Financial Management Service
Privacy Impact Assessment Template

Name of Project: **ELECTRONIC CHECK PROCESSING**
Project's Unique ID: **ECP**

A. SYSTEM APPLICATION/GENERAL INFORMATION:

1) **Does this system contain any information about individuals?** Yes

    a. **Is this information identifiable to the individual[1]?** Yes

    b. **Is the information about individual members of the public?** Yes.

    c. **Is the information about employees?** No

2) **What is the purpose of the system/application?** The purpose of ECP is to provide Federal agencies with a centralized check-clearing, report inquiry and retrieval mechanism, as well as an imaging archive solution.

3) **What legal authority authorizes the purchase or development of this system/application?** FMS letter dated April 18, 2001 to the Federal Reserve Bank.

C. DATA in the SYSTEM:

1) **What categories of individuals are covered in the system?**
Agency Users, Financial Agent Lockbox Banks Users, and Administrative Users

2) **What are the sources of the information in the system?** General Lockbox Network banks.

    a. **Is the source of the information from the individual or is it taken from another source? If not directly from the individual, then what other source?** Yes, the source of the information is from the individual.

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[1] "Identifiable Form" - According to the OMB Memo M-03-22, this means information in an IT system or online collection: (i) that directly identifies an individual (e.g., name, address, social security number or other identifying number or code, telephone number, email address, etc.) or (ii) by which an agency intends to identify specific individuals in conjunction with other data elements, i.e., indirect identification. (These data elements may include a combination of gender, race, birth date, geographic indicator, and other descriptors).

b. What Federal agencies are providing data for use in the system?
Agencies participating in the FMS' General Lockbox Network are providing
this data.

**c. What State and local agencies are providing data for use in the
system?** None

d. From what other third party sources will data be collected? None

e. What information will be collected from the employee and the public?
The archive contains images of both the financial instrument and
remittance document(s) for a payment, as well as related financial data and
user define data fields that have been determined by the Federal agency as
necessary for its records. Banking information will consist of bank
account number, bank routing number, and check number. Additional
information collected from the user could include Social Security Number
or Alien Number.

3) Accuracy, Timeliness, and Reliability

**a. How will data collected from sources other than FMS records be verified
for accuracy?** ECP provides all the transactional data as well as the
remittance data back to the agency in the form of reports and selected queries.
Accuracy and completeness are verified and reconciled.

b. How will data be checked for completeness? The agency and the bank are
involved in verifying that the data collected or configured in the system is
accurate and complete

**c. Is the data current? What steps or procedures are taken to ensure the
data is current and not out-of-date? Name the document (e.g., data
models).** Yes, the data is current. An Agency Cash flow Profile specifies
which agency unique fields need to be captured.

**d. Are the data elements described in detail and documented? If yes, what
is the name of the document?** Yes, the data elements are described in detail
and documented in the Agency Cash flow Profile.

D. ATTRIBUTES OF THE DATA:

1) **Is the use of the data both relevant and necessary to the purpose for which the system is being designed?** All of the data collected by the system is relevant and deemed necessary.

2) **Will the system derive new data or create previously unavailable data about an individual through aggregation from the information collected, and how will this be maintained and filed?** No

3) **Will the new data be placed in the individual's record?** No

4) **Can the system make determinations about employees/public that would not be possible without the new data?** No

5) **How will the new data be verified for relevance and accuracy?** N/A

6) **If the data is being consolidated, what controls are in place to protect the data from unauthorized access or use?** The roles currently defined have been created in compliance with the principles of both "separation of duties" and "least privilege".

7) **If processes are being consolidated, are the proper controls remaining in place to protect the data and prevent unauthorized access?** Processes are not consolidated.

8) **How will the data be retrieved? Does a personal identifier retrieve the data? If yes, explain and list the identifiers that will be used to retrieve information on the individual.** Data can be retrieved based on a person's check account number, name, agency account number, or other agency specific identifiers.

9) **What kinds of reports can be produced on individuals? What will be the use of these reports? Who will have access to them?** This level of reporting is not available in ECP.

10) **What opportunities do individuals have to decline to provide information (i.e., where providing information is voluntary) or to consent to particular uses of the information (other than required or authorized uses), and how individuals can grant consent.)?** A checkwriter has the right to not have their check converted electronically. A procedure is in place such that individuals may OPT OUT by simply contacting the Federal Reserve Board (FRB) and providing the necessary information so that the ECP System will be configured and set up to not convert those checks.

E. <u>**MAINTENANCE AND ADMINISTRATIVE CONTROLS:**</u>

1) **If the system is operated in more than one site, how will consistent use of the system and data be maintained in all sites?** The ECP production environment has a primary and back-up site. Data recovery exercises are conducted on a regular basis to ensure that the system recovery process is functioning properly.

2) **What are the retention periods of data in this system?** The system will retain up to 2 years of data online, with an additional 5 years of data in archive. ECP also has the ability to retain data for an agency that may require a longer retention of data due to court order, litigation, or statute.

3) **What are the procedures for disposition of the data at the end of the retention period? How long will the reports produced be kept? Where are the procedures documented?** Specific procedures are outlined in the retention and disposition guidelines dated August 25, 2006.

4) **Is the system using technologies in ways that the FMS has not previously employed (e.g., monitoring software, Smart Cards, Caller-ID)?** No

5) **How does the use of this technology affect public/employee privacy?** N/A

6) **Will this system provide the capability to identify, locate, and monitor individuals? If yes, explain.** This system provides a real-time monitor to report audit events and application exceptions involved in files being processed.

7) **What kinds of information are collected as a function of the monitoring of individuals?** The system captures auditable records within a table stored in the database and provides a trace of user actions performed within the application. ECP shall log all activities associated with modifications, entry and exits. Some auditable records will include "before change values" and change value relating to any modifications made to records. Unauthorized attempts at logging in to ECP are also captured.

8) **What controls will be used to prevent unauthorized monitoring?** Separation of duties is enforced within the application by providing appropriate roles for the end user. Unauthorized attempts to log in to ECP are monitored. The ECP application has a standard report to identify any security violations and that report is retrieved and reviewed on a daily basis by the FRB Information Security Staff.

9) **Under which Privacy Act systems of records notice (SORN) does the system operate?** Treasury/FMS.017 – "Revenue Collections Records"

10) **If the system is being modified, will the Privacy Act system of records notice require amendment or revision?** N/A

F. ACCESS TO DATA:

1) **Who will have access to the data in the system?** Users of the system have access to the data.

2) **How is access to the data by a user determined? Are criteria, procedures, controls, and responsibilities regarding access documented?** Privileges are authorized by ECP management for administrative users and by designated security contacts for the Federal Agency and the lockbox banks. All privileges granting access to the users are processed by the Information Security Staff at the FRB.

3) **Will users have access to all data on the system or will the user's access be restricted?** Roles are a set of permissions that are assigned to a user when his/her account is created or modified. In ECP, roles are used to provide the appropriate page level access and access to reports. The roles currently defined have been created in compliance with the principles of both "separation of duties" and "least privilege".

4) **What controls are in place to prevent the misuse (e.g., unauthorized browsing) of data by those having access?** New users are required to read and sign the ECP Rules of Behavior before gaining initial access to ECP, and annually thereafter.

5) **Are contractors involved with the design and development of the system and will they be involved with the maintenance of the system**? **If yes, were Privacy Act contract clauses inserted in their contracts and other regulatory measures addressed?** Yes, a software vendor is involved in the design, development, and testing of the ECP system. Non-disclosure statements, in addition to a confidentiality clause, are included in the program agreement.

6) **Do other systems share data or have access to the data in the system? If yes, explain.** No

7) **Who will be responsible for protecting the privacy rights of the public and employees affected by the interface?** It is the responsibility of both the FMS and FRB.

8) **Will other agencies share data or have access to the data in this system (Federal, State, Local, Other)?** N/A

9) **How will the data be used by the other agency?** N/A

10) **Who is responsible for assuring proper use of the data?** The ECP Business Owner is the person responsible for assuring proper use of the data