Date of Approval: **July 06, 2021**

PIA ID Number: **5867**

SYSTEM DESCRIPTION

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

527 Political Action Committee / Political Organization Filing and Disclosure, 527 PAC-POFD

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?

527 Political Action Committee / Political Organization Filing and Disclosure, 527 PAC-POFD, Operations & Maintenance, #3177

What is the approval date of the most recent PCLIA?

2/14/2018

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.

Tax Exempt & Government Entities (TE/GE) Investment Executive Steering Committee (IESC)

Current ELC (Enterprise Life Cycle) Milestones:

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.

527 Political Action Committee / Political Organization Filing & Disclosure (527 PAC/POFD) is an IRS system, managed under the Tax Exempt/Government Entities (TE/GE) Business Unit. The purpose is to collect, validate and store information from IRS forms 8871, 8872, and 990. The functionality of this system is required by law to provide Political Organizations the ability to identify their status and report contributions and expenditures. Information collected from Political Organizations is required to be made available to the general public. Forms processed by 527 PAC/POFD are: 8871 Notice of Section 527 Status (Electronic Only), 8872 Report of Contributions and Expenditures (Paper and Electronic), and 990 Return of Organization Exempt From Income Tax (Paper Only). This system consists of two functionalities: front-end and back-end applications. POFD is the front-end application of this system, available to the public on the IRS.GOV website (http://www.irs.gov/charities/political/). Political Organizations register for access to submit forms electronically (Initial Form 8871 submission does not require login). All data submitted to POFD is validated, and then sent to 527 PAC. 527 PAC is the back-end application of this system. The primary responsibilities of 527 PAC is to store a secondary copy of the electronic filings; exchange certain data with Business Master File (BMF); allow the Entity Research Group to make changes to the existing electronic filings; add, delete and reset Political Organization's login accounts, and initiate the issuance of the Letter 3406SC which allows Political Organizations to file electronic Form 8872's. 527 PAC is located at Enterprise Computer Center-Memphis and receives electronic forms from POFD. Paper forms 8872 and 990 are sent to the Entity Research Group where they are scanned and converted into Tagged Image File Format (TIFF). POFD MTB Linux, located in Kearneysville, West Virginia, receives the scan images, converts them to Portable Document Format (PDF) images, and transmits them to the 527 PAC application. 527 PAC provides all PDF forms along with indexing information back to POFD so that the information can be made available to the public.

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?

Social Security Number (SSN)

List the approved Treasury uses of the SSN:

When there is no reasonable alternative means for meeting business requirements

Explain why the authorized use(s) above support the new or continued use of SSNs (or tax identification numbers).

The Office of Management and Budget Circular A-130 requires that federal agencies develop a mitigation or elimination strategy for systems that use SSNs, which the Service continues to develop strategies to meet. An exception to that requirement is when the SSN is uniquely needed to identify a user's record.

Describe the planned mitigation strategy and forecasted implementation date to mitigate or eliminate the use of SSN's (or tax identification numbers).

527 PAC-POFD application contain the EIN of political organizations that are filers. 527 PAC-POFD does not collect, receive, display, store, maintain, or disseminate Social Security Numbers. There is no planned mitigation strategy to eliminate the EIN requirement for filing and disclosure.

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
E-mail Address
Tax Account Information

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:

Proprietary data   Business information that does not belong to the IRS.

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

Yes

Describe the other types of SBU/PII that are applicable to this system.

Log-in, User Names, Passwords

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.

The purpose of 527 PAC/POFD is to collect, validate and store information from IRS forms 8871, 8872, and 990. The data items are required to meet a Congressional mandate to provide Political Organizations, identified as Section 527 Organizations, the ability to disclose their political activities by filing electronic or paper submissions of Forms 8871, 8872 and 990. 527 PAC-POFD application contain the EIN of political organizations that are filers. 527 PAC-POFD does not collect, receive, display, store, maintain, or disseminate Social Security Numbers. There is no planned mitigation strategy to eliminate this EIN requirement for filing and disclosure.

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

Paper Forms 8872 and 990 are reviewed for accuracy, timelines, and completeness. The forms are stamped with a date upon receipt, scanned, and transmitted to 527 PAC. 527 PAC then sends the imaged forms to POFD and they become available to the public. Electronic Forms 8871 and 8872 filed on the POFD website are validated against requirements/business rules established by business owner and documented in the POFD Requirements Traceability Matrix (RTM) and Design Document. Additionally, 527 PAC performs the same validation of the Electronic Forms 8871/8872 on the fields that the Entity Research Group is allowed to alter whenever a subsequent change is required to be made post-submission. To ensure that file transmission is not corrupted during transmission, there are control files with each exchanged listing the files, their byte count and checksum. This allows the receiving site to compare the information to ensure the integrity of the files.

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 50.001   Tax Exempt & Government Entities (TE/GE) Correspondence Control
                Records

IRS 42.001   Examination Administrative Files

IRS 00.001   Correspondence Files and Correspondence Control Files

IRS 24.046   Customer Account Data Engine Business Master File

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: Business Master File (BMF) to 527 PAC
Current PCLIA: Yes
Approval Date: 8/27/2018
SA&A: Yes
ATO/IATO Date: 1/29/2018

System Name: PAC Oracle Database (PAC DS) to 527 PAC
Current PCLIA: No
SA&A: No

System Name: POFD to 527 PAC
Current PCLIA: No
SA&A: No

System Name: Statistics of Income Distributed Processing System (SOI DPS) to 527 PAC
Current PCLIA: No
SA&A: No

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

No

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: SS-4
Form Name: Application for Employer Identification Number

Form Number: 8453X
Form Name: Political Organization Declaration for Electronic Filing of Notice of Section
527 Status

Form Number: 8871
Form Name: Political Organization Notice of Section 527 Status

Form Number: 8872
Form Name: Political Organization Report of Contributions and Expenditures

Form Number: 990
Form Name: Return of Organization Exempt from Income Tax

Form Number: 990EZ
Form Name: Short Form Return of Organization Exempt from Income Tax

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: 527 PAC to Generalized Master File (GMF)
    Current PCLIA: Yes
    Approval Date: 11/10/2020
    SA&A: Yes
    ATO/IATO Date: 4/10/2017

    System Name: 527 PAC to Automated Print (IAP)
    Current PCLIA: No
    SA&A: No

    System Name: 527 PAC to PAC Oracle Database
    Current PCLIA: No
    SA&A: No

    System Name: 527 PAC to PRINT
    Current PCLIA: No
    SA&A: No

Identify the authority.

    Internal Revenue Code sections 6001, 6011, 6012(a), and IRC 26-United States Code 527(K)

For what purpose?

    527 PAC passes POFD filing information to the GMF and sends generated credentials to the IAP which allows filers to continue filing to the POFD website.

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?

Yes

Was an electronic risk assessment (e-RA) conducted on the system/application?

Yes

When was the e-RA completed?

11/20/2020

What was the approved level of authentication?

Level 1: Little or no confidence in the asserted identity's validity.

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?

Applicants must access the IRS.gov website to submit the POFD application. Notice, consent, and due process are provided in the application instructions filed by the taxpayer, and pursuant to 5 United State Code (USC).

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

Yes

Describe the mechanism by which individuals indicate their consent choice(s):

POFD does not directly provide individuals the opportunity to decline from providing information and/or from consenting to particular uses of the information. Notice, consent, and due process are provided in the application instructions filed by the taxpayer, and pursuant to 5 United States Code (USC).

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

Notice, consent, and due process are provided in the application instructions filed by the taxpayer, and pursuant to 5 USC. The system will allow affected parties the opportunity to clarify or dispute negative determinations per the examination appeals process as outlined in IRS Publication 1 - Your Rights as a Taxpayer, and IRS Publication 5 - Your Appeal Rights and How To Prepare a Protest If You Don't Agree.

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 Contractor Operated

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

IRS Employees

Users: Read Write

System Administrators: Read Write

IRS Contractor Employees

Contractor System Administrators: Read Write

Contractor Developers: Read Write

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

527 PAC relies on the Operating System and Relational Database Management System to prescribe not only who is to have access to a specific system resource but also the type of access that is permitted. Logical access controls are implemented for software programs, data files, databases, and telecommunications access. Managers base access control policy on the principle of least privilege, which states that users should be granted access only to the resources they need to perform their official function. The manager will request a user be added. They must fill out Online 5081, Information System User Registration/Change Request, to request access to the application. A user's access to the data terminates when it is no longer required. Criteria, procedures, controls, and responsibilities regarding access are documented in the Information Systems Security Rules on Online 5081. Assignments of individual and group permissions adhere to the provisions as outlined in the Internal Revenue Code 6103. Before contractors can access the system, they are subject to Information Technology Cybersecurity procedures based on contractor risk levels, depending on their role, and background investigations, which include: Low Risk National Agency Check with Inquiries (NACI), Moderate Risk National Agency Check with Credit (NACC), or High-Risk Background Investigation (BI) where applicable. Access to resources (the application/database) is based on the following access criteria, as appropriate. A. Unique User Identity (User ID). B. Roles. Access to information is controlled by the job assignment or function. C. Access Mode. Common access modes, which can be used in operating or application systems, include read, write, execute, and delete. Other specialized access modes (more often found in applications) include create or search. These criteria are used in conjunction with one another. POFD relies on Information Technology Cybersecurity procedures based on contractor risk levels. Contractors with access to POFD are designated IRS.GOV Technical Architecture Team members responsible for maintaining the applications and software which reside in the IRS.GOV architecture. This includes application administrators and build managers. None of the Technical Architecture group members are required to possess a security clearance for system access. The positions occupied by the IRS.GOV Technical Architecture group members are designated as ADP II (Non-critical Sensitive). The IRS.GOV Technical Architecture group members must be American citizens.

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

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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 84-Political Action Committee/Political Organization Filing and Disclosure (PAC/POFD). Includes all applications that are stored on this system, and all documents that are made available to the public, such as the Form 8871 and 8872, and including the complete filing of all Political Organization Reports. PENDING DISPOSITION Note: System records descriptions/dispositions are pending final NARA approvals. This is a placeholder, stay tuned. The IRS Records Office and TEGE are working together to evaluate and update RCS 24 to better reflect current business practices and records maintenance needs, including the movement to more electronic-based recordkeeping systems. TEGE's use of 527 PAC/POFD and other electronic systems may result in updated disposition authorities for traditional TEGE-related records series. Paper-based retentions for recordkeeping copies of IR Forms 990, 8871 and 8872 are covered under Records Control Schedule (RCS) 29 for Submissions Processing Campus Records, item 66 (published in Document 12990). Records are disposed of in accordance with prescribed IRM Records Control Schedules and Law Enforcement Manual procedures. Media protection policy and procedures are formally documented in IRM 10.8.1 and IRM 1.15.2, Types of Records and Their Life Cycle. TEGE must develop a plan to purge 527 PAC/POFD records eligible for destruction in accordance with IRS Records Management Requirements in IRMs 1.15.3 Disposing of Records and 1.15.6 Managing Electronic Records. TEGE and IRS Records Office staff will coordinate the scheduling of any system records identified as unscheduled or in need of updated disposition approvals. Prior to the disposal or transfer of a system, sensitive data and software is removed/eliminated from the memory and external storage devices.

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?

4/21/2020

Describe the system's audit trail.

Auditing events that take place for 527 PAC are captured from Entity Research Group changes to Political Organization forms or account information. This information includes: - a listing of all files processed by the system - records of all changes made to forms submitted by Political Organizations using Oracle Forms - the User ID and password deletes and resets using Oracle Forms - a record of all image transmittals - import or export files processed by the system such as filename, number of records and processed by date - all changes made to

member records - all changes made to schedule records - all changes made to entity records. For each audit event, the 527 PAC audit trail captures the date/time, user ID, type of event, subject of event, and outcome status. Auditing events captured for POFD include user login and user lockout. The audit trail captures the date/time, and user ID.

PRIVACY TESTING

Does the system require a System Test Plan?

No

Please explain why:

A system test plan is not required when there are no changes to the project. The project is classified as "Break Fix" where system is not in active development, with limited production support.

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: Not Applicable

Other: Yes

Identify the category of records and the number of corresponding records (to the nearest 10,000).

80,000 Political Organizations

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