

Date of Approval: **March 29, 2023**

PIA ID Number: **7505**

SYSTEM DESCRIPTION

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

Electronic Federal Payment Posting System, EFPPS

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?

Electronic Federal Payment Post System (EFPPS) M5 PCLIA 5910

What is the approval date of the most recent PCLIA?

4/26/2021

Changes that occurred to require this update:

N/A

Were there other system changes not listed above?

Yes

What were those changes?

Update to section 6.b. Does this system use, collect, receive, display, store, maintain, or disseminate other (non-SSN) PII (i.e., Names, addresses, etc.)? Yes

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

Submission Processing (SP)

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 Electronic Federal Payment Posting System (EFPPS) is the IRS component of Treasury's Electronic Federal Tax Payment System (EFTPS), an electronic system for reporting and paying Federal taxes. In an effort to move tax information and funds faster, the Treasury Department Financial Management Service (FMS) has outsourced with one financial institution, referred to as a Treasury Financial Agent (TFA). The TFA uses the financial networks and banking industry standards and practices, including Automated Clearing House (ACH) procedures, to move taxpayer-initiated tax payment funds from the taxpayer's account to the Treasury General Account (TGA). The EFTPS TFA is Bank of America. Payment data and deposit information (after reconciliation with the Federal Reserve) is transmitted electronically by the TFA to the IRS EFPPS platform. EFPPS applications validate, balance, and format the payment data and electronically transmit the output for posting to Master File. On average, EFPPS processes transactions totaling \$15 billion per day, and on a peak day, EFPPS processes transactions totaling \$150 billion. Annually, EFPPS processes more than \$4 trillion in accelerated funds to the U.S. Government's account. The majority of the dollars processed comes from businesses depositing their payroll taxes, but EFPPS receipts include corporate taxes and individual 1040 payments as well. EFPPS also maintains command code EFTPS, which enables research of the EFPPS Oracle database via Integrated Data Retrieval System (IDRS). The IRS EFPPS was formerly known as Electronic Federal Tax Payment System (EFTPS).

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

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).

EFPPS requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer. SSNs are permissible from Internal Revenue Code (IRC) 6109, which requires individual taxpayers to include their SSNs on their income tax returns.

Describe the planned mitigation strategy and forecasted implementation date to mitigate or eliminate the use of SSN's (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 Social Security Numbers (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. The EFPPS system no longer stores SSN's because it uses a web service (Negative TIN) to check SSNs.

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:

Financial Account Numbers

Tax Account Information

Name

Mailing address

Phone Numbers

Date of Birth

Standard Employee Identifier (SEID)

Internet Protocol Address (IP Address)

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?

Yes

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

EFPPS also processes and posts Global Intermediary Identification Number (GIIN) informational transactions (TC971) records for Foreign Account Tax Compliance Act (FATCA) payments.

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

SSN for personnel administration (IRS Employees) is 5 USC & Executive Order 9397

PII for personnel administration is 5 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.

EFPPS receives entity and payment information from external TFAs who have received and processed taxpayer enrollment requests and who have collected the taxpayer's payment requests, initiated, or received information about the funds transfer from the taxpayer's account to the Government's account, and generated information about the enrollment and payment information into a format acceptable to the EFPPS system. EFPPS requests

taxpayer information required to validate enrollments and identify payments to ensure the proper account is credited. Taxpayers mandated to make tax deposits are required to pay electronically. EFPPS receives this electronic payment information & provides the means for perfecting and providing this data to the Master File for posting to the taxpayer's account. It also provides the means for taxpayers to make an electronic tax payment. EFPPS also does the initial processing of payment data from the Modernized E-File (MEF); this information is forwarded to the TFA. EFPPS also processes and posts Global Intermediary Identification Number (GIIN) informational transactions (TC971) records for Foreign Account Tax Compliance Act (FATCA) payments. EFPPS also sends payment data to the Redesign Revenue Accounting Control System (RRACS), Custodial Detail Database (CDDDB), Taxpayer Information File (TIF), and Computer Data Warehouse (CDW) systems EFPPS also allows Integrated Data Retrieval System (IDRS) users database access via the Electronic Federal Tax Payment System (EFTPS) command code.

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

Accuracy: Payment transactions must include data in a prescribed format and must meet a variety of validation criteria that ensure proper processing and crediting to the appropriate account. Taxpayers are enrolled and validated based on the IRS's Master Files before payments can be accepted from them. Timeliness: The payment information is used to update the appropriate taxpayer account on Master File. Completeness: Payment transactions must be received in a required EFPPS record format.

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 22.054 Subsidiary Accounting Files

IRS 22.060 Automated Non-Master File

IRS 22.062 Electronic Filing Records

IRS 24.046 Customer Account Data Engine Business Master File

IRS 24.030 Customer Account Data Engine Individual 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: Federal Payment Levy Program (FPLP)
Current PCLIA: Yes
Approval Date: 2/6/2023
SA&A: Yes
ATO/IATO Date: 11/15/2022

System Name: Remittance Strategy- Paper Check Conversion (RS-PCC):
Current PCLIA: Yes
Approval Date: 1/19/2021
SA&A: Yes
ATO/IATO Date: 10/24/2022

System Name: Redesign Revenue Accounting Control System (RRACS):
Current PCLIA: Yes
Approval Date: 3/20/2022
SA&A: Yes
ATO/IATO Date: 8/11/2022

System Name: Custodial Detail Database (CDDDB)
Current PCLIA: Yes
Approval Date: 10/1/2020
SA&A: No

System Name: Treasury Financial Agent (TFA)
Current PCLIA: No
SA&A: No

System Name: Levy Source (GSS-23 UNISYS Platform):
Current PCLIA: No
SA&A: No

System Name: Modernized E-File (MeF)
Current PCLIA: Yes
Approval Date: 2/8/2022
SA&A: Yes
ATO/IATO Date: 6/14/2022

System Name: Daily TIF Update (DLY):
Current PCLIA: Yes
Approval Date: 10/26/2021
SA&A: No

System Name: Integrated Data Retrieval System (IDRS)
Current PCLIA: Yes
Approval Date: 10/26/2021
SA&A: Yes
ATO/IATO Date: 3/21/2022

System Name: Customer Account Data Engine (CADE 2)
Current PCLIA: Yes
Approval Date: 8/18/2021
SA&A: Yes
ATO/IATO Date: 5/22/2019

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: Social Security Administration (SSA)
Transmission Method: Electronic File Transfer Unity (EFTU)
ISA/MOU: No

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

No

Does the system receive SBU/PII from other sources?

Yes

Identify the source that sends the SBU/PII, how the SBU/PII is transmitted and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).

Organization Name: Treasury Financial Agent (TFA)
Transmission Method: Electronic File Transfer Utility (EFTU)
ISA/MOU: Yes

Organization Name: Remittance Strategy-Paper Check Conversion (RS-PCC)
Transmission Method: Electronic File Transfer Utility (EFTU)
ISA/MOU: No

Organization Name: Federal Payment Levy Program (FPLP)
Transmission Method: Electronic File Transfer Utility (EFTU)
ISA/MOU: No

Organization Name: Modernized e-File (MeF)
Transmission Method: Electronic File Transfer Utility (EFTU)
ISA/MOU: No

Does the system receive SBU/PII from Taxpayer forms?

No

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: Custodial Detail Database (CDDDB)
Current PCLIA: Yes
Approval Date: 10/1/2020
SA&A: Yes
ATO/IATO Date: 2/5/2014

System Name: Master File (MF) Business Master File/Individual Master File (BMFIMF)
Current PCLIA: Yes
Approval Date: 9/22/2021
SA&A: Yes
ATO/IATO Date: 3/9/2022

System Name: Taxpayer Information File (TIF)
Current PCLIA: No
SA&A: Yes
ATO/IATO Date: 1/7/2015

System Name: Redesign Revenue Accounting Control (RRACS)
Current PCLIA: Yes
Approval Date: 3/20/2022
SA&A: Yes
ATO/IATO Date: 12/7/2022

System Name: Security Audit and Analysis System (SAAS)
Current PCLIA: Yes
Approval Date: 4/6/2020
SA&A: Yes
ATO/IATO Date: 4/29/2020

Identify the authority.

Authority and purpose is pursuant to section 6103(h)(1) of the Internal Revenue Code (IRC). IRC 6103(h)(1) provides for disclosure of returns and return information to officers and employees of the Department of the Treasury (including IRS) whose official duties require access for tax administration.

For what purpose?

The users of this interconnection are the TFA and internal IRS personnel requiring the ability to transfer files between the systems involved.

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?

Yes

Identify the contractor source(s) that receive SBU/PII from this system, and if there is an Inter-Agency Agreement (ISA) /Memorandum of Understanding (MOU).

Organization Name: Treasury Financial Agent (TFA)
Transmission Method: EFTU
ISA/MOU: Yes

Identify the authority.

By the authority outlined in IRC 6103 (h)(1)

For what purpose?

Yes

Did the contract include the appropriate 6103(n) clauses for tax return and return information, and Federal Acquisition Regulations privacy clauses?

Yes

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?

The system will allow affected parties the opportunity to clarify or dispute negative information that could be used against them. Due process is provided pursuant to 5 USC. Notice, consent, and due process are provided via the Internal Revenue Service (IRS) systems and their related tax forms instructions, 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):

The system uses data entered from tax returns filed by taxpayers. They are notified of such collection by the Privacy Act Notice in the tax return instructions. Notice, consent, and due process are provided via the Internal Revenue Service (IRS) systems and their related tax forms instructions, and pursuant to 5 USC.

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

The system uses data entered from tax returns filed by taxpayers. They are notified of such collection by the Privacy Act Notice in the tax return instructions. Notice, consent, and due process are provided via the Internal Revenue Service (IRS) systems and their related tax forms instructions, 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 Write

Managers: Read Write

System Administrators: Administrator

Developers: Read Only

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

Employees request access to EFPPS by submitting request on Business Entitlement Access Request System (BEARS) which must be approved by their manager.

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.

IRM 1.15.2 Types of Records and Their Life Cycles EFPPS is published in IRS Records Control Schedule (RCS) Document 12990 under RCS 29 for Tax Administration - Wage and Investment Records, item 134. Inputs into the RS-PCC are received from multiple sources including the EFPPS, GSS-18 Enterprise Acquisition Integration Broker (EAIB), and from the taxpayer. Information received includes physical check, check data, check number, account number, routing number, dollar amount, name, Taxpayer Identification Number (TIN), address, phone number, deposit ticket number, and deposit amount. (1) Physical checks. AUTHORIZED DISPOSITION Delete/Destroy 14 business days after being scanned and verified for processing. (2) All other input data. AUTHORIZED DISPOSITION Delete/Destroy when no longer needed for business. (B) System Data: Data in the RS-PCC includes all check image files, check data files and taxpayer information files. AUTHORIZED DISPOSITION Cut off once information has been transferred to RTS. Delete/Destroy 19 days after cutoff. (C) Outputs: (1) Check images and check data is transmitted to the Electronic Verification and Imaging System (ELVIS) within the Department of the Treasury's Financial Management Service (FMS) for deposit into the Federal Reserve Bank of Cleveland. Disposition Not Applicable. Records will be properly

maintained in accordance with Treasury's disposition schedule. (2) Check data and taxpayer data are transmitted to the Electronic Federal Payment Posting System (EFPPS) (formerly known as the Electronic Federal Tax Payment System [EFTPS]) for posting to the Master File. Disposition Not Applicable. Records will be properly maintained in accordance with approved schedule for the EFPPS (NARA Job No. N1-58-97-13, Item 15). 3) Check image files, check data, and taxpayer data is transmitted to the Remittance Transaction Research System (RTS) for storing and researching historical tax payment data and images. Disposition Not Applicable. Records will be properly maintained in accordance with approved schedule for the RTS (NARA Job No. N1-58-09-47). (D) System Documentation: Owner's Manual, User Manual, Data Dictionary, Software Design Description, Software Requirements, et al. AUTHORIZED DISPOSITION Delete/Destroy when superseded or 5 years after the system is terminated, whichever is sooner.

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?

2/16/2022

Describe the system's audit trail.

Audit and accountability policy every 3 years (IRM 10.8.1.4.3); and Audit and accountability procedures every 3 years (IRM 10.8.1.4.3). This application audit plan covers audit trail requirements for the Electronic Federal Payment Posting System (EFPPS) Application as implemented at the IRS. EFPPS sends taxpayer transactions to Security Audit and Analysis System (SAAS). EFPPS is a taxpayer application where end users can view PII and SBU data. Application will need to capture date and time and successes and failures for events sent to SAAS. EFPPS 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)?

Test plans, test cases, & test scripts are stored in Quality Manager (QM).

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?

EFPPS complies with the requirements of IRM 10.8.1.3.4.6 regarding developer security testing. EFPPS utilizes the IBM Rational Suite of tools to include Door Next Generation (DNG) and Quality Manager (QM). The EFPPS Test Team will utilize IBM's Rational Tool Suite, including DNG, to review requirements, track updates to requirements, and extract requirements to create the Requirements Traceability Verification Matrix (RTVM). DNG is used to review changes to requirements QM is utilized to track and link test cases to requirements. QM is also used to store source code. All application source code must be associated with controlling documents. This means that a work request (WR) and a change request (CR) must be in place and approved for implementation before a piece of code can be associated with it. Once logged into the system the Unified Work Request (UWR) or CR and by association the code is assigned to a developer who can then check out the code for editing. Once development is completed the code is then checked back in for testing. There is a team staffed to accomplish independent testing before the code is promoted to production. A final review is accomplished by an in-house staff leader. EFPPS Knowledge, Incident/Problem, Service Asset Management (KISAM), soon to be replaced by ServiceNow(SNOW), tickets are related to production issues, they can be issues discovered during testing, or they can be user change requests. When a UWR is submitted by the business, it is forwarded to the developers for technical evaluation. Once impact has been established, UWR is sent to Submission Processing Configuration Change Board (SP CCB) for approval and cost estimates and implementation. All proposed changes must go through the Submission Processing CCB and change management approval process. Standard walk-through reviews are performed on the system by a team representing the business, developers, and Enterprise System Testing (EST) support staff. Approvals must be obtained from the at the impacted branch level. Test plans are stored in QM and DNG.

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: More than 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?

Yes

Does your matching meet the Privacy Act definition of a matching program?

Yes

Can the business owner certify that it meets requirements of IRM 11.3.39, Disclosure of Official Information, Computer Matching & Privacy Protection Act?

Yes

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?

Yes

Does the system have a process in place to account for such disclosures in compliance with IRC §6103(p) (3) (A) or Subsection (c) of the Privacy Act? Contact Disclosure to determine if an accounting is required.

Yes