

Date of Approval: **April 06, 2023**

PIA ID Number: **7509**

## **SYSTEM DESCRIPTION**

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

Bank Discrepancy, Bank Disc

*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?*

Bank Discrepancy, BANK DISC, previous PCIA 4639

*What is the approval date of the most recent PCLIA?*

3/2/2020

*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.*

W&I Risk Committee

*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.*

The Bank Discrepancy program is used by Accounting Operations to control and track bank discrepancy inventories. The Bank Discrepancy Application controls and monitors Unresolved Debit Vouchers (Standard Form (SF) 5515) received from depositaries which indicate discrepancies between the original Deposit Ticket (SF 215A) and the supporting checks such as: Encoding Errors, Slipped Blocks, piggyback checks, lost checks, and improper SF 5515 charge backs. The federal tax deposits that business owners make to banks to pay their quarterly taxes are not part of the bank discrepancy inventories. The Internal Revenue Service (IRS) deposits all monies paid to IRS by the taxpayer. Discrepancies occur when input errors in depositing the checks are encoded incorrectly. For example: the taxpayer writes a check for \$1,000.00, IRS encodes the check for \$10,000.00 in error. The depositary will return the \$9,000.00 debit voucher back to IRS. The Bank Discrepancy Application controls the returned Debit Voucher until the taxpayer is debited for the \$9,000.00 via the Dishonored Check File database. The application controls these cases by systemically assigned sequence numbers for each debit voucher or deposit ticket number entered. History is retained for each case. Baseline or customized reports can be generated for management use. Managers, administrators, and account technicians for Bank Discrepancy will have access to the data. This access is determined by the manager based on a user's position and need-to-know. All data is manually input into the system. IRS employees manually research/pull personally identifiable information (PII) data from Integrated Data Retrieval System (IDRS). This is a manual interaction and not systemic one.

## 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:*

Interfaces with external entities that require the SSN

Legal/statutory basis (e.g., where collection is expressly required by statute)

*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. ISR-S requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer at this time.

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

The BANK DISC system requires the use of SSNs because no other identifier can be used to uniquely identify a taxpayer at this time. SSNs are permissible from Internal Revenue Code (IRC) 6109, which requires individual taxpayers to include their SSNs on their income tax returns.

Employer Identification Number

Other Taxpayer 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

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:*

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

Official Use Only (OUO) or Limited Official Use (LOU) - Information designated as OUO or LOU is information that: is exempt under one of the statutory Freedom of Information Act exemptions; is prohibited by other laws or regulations; would significantly impede the agency in carrying out a responsibility or function; or would constitute an unwarranted invasion of privacy.

*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)

SSN for tax returns and return information is Internal Revenue Code Section 6109

PII about individuals for Bank Secrecy Act compliance 31 USC

*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.*

Each data item is required to gather history from time of receipt to closing of each debit voucher (DV) or deposit ticket (DT). The application is a control and tracking system for DV and DT received from the depository.

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

Each DV or DT is balanced prior to being entered on the application, meaning they are crosschecked for verification purposes when assigned on the application. All reports have an indicator that denotes cases that are over 90 days old. An age report can be generated and customized to generate specific age dates.

## 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 24.030 Customer Account Data Engine Individual Master File

IRS 24.046 Customer Account Data Engine Business Master File

## 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: Integrated Data Retrieval System (IDRS)

Current PCLIA: Yes

Approval Date: 10/26/2021

SA&A: Yes

ATO/IATO Date: 9/20/2022

*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: 5515

Form Name: Unresolved Debit Vouchers

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

No

## **DISSEMINATION OF PII**

*Does this system disseminate SBU/PII?*

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 via IDRS and in the tax forms and instructions filed by the taxpayer, and pursuant to 5 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):*

Notice, consent, and due process are provided via IDRS and in the tax forms and instructions filed by the taxpayer, and pursuant to 5 USC.

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

Notice, consent, and due process are provided via IDRS and in the tax forms and instructions filed by the taxpayer, and pursuant to 5 USC.

## **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 Only

Managers: Read Write

System Administrators: Read Write

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

Managers in Campus Accounting Dishonored Check function will approve users via BEARS. System Administrators/Managers determine access level for each user.

## **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.*

Bank Discrepancy data is approved for deletion/destruction 6 years, 3 months after the period covered by the account (Job No. N1-58-11-3, approved 6/5/12). These disposition instructions are published in Document 12990 under Records Control Schedule (RCS) 29, item 157. Any records generated and maintained by the system will be managed according to requirements under IRM 1.15.1 and 1.15.6 and will be destroyed using IRS Records Control Schedule (RCS) 29, and as coordinated with the IRS Records and Information Management (RIM) Program and IRS Records Officer.

## **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?*

1/4/2022

*Describe the system's audit trail.*

Audit trail records for the transactions identified above includes the following data elements, where applicable: The type of event (e.g., command code), the terminal and employee identification, date and time of input, and account accessed to include the Taxpayer Identification Number (TIN), Master File Tax (MFT), and tax period. Bank Discrepancy is following the appropriate audit trail elements pursuant to current Audit Logging Security Standards.



## **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)?*

Treasury FISMA Inventory Management System.

*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?*

The applications System Security Plan (SSP) show the results of the Privacy Controls in Section 5. All Privacy controls were either tested or validated during the assessment. Bank Discrepancy is currently in the Operations and Maintenance phase of its lifecycle. Continuous Monitoring (now called Annual Security Control Assessment) occurs annually to ensure that controls remain in place to properly safeguard PII.

## **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: Under 50,000

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