master File Notice Identification (IMF NOTICE ID)

Incoming/Outgoing

 Incoming (Receiving)

Transfer Method

 Secure File Transfer Protocol (SFTP)

Interface Type

 IRS Systems, file, or database

Agency Name

 Generalized Mainline Framework (GMF)

Incoming/Outgoing

 Incoming (Receiving)

Transfer Method

 Secure File Transfer Protocol (SFTP)

Interface Type

 IRS Systems, file, or database

Agency Name

 Business Master File (BMF)

Incoming/Outgoing

 Incoming (Receiving)

Transfer Method

 Secure File Transfer Protocol (SFTP)

Interface Type

IRS Systems, file, or database

Agency Name

Notice Delivery System (NDS)

Incoming/Outgoing

Incoming (Receiving)

Transfer Method

Secure File Transfer Protocol (SFTP)

Interface Type

IRS Systems, file, or database

Agency Name

Audit Information Management System-Reference (AIMS-R)

Incoming/Outgoing

Incoming (Receiving)

Transfer Method

Secure File Transfer Protocol (SFTP)

Interface Type

IRS Systems, file, or database

Agency Name

Return Review Program (RRP)

Incoming/Outgoing

Incoming (Receiving)

Transfer Method

Secure File Transfer Protocol (SFTP)

Systems of Records Notices (SORNs)

SORN Number & Name

IRS 24.030 - Customer Account Data Engine Individual Master File

Describe the IRS use and relevance of this SORN.

Provides authority for the IRS to transmit federal tax information to other federal agencies to maintain and support the confidentiality of information in the system of records suspected of potentially fraudulent activities and prevent, minimize, and remedy such activities.

Records Retention

What is the Record Schedule System?

Record Control Schedule (RCS)

What is the retention series title?

Records Control Schedule (RCS) 29 for Tax Administration

What is the GRS/RCS Item Number?

29

What type of Records is this for?

Electronic

Please provide a brief description of the chosen GRS or RCS item.

This Schedule covers records created and/or maintained by IRS Submissions Processing Campuses in carrying out their functions pertaining to:

- revenue collecting and accounting.
- processing, analysis and disposition of tax returns, tax information documents and related records.
- mailing of tax forms.
- transcription of statistical information; and
- preparation of special reports.

This transmits revised text for Records Control Schedule (RCS) 29 for Tax Administration-Wage and Investment (W&I) Records. The records disposition authorizations in this Schedule are based on the administrative determinations of the Internal Revenue Service and disposal authorities granted by the Archivist of the United States. RCS updates include a change in series title and description for Items 56(3) and 58(3), as well as disposition updates for these two items and Item 56(4)(c). Item 61 retention for Estate Tax Returns (for collection actions and for generation-skipping transfer tax considerations) has been reduced. Item 127 also had a slight change in title to Fingerprint Records and Professional Credentials of e-file Providers and some disposition updates to reflect current recordkeeping. Other updates include new Item 448 and NARA-approved retention for Link and Learn Taxes, and description updates to Item 442A, IRS-USDA, Disclosure of Tax Information Files. Item 122 for the Annual Employer's Return for Employee's Pension or Profit-Sharing Plans has moved to RCS 24, item 95. Other items (128, 204, 209, 213, 218, 238, 246, 413, 422 and 424) in the Schedule have been reserved with notice that related records are obsolete, no longer accumulating and eligible for immediate destruction. General Records

What is the disposition schedule?

General Records Schedules (GRS) authorities have been updated to reflect new National Archives and Records Administration

(NARA) numbering scheme and retentions, including the minimum GRS disposition for system documentation. For any (temporary) electronic system in this Schedule, documentation (i.e. data dictionary records, file specifications, code books, user guides -formerly "Item D" for most systems) must be maintained for at least 5 years after the project/activity/transaction is completed or superseded, or the associated system is terminated, or the associated data is migrated to a successor system (GRS 3.1, Item 051; Job No. DAA-GRS-2013-0005-0003). To facilitate reference, this Schedule contains a Forms Listing cross-indexed to specific items. A previously published Alphabetical Listing has been removed. Notes: 1. Documents eligible for immediate destruction which would normally be retired or returned as refiles to a Records Center but are physically located in the Service Centers should be destroyed at the Service Centers when no longer needed. DO NOT RETIRE TO THE RECORDS CENTER. 2. Temporary Paper/Microfilm Records Converted to Digital Images. The approved retention period for temporary paper/microfilm records must be applied to scanned copies of the same records. The approved retention period for temporary paper/microfilm records must be applied to copies of those records in digital format. The original (hard copy) records can be destroyed upon verification that the electronic versions are accurate reproductions and saved in an approved electronic recordkeeping system, unless legal or other business requirements preclude early destruction of the originals.

What is the Record Schedule System?

Record Control Schedule (RCS)

What is the retention series title?

RCS 19, Item 23 (1)-Magnetic Tape Maintenance Records/Record copy

What is the GRS/RCS Item Number?

19

What type of Records is this for?

Electronic

Please provide a brief description of the chosen GRS or RCS item.

This transmits revised text for Records Control Schedule (RCS) 19 for Enterprise Computing Center-Martinsburg (ECC-MTB). The records disposition authorizations are based upon administrative determinations of the Internal Revenue Service and authority of the Archivist of the United States. Changes to this RCS include a change in Item 54 system name from Third Party Data Store (TPDS) to External Customer Data Store (ECDS) and new Items 90 (Streaming Data Monitoring Tool, SDMT), 91 (Information Technology Operational Reporting, ITOR, System 7.5), and 92 (Late Reply Tool/Audit Recon, LRT/AR, System). Items 79

(Information Returns Statistics of Income [IR SOI] System) and 80 (Statistics of Income Distributed Processing System [SOI DPS]) have been deleted; they are non- recordkeeping. Updates to Item 81 Modernized e-File (MeF) System (including Modernized Tax Return Database (MTRDB) data repository retentions) are pending NARA approval.

What is the disposition schedule?

General Records Schedules (GRS) authorities have been updated to reflect new National Archives and Records Administration (NARA) numbering scheme and retentions, including the GRS disposition for system documentation. For any (temporary) electronic system in this Schedule, documentation (i.e. Data dictionary records, file specifications, code books, user guides - formerly "Item D" for most systems) must be maintained for at least 5 years after the project/activity/ transaction is completed or superseded, or the associated system is terminated, or the associated data is migrated to a successor system (GRS 3.1, Item 051; Job No. DAA-GRS-2013-0005-0003).

What is the Record Schedule System?

Record Control Schedule (RCS)

What is the retention series title?

RCS 17 Item 20-Tax Processing Systems and Administrative Systems Project Files.

What is the GRS/RCS Item Number?

17

What type of Records is this for?

Electronic

Please provide a brief description of the chosen GRS or RCS item.

This Schedule consists of two major groups of records, administrative records and technical records. The records disposition authorizations in this Schedule are based on the administrative determinations of the Internal Revenue Service and disposal authorities granted by the Archivist of the United States. This transmits revised text for Records Control Schedule (RCS) 17 for Information Technology. This RCS has been updated with the following new items: Item 31, eAuthentication Item 32, Information Technology-Security Compliance Monitoring (IT SCM) Item 33, User Agreements Item 34, IRS Interactive Networking Site Use Records Item 35, Data Loss Prevention (DLP) System Item 36, Cyber Security Data Warehouse (CSDW) This RCS also includes disposition updates under Item 3 for Treasury Inspector General for Tax Administration (TIGTA) Audit Reports, and Item 4(2) for all other copies of GAO Reports. Items 17B (Year 2000 SAT Reports), 17C (Year 2000 Reports) and 24 (Quarterly Century Date Change Joint Appropriations Committee

Report) have been removed from this Schedule. These items are obsolete, records have fully met their final retentions and are eligible for immediate destruction (if not already destroyed).

What is the disposition schedule?

General Records Schedules (GRS) authorities have been updated to reflect new National Archives and Records Administration (NARA) numbering scheme and retentions, including the minimum GRS disposition for system documentation. For any (temporary) electronic system in this Schedule, unless otherwise specified, documentation (i.e. data dictionary records, file specifications, code books, user guides -formerly "Item D" for most systems) must be maintained for at least 5 years after the project/activity/ transaction is completed or superseded, or the associated system is terminated, or the associated data is migrated to a successor system (GRS 3.1, Item 051; Job No.DAA-GRS-2013-0005-0003). Documentation associated with Permanent. electronic systems is Permanent. and must be transferred to NARA with the Permanent. electronic system data (GRS Item 050; Job No. DAA-GRS-2013-0005-0002).

Data Locations

What type of site is this?

System

What is the name of the System?

Individual Master File

What is the sensitivity of the System?

Personally Identifiable Information (PII) including Linkable Data

Please provide a brief description of the System.

The ITPE Step 1 project focuses on the posting, settlement, and analysis functions, executed through IMF Runs 460-12 and 460-15. These two Runs perform the functions that post transactions to accounts, settle the accounts, and then perform analysis to determine whether to generate refunds, notices, transcripts, etc. In IMF today, two programs are required due to sequential processing constraints, which limit each program to only handle one Tax Module at a time and one Account at a time. In Java though, there are no limitations to only keeping one Tax Module in memory, as it keeps all Tax Modules for an Account in memory, available for processing. While J12 and J15 are two separate applications in ITPE today, in future steps of the program to streamline and complete account processing in fewer cycles, ITPE J12 and J15 can be merged the into a single job. Replicating these IMF Runs in CADE 2 TS2 is critical to achieving the goal of retiring IMF.

What are the incoming connections to this System?

- IMF Pre-Processing Inputs and Post-Settlement Outputs.
- Interfaces to CADE 2 Active Database and
- Each CADE 2 Database where different from CADE 2 Active Database in Production.