Date of Approval: **January 20, 2023**

PIA ID Number: **7516**

SYSTEM DESCRIPTION

Enter the full name and acronym for the system, project, application and/or database.

Modified EP/EO Determination System, MEDS

Is this a new system?

No

Is there a PCLIA for this system?

Yes

What is the full name, acronym, and milestone of the most recent PCLIA?

Modified EP/EO Determination System (MEDS), MEDS, 4b, #4649

What is the approval date of the most recent PCLIA?

3/16/2020

Changes that occurred to require this update:

Expiring PCLIA

Were there other system changes not listed above?

No

What governance board or Executive Steering Committee (ESC) does this system report to? Full name and acronym.

TE/GE Investment Executive Steering Committee

Current ELC (Enterprise Life Cycle) Milestones:

System Development/Milestone 4B

Operations & Maintenance (i.e., system is currently operational)

Is this a Federal Information Security Management Act (FISMA) reportable system?

Yes

GENERAL BUSINESS PURPOSE

What is the general business purpose of this system? Provide a clear, concise description of the system, application or database, the reason for the system, and the benefits to the IRS to use the information, and how the information will be used.

The Modified Employee Plan / Exempt Organization Determination System (MEDS) provides full inventory and status control of determination cases and supports timely and accurate processing of applications for Employee Plans (EP) and Exempt Organizations (EO) determination letters as mandated by the Internal Revenue Code (IRC) and Income Tax Regulations.

PII DETAILS

Does the system use, collect, receive, display, store, maintain, or disseminate IR Code 6103 taxpayer information: or any other type of Sensitive but Unclassified (SBU) information or PII such as information about IRS employees or outside stakeholders?

Yes

Does the system use, collect, receive, display, store, maintain, or disseminate Social Security Numbers (SSN's) or tax identification numbers (i.e., last 4 digits, etc.)?

Yes

What types of tax identification numbers (TIN) apply to this system?

Employer Identification Number

Does this system use, collect, receive, display, store, maintain or disseminate other (non-SSN) PII (i.e., names, addresses, etc.)?

Yes

Specify the PII Elements:

Name
Mailing Address
Phone Numbers
Standard Employee Identifier (SEID)
Tax Account Information
Centralized Authorization File (CAF)

Does this system use, collect, receive, display, store, maintain, or disseminate SBU information that is not PII?

Yes

Specify the types of SBU from the SBU Types List:

Agency Sensitive Information - Information which if improperly used or disclosed could adversely affect the ability of the agency to accomplish its mission.

Protected Information - Information which if modified, destroyed, or disclosed in an unauthorized manner could cause loss of life, loss of property or funds by unlawful means, violation of personal privacy or civil rights, gaining of an unfair procurement advantage by contractors bidding on government contracts, or disclosure of proprietary information entrusted to the Government.

Are there other types of SBU/PII used in the system?

No

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

PII for federal tax administration is generally Internal Revenue Code Sections 6001, 6011, & 6012e(a)

Has the authority been verified with the system owner?

Yes

BUSINESS NEEDS AND ACCURACY

Explain the detailed business needs and uses for the SBU/ PII, and how the SBU / PII is limited only to that which is relevant and necessary to meet the mission requirements of the system. If SSNs (or tax identification numbers) are used, explicitly explain why use of SSNs meets this criteria. Be specific.

All data is essential and used to support case inventory control, inventory monitoring (i.e., by group and specialist), as well as reporting functions. The data in MEDS is necessary for TE/GE to determine if potential tax-exempt entities submitting applications to Exempt Organizations (EO) and Employee Plans (EP) meet the law requirements of the Internal Revenue Code. MEDS maintains inventory for cases being resolved under the Employee Plans Determination Letter Program and the Exempt Organizations Determination Letter Program. No data is redundant or unnecessary.

How is the SBU/PII verified for accuracy, timeliness, and completion?

Accuracy: Captiva is used for scanning and imaging all correspondence. Optical Character Recognition (OCR) is used to convert the hard copy text into a soft copy. MEDS users then use Captiva Software to correct and validate the data. The technical specialist will review each application for sufficient data necessary to scan the document. Timeliness: Captiva software is used to check paper submission and the date stamped on the submission. Completeness: Automated business rules check to ensure information is complete and will cite what information might be missing. The technical specialist reviews the business rules

findings and makes the final determination on completeness and can overrule the business rules if necessary. MEDS verifies for field level completeness and accuracy with Documentum and the Business Rules Engine (BRE), to include max character length checks, ensures required fields on case and related metadata and form metadata are completed, EIN/Document Locator Number (DLN) formats, numeric and alpha character format rules where appropriate. Neither MEDS Documentum nor the BRE have direct real-time address, name, EIN etc., verifications/lookups with any external systems.

PRIVACY ACT AND SYSTEM OF RECORDS

The Privacy Act requires Federal agencies that maintain a system of records to publish systems of records notices (SORNs) in the Federal Register for records from which information is retrieved by any personal identifier for an individual who is a US citizen, or an alien lawfully admitted for permanent residence. The Privacy Act also provides for criminal penalties for intentional noncompliance.

Does your application or this PCLIA system pertain to a group of any record from which information is retrieved by any personal identifier for an individual who is a US citizen, or an alien lawfully admitted for permanent residence? An identifier may be a symbol, voiceprint, SEID, or other personal identifier that is used to retrieve information.

Yes

Identify the Privacy Act SORN(s) that cover these records.

IRS 50.222 Tax Exempt/Government Entities (TE/GE) Case Management Records

IRS 34.037 Audit Trail and Security Records

RESPONSIBLE PARTIES

Identify the individuals for the following system roles:

Official Use Only

INCOMING PII INTERFACES

Does the system receive SBU/PII from other systems or agencies?

Yes

Does the system receive SBU/PII from IRS files and databases?

Yes

Enter the files and databases:

System Name: Letter Information Network User Fee Systems (LINUS)
Current PCLIA: Yes
Approval Date: 12/16/2020
SA&A: Yes
ATO/IATO Date: 10/4/2022

System Name: Employee Plans-Exempt Organization Determination System (EDS)
Current PCLIA: Yes
Approval Date: 2/25/2021
SA&A: Yes
ATO/IATO Date: 5/2/2022

Does the system receive SBU/PII from other federal agency or agencies?

Yes

For each federal interface, identify the organization that sends the SBU/PII, how the SBU/PII is transmitted and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).

Name: Pay.gov
Transmission Method: Service Account
ISA/MOU: Yes

Does the system receive SBU/PII from State or local agency (-ies)?

No

Does the system receive SBU/PII from other sources?

No

Does the system receive SBU/PII from Taxpayer forms?

Yes

Please identify the form number and name:

Form Number: 1023
Form Name: Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code

Form Number: 1024
Form Name: Application for Recognition of Exemption Under Section 501(a) or for Determination Under Section 120

Form Number: 1024-A
Form Name: Application for Recognition of Exemption Under Section 501(c)(4) of the Internal Revenue Code

Form Number: 1023-EZ
Form Name: Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code EZ

Form Number: 1026
Form Name: EO Business Master File On-Line (BMFOL) Exempt Organization Account/Entity Information screen print

Form Number: 1028
Form Name: Application for Recognition of Exemption Under Section 521 of the Internal Revenue Code

Form Number: 2848
Form Name: Power of Attorney and Declaration of Representative

Form Number: 5300
Form Name: Application for Determination for Employee Benefit Plan

Form Number: 5307
Form Name: Application for Determination for Adopters of Modified Volume Submitter Plans

Form Number: 5309
Form Name: Application for Determination of Employee Stock Ownership Plan

Form Number: 5310
Form Name: Application for Determination Upon Termination

Form Number: 5310A
Form Name: Notice of Plan Merger or Consolidation, Spinoff, or Transfer of Plan Assets or Liabilities; Notice o

Form Number: 5316
Form Name: Application for Group or Pooled Trust Ruling

Form Number: 6088
Form Name: Distributable Benefits from Employee Pension Benefit Plans

Form Number: 8670
Form Name: EDS Closing Form EO

Form Number: 8671
Form Name: EDS Closing Form EP

Form Number: 8717
Form Name: User Fee for Employee Plan Determination Letter Request

Form Number: 8718
Form Name: User Fee for Exempt Organization Determination Letter Request

Form Number: 8734
Form Name: Support Schedule For Advance Ruling Period

Form Number: 8821
Form Name: Tax Information Authorization

Form Number: 8940
Form Name: Request for Miscellaneous Determination

Form Number: 8905
Form Name: Certification of Intent to Adopt a Pre-Approved Plan

Does the system receive SBU/PII from Employee forms (e.g., the I-9)?

No

DISSEMINATION OF PII

Does this system disseminate SBU/PII?

Yes

Does this system disseminate SBU/PII to other IRS Systems?

Yes

Identify the full name and acronym of the IRS system(s) that receive SBU/PII from this system.

System Name: Integrated Data Retrieval System (IDRS)
Current PCLIA: Yes
Approval Date: 10/26/2021
SA&A: Yes
ATO/IATO Date: 1/4/2023

Identify the authority.

The authority for federal tax administration is Internal Revenue Code sections 6001, 6011, & 6012(a)

For what purpose?

MEDS supports timely and accurate processing of applications for Employee Plans (EP) and Exempt Organizations (EO) determination letters as mandated by the Internal Revenue Code (IRC) and Income Tax Regulations.

Does this system disseminate SBU/PII to other Federal agencies?

No

Does this system disseminate SBU/PII to State and local agencies?

No

Does this system disseminate SBU/PII to IRS or Treasury contractors?

No

Does this system disseminate SBU/PII to other Sources?

No

PRIVACY SENSITIVE TECHNOLOGY

Does this system use social media channels?

No

Does this system use privacy-sensitive technologies such as mobile, global position system (GPS), biometrics, RFID, etc.?

No

Does the system use cloud computing?

No

Does this system/application interact with the public?

No

INDIVIDUAL NOTICE AND CONSENT

Was/is notice provided to the individual prior to collection of information?

Yes

How is notice provided? Was the individual notified about the authority to collect the information, whether disclosure is mandatory or voluntary, the purpose for which the information will be used, with whom the information may be shared, and the effects on the individual, if any, if they decide not to provide all or any of the requested information?

Notice, consent, and due process are provided pursuant to 5 USC. Instructions for all associated Forms to MEDS outline purpose of the form, who can file the form, and how to file the form.

Do individuals have the opportunity to decline from providing information and/or from consenting to particular uses of the information?

No

Why not?

Notice, consent, and due process are provided pursuant to 5 USC. Instruction for all associated Forms to MEDS provide individuals with information that is needed to complete this form. Individuals must complete a checklist prior to filling out form to determine their eligibility.

How does the system or business process ensure 'due process' regarding information access, correction, and redress?

The IRS has the legal right to ask for information per IRC sections 6001, 6011, and 6012(a), and their regulations. Applicant has the right to appeal a determination through the Appeals Division.

INFORMATION PROTECTION

Identify the owner and operator of the system (could be IRS owned and Operated; IRS owned, contractor operated; contractor owned and operated).

IRS Owned and Operated

The following people have access to the system with the specified rights:

IRS Employees

Users: Read Write

Managers: Administrator

System Administrators: Read Write

IRS Contractor Employees

Contractor System Administrators: Read Write

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

Only individuals who have been identified in the application's database table are authorized to access MEDS information. These users are IRS employees performing data entry, Secretaries, Reviewer, Agents/Tax Law Specialists, and Managers. System Administrators and Database Administrators have access to all data, system files, and functions required to carry out their assigned tasks and responsibilities. Developers do not have access to any production data. A potential user will request access via the Business Entitlement Access Request System (BEARS) system.

RECORDS RETENTION SCHEDULE

Are these records covered under a General Records Schedule (GRS, IRS Document 12829), or has the National Archives and Records Administration (NARA) approved a Records Control Schedule (RCS, IRS Document 12990) for the retention and destruction of official agency records stored in this system?

Yes

How long are the records required to be held under the corresponding GRS or RCS, and how are they disposed of? In your response, please provide the GRS or RCS chapter number, the specific item number, and records series title.

RCS 24 Item 80-Modified EO/EP Determination System (MEDS) and Tax-Exempt Determination System (TEDS). MEDS/TEDS is used to determine organization and/or employee plan eligibility for tax-exempt status. A. Inputs: PENDING DISPOSITION B. System Data (Master Files): PENDING DISPOSITION C. Outputs: PENDING DISPOSITION D. System Documentation: PENDING DISPOSITION Note: System records descriptions/dispositions are pending final TE/GE and NARA approvals. This is a placeholder.

SA&A OR ASCA

Has the system been through SA&A (Security Assessment and Authorization) or ASCA (Annual Security Control Assessment)?

Yes

What date was it completed?

10/12/2022

Describe the system's audit trail.

MEDS maintains an application audit trail (also known as case chronology). These audit records are stored in a proprietary database and may only be viewed by privileged managers with access to the Manager's Console. The MEDS application audit trail includes the

following information: successful/unsuccessful logons or logoffs, change of password, data files opened and closed, reading, editing and deleting records or fields, change in access control permissions, user annotations made for each access or change made to the case, running/printing/updating reports, all System Administrator actions, batch file modifications to database, direct manipulation of records in the database, date and time, user ID, event types, case number, outcome of event (success/failure), case number, and all entered comments.

PRIVACY TESTING

Does the system require a System Test Plan?

Yes

Is the test plan completed?

Yes

Where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)?

Plans are stored on MEDS SharePoint site

Were all the Privacy Requirements successfully tested?

Yes

Are there any residual system privacy, civil liberties, and/or security risks identified that need to be resolved?

No

Describe what testing and validation activities have been conducted or are in progress to verify and validate that the applicable Privacy Requirements (listed in header) have been met?

When a Change Request is submitted to make changes to MEDS (form changes, fees, infrastructure, upgrades, etc.), a test plan is generated to address the requests. In addition, a Major Change Determination (MCD) is submitted for Privacy Requirement impacts.

SBU DATA USE

Does this system use, or plan to use SBU Data in Testing?

No

NUMBER AND CATEGORY OF PII RECORDS

Identify the number of individual records in the system for each category:

IRS Employees: Not Applicable

Contractors: Not Applicable

Members of the Public: 100,000 to 1,000,000

Other: No

CIVIL LIBERTIES

Does the system maintain any information describing how any individual exercises their rights guaranteed by the First Amendment?

No

Is the system information used to conduct 'data-mining' as defined in the Implementing Recommendations of the 9/11 Commission Act of 2007, Public Law 110-53, Section 804?

No

Will this system have the capability to identify, locate, and monitor individuals or groups of people?

No

Does computer matching occur?

No

ACCOUNTING OF DISCLOSURES

Does the system include or require disclosure of tax or employee information to anyone other than IRS employees in the performance of their duties, or to the person to whom the information pertains or to a 3rd party pursuant to a Power of Attorney, tax, or Privacy Act consent?

No