Financial Management Information System (FMIS) – Privacy Impact Assessment

PIA Approval Date – Jul. 6, 2011

System Overview

Financial Management Information System (FMIS) is a set of production applications/activities that provides the data necessary to support & prepare the revenue and refund part of the IRS custodial financial statement and the GAO financial audit. It provides transaction detail reports and audit trails for all FY cash receipts from Individual Master File (IMF), Business Master File (BMF), and Automated Non–Master File (ANMF) files. These include Integrated Submission and Remittance Processing (ISRP) & OCR deposits, Lockbox deposits, Manual Integrated Data Retrieval System (IDRS) deposits, Remittance Adjustments or Reversals, Electronic Federal Tax Payment System (EFTPS) and Federal Tax Deposits (FTDs). In addition the system captures: all revenue reclassification amounts from the master files, all refunds, including credit interest, Earned Income Tax Credits (EITCs), refund reversals, all assessment and abatement adjustment transactions, & all returns. This is an OMB reported Financial Management System.

The Custodial Detail Database (CDDB) contains all custodial Unpaid Assessment (UA) information for the IRS. The source of this data is the current audited UA files. The UA files contain billions of dollars of duplicate assessments related to the Trust Fund Recovery Program (TFRP). However, it is difficult to determine which of these assessments are duplicated. The CDDB loads the UA files into a database and also loads the cross–reference information for these duplicate assessments. Other application systems that come under FMIS are Automated Quarterly Excise Tax Listing (AQETL), Custodial Audit Support Tracking System (CASTS), and Revenue & Refund (R&R).

Systems of Records Notice (SORN):

- IRS 22.054--Subsidiary Accounting Files
- IRS 22.061--Individual Return Master File
- IRS 24.030--Customer Account Data Engine Individual Master File (Formerly: Individual Master File (IMF))
- IRS 24.046--CADE Business Master File (Formerly: Business Master File (BMF))
- IRS 26.019--Taxpayer Delinquent Accounts (TDA) Files including subsystems: (a) Adjustments and Payment Tracers Files, (b) Collateral Files, (c) Seized Property Records, (d) Tax Small Business/Self Employed (SB/SE), Wage & Investment (W&I), Large and Mid–Size Business (LMSB) Waiver, Forms 900, Files, and (e) Accounts on Child Support Obligations
- IRS 34.037--IRS Audit Trail and Security Records System
- IRS 26.013--Trust Fund Recovery Cases/One Hundred Percent Penalty Cases
- IRS 26.014--Record 21, Record of Seizure and Sale of Real Property
- Treasury .009--Treasury Financial Management Systems (formerly Treasury/DO .210--Integrated Financial Management and Revenue System)

Data in the System

1. Describe the information (data elements and fields) available in the system in the following categories:

    A. Taxpayer:
- Name
- Social Security Number (SSN)

- Employee Identification Number (EIN)
- Name Control
- Address
- Date of Birth

B. FMIS audit trail protection is provided by the Modernization and Information Technology Services (MITS)–21 General Support System (GSS), System of Records Notice Number: Treasury/IRS 34.037.

C. Other – IRS Financial Summaries (to include accounting data, monetary payment amounts, and monetary refund amounts)

2. Describe/identify which data elements are obtained from files, databases, individuals, or any other sources.

A. Lien information comes from Automated Lien System (ALS). ALS provides:
- Name
- Residence
- Author
- Tax Period
- TIN

B. Taxpayer information comes from the Integrated Data Retrieval System (IDRS/Masterfile). IDRS Masterfile provides:
- Taxpayer Name
- Name Control
- Secondary Taxpayer Identification Number (TIN)
- Problem Resolution Officer (PRO) SSN
- Taxpayer Delinquent Account/ Taxpayer Delinquency Investigation (TDA/TDI) Assignment
- Cross Reference TIN

C. Employee – The employee supplies the name of the employee assigned to the case.

D. Other Federal Agencies – Taxpayer information is collected through the U.S. Bankruptcy Courts. This information includes:
- SSN
- TIN
- Address
- Petition Date
- Trustee Name
- Trustee Address
- Trustee Phone
- Attorney Name
- Attorney Address
- Attorney Phone
- Amount

Treasury Department (Lockbox application)
No State or Local Agencies provide data

3. Is each data item required for the business purpose of the system? Explain.
Yes. Each data item is necessary in support of the IRS custodial finance statement audit. FMIS supplies reports and data used to prepare the IRS custodial financial statements and supports the GAO Annual Fiscal Year Financial Statement Audit. IRS custodial financial statements are a significant part of the overall Treasury financial statements compiled for the government–wide financial statements each year and are audited by GAO.

4. How will each data item be verified for accuracy, timeliness, and completeness?
There is no direct user input to the FMIS system. All data is received from other systems. The forms themselves are input into the feeder systems (IDRS/Masterfile). FMIS receives the data from the MITS–21 GSS. To ensure no data is lost, the Log Accounting Report System (LARS) is used to ensure that the number of records sent matches the number of records received by FMIS. Validity and accuracy of that data is the responsibility of the systems that provide data to FMIS.

5. Is there another source for the data? Explain how that source is or is not used.
No. There are no other sources of data.

6. Generally, how will data be retrieved by the user?
Customers do not directly access the FMIS system. The Chief Financial Officer (CFO) will make a request to the FMIS programmers for a report. The programmers will execute the batch file process to produce the report and will then supply the results to the user. Developers/Programmers must authenticate to the IBM mainframe. They can then execute the FMIS batch files processes to produce reports.

7. Is the data retrievable by a personal identifier such as name, SSN, or other unique identifier?
Yes. Data can be retrieved by a personal identifier, such as: SSN, Name, EIN, Date of Birth and Address. This data cannot be accessed directly in FMIS, however. It can only be viewed based on output reports which are processed through the IBM mainframe.

<u>Access to the Data</u>

8. Who will have access to the data in the system (Users, Managers, System Administrators, Developers, Others)?
Approved IRS Personnel, such as, the Chief Financial Officer, Business Systems Development Project Manager, Technical Advisor, Developers, Contractors and Managers have the ability to request reports from the developers/programmers. However, they do not have any rights within the system itself. Developers/programmers have permission to execute the FMIS batch processes and retrieve the output.

> **Role:** Developers/ Programmers
> **Permission:** Execute batch processes and retrieve output
>
> **Role:** Chief Financial Officer, Business Systems Development Project Manager, Technical Advisor, Managers
> **Permission:** Request reports from developers/programmers, view output file provided by developers/programmers
>
> **Role:** Contractors
> **Permission:** Request reports from developers/programmers, view output file provided by developers/programmers in order to ensure the integrity of the output media

Note: Contractors work at both IRS and non–IRS facilities. They only can access the IRS network through IRS provided equipment. Contractors have a Moderate Risk Background Investigation.

9. How is access to the data by a user determined and by whom?
Managers and Contracting Officer's Technical Representatives (COTR) determine access. Access is granted to individuals on a "need to know" basis. On–5081 (OL5081) has to be completed in order for access to be granted. Because this is a steady stack legacy system, programmers require access for continued maintenance. FMIS require programmers and report preparers to be authorized.

10. Do other IRS systems provide, receive, or share data in the system? If YES, list the system(s) and describe which data is shared.
Yes. FMIS does not have a direct connection with the applications with which it shares data. FMIS shares data with the following IRS applications:

- Automated Non–Master file (ANMF) application – Receives unpaid assessment and revenue and refund transactions.
- Business Master File (BMF) – Receives unpaid assessment and revenue and refund transactions.
- Business Performance Management System (BPMS) – Provides Unpaid Assessment data Chief Financial Officer (CFO) Accounts Receivable Dollar Inventory (ARDI) Management System (CAMS) – Provides taxpayer identifying data.
- Compliance Data Warehouse (CDW) – Provides data to the application which is an Unpaid Assessment repository.
- Customer Account Data Engine (CADE) – Receives revenue and refund output files.
- Electronic Federal Tax Payment System (EFTPS) – Receives revenue and payment transactional data.
- Integrated Data Retrieval System (IDRS) – Receives End of Day Process (EOD).
- Individual Master File (IMF) – Receives revenue and refund transactions.
- Integrated Submission and Remittance Processing (ISRP) – Receives revenue and payment transactional data.
- Lockbox – Receives revenue and payment transactional data.
- Redesigned Revenue Accounting Control System (RRACS) – Receives deposit tickets, deposit vouchers, and refund schedule number summaries.

11. Have the IRS systems described in Item 10 received an approved Security Certification and Privacy Impact Assessment?
Yes.

Automated Non–Master file (ANMF)
- Certification & Accreditation (C&A) – November 10, 2009
- Privacy Impact Assessment (PIA) – June 26, 2009

Business Master File (BMF)
- Certification & Accreditation (C&A) – June 14, 2010
- Privacy Impact Assessment (PIA) – March 16, 2010

Business Performance Management System (BPMS)
- Certification & Accreditation (C&A) – February 9, 2011
- Privacy Impact Assessment (PIA) – December 17, 2010

CFO ARDI Management System (CAMS)
- Certification & Accreditation (C&A) – February 8, 2011
- Privacy Impact Assessment (PIA) – October 22, 2010

Compliance Data Warehouse (CDW)
- Certification & Accreditation (C&A) – June 14, 2010
- Privacy Impact Assessment (PIA) – February 23, 2011

Customer Account Data Engine (CADE)
- Certification & Accreditation (C&A) – April 2, 2009
- Privacy Impact Assessment (PIA) – January 4, 2010

Electronic Federal Tax Payment System (EFTPS)
- Certification & Accreditation (C&A) – March 19, 2009
- Privacy Impact Assessment (PIA) – January 5, 2010

Individual Master File (IMF)
- Certification & Accreditation (C&A) – March 8, 2010
- Privacy Impact Assessment (PIA) – November 10, 2009

Integrated Submission and Remittance Processing (ISRP)
- Certification & Accreditation (C&A) – February 9, 2009
- Privacy Impact Assessment (PIA) – May 3, 2011

Redesign Revenue Accounting Control System (RRACS)
- Certification & Accreditation (C&A) – March 16, 2010
- Privacy Impact Assessment (PIA) – September 22, 2009

12. Will other agencies provide, receive, or share data in any form with this system?
GAO receives reports and data files. The Treasury Inspector General for Tax Administration (TIGTA) may also request data files. In addition, Lockbox is a Department of Treasury owned application that serves as a feeder system to the FMIS application. Lockbox sends revenue and payment transactional data to FMIS. The application does not directly connect to FMIS, however its' data is sent to the IBM Mainframe, where the FMIS application can read it.

Administrative Controls of Data

13. What are the procedures for eliminating the data at the end of the retention period?
A request for records disposition authority for FMIS and associated records is currently being drafted with the assistance of the IRS Records and Information Management (RIM) Program Office. When approved by the National Archives and Records Administration (NARA), disposition instructions for FMIS inputs, system data, outputs and system documentation will be published under Internal Revenue Manual (IRM) 1.15.16 Records Control Schedule for the Chief Financial Officer, Item 19. A 5–year retention has been proposed for Custodial Detail Database (CDDB) records. This mirrors approved disposition for similar budget reporting records approved under NARA's General Records Schedule. Once the retention period has expired, a batch purge program will identify all records that are more than 5 years old and remove them. The database shall be backed up prior to running the batch purge program. FMIS data queries of IMF, BMF and ANMF are stored in a flat file on the IBM mainframe. The proposed retention period for these files is 18 months, unless a customer specifically requests a longer retention period.

14. Will this system use technology in a new way?
No. FMIS will not use technology in a new way.

15. Will this system be used to identify or locate individuals or groups? If so, describe the business purpose for this capability.
No. FMIS will not be used to identify or locate individuals or groups.

16. Will this system provide the capability to monitor individuals or groups? If yes, describe the business purpose for this capability and the controls established to prevent unauthorized monitoring.
No. FMIS does not provide the capability to monitor individuals or groups.

17. Can use of the system allow IRS to treat taxpayers, employees, or others, differently?
No. FMIS is strictly a reporting system. It feeds the Business Performance Management System (BPMS) and is used as an analytical tool by the operating divisions to make business decisions.

18. Does the system ensure "due process" by allowing affected parties to respond to any negative determination, prior to final action?
No. FMIS does not deal directly with taxpayers.

19. If the system is web–based, does it use persistent cookies or other tracking devices to identify web visitors?
No. FMIS is not web–based.

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