
A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. Financial Management Information System, FMIS

2. Is this a new system? No

2a. If **no**, is there a PIA for this system? Yes

If yes, enter the full name, acronym, PIA ID Number and milestone of the most recent PIA.

Financial Management Information System, FMIS, 1056

Next, enter the date of the most recent PIA. 11/18/2014

Indicate which of the following changes occurred to require this update (check all that apply).

- No Addition of PII
- No Conversions
- No Anonymous to Non-Anonymous
- No Significant System Management Changes
- No Significant Merging with Another System
- No New Access by IRS employees or Members of the Public
- No Addition of Commercial Data / Sources
- No New Interagency Use
- Yes Internal Flow or Collection

Were there other system changes not listed above? No

3. Check the current ELC (Enterprise Life Cycle) Milestones (select all that apply)

- No Vision & Strategy/Milestone 0
- No Project Initiation/Milestone 1
- No Domain Architecture/Milestone 2
- No Preliminary Design/Milestone 3
- No Detailed Design/Milestone 4A
- Yes System Development/Milestone 4B
- No System Deployment/Milestone 5
- No Operations & Maintenance (i.e., system is currently operational)

4. Is this a Federal Information Security Management Act (FISMA) reportable system? Yes

A.1 General Business Purpose

5. 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.

Financial Management Information System (FMIS) is an Internal Revenue Service (IRS) application/system that has been categorized as a Major Application. FMIS resides on the Modernized Information Technology Services (MITS)-21, IBM Master File General Support System (GSS). The FMIS Project is the primary source of reports and data used to prepare the IRS' Annual Custodial Financial Statements for the Government Accountability Office's (GAO) annual financial statement audits. IRS' Custodial financial statements are a significant part of Treasury's financial statements, which are compiled for the government-wide financial statements each year. Additionally, FMIS provides continuous and accurate responses to mandatory periodic and ad hoc requests for custodial financial reporting information from Treasury, Office of Management and Budget, Congress, and other government agency requests. FMIS has been operational since 1996, and directly contributes to the clean audit opinion on custodial financial statements the IRS has obtained from the GAO for the past ten consecutive fiscal years. FMIS contributes to accurate, transparent financial accounting on governmental operations to its citizens. The following sub-systems comprise the FMIS: Unpaid Assessments (UA), Revenue and Refunds (R&R), and Custodial Detail Database (CDDDB). UA reports on the debit balance modules on the Individual Master File (IMF), Business Master File (BMF) and Non-Master File (NMF). Detail tax modules and entity records are created to summarize much of the data on the master files. This summarization includes defining the source of the assessment, the location of the module in the collection stream, the financial status of the module, and other profiling information. (The financial status is defined by determining if there is a two-party agreement on the amount due to the IRS.) This data is used in the financial statement audits by GAO, as a bases for the Federal Payment Levy Program project, and for reporting debit balance modules both within and outside the agency. R&R is used to identify all the detail transactions that posted to IMF, BMF, and NMF during the fiscal year. At a high level, these detail transactions are broken down into Revenue transactions, Refund transactions, Other Transactions that are part of the fiscal year and Other Transactions that are not part of the fiscal year. Once these breakouts are done, revenue and refund reversal transactions are matched to the transactions they reverse. Paper and electronic reports are generated and distributed to Chief Financial Office (CFO) Finance and GAO. The detail files provide support for the amounts reported from the Redesign Revenue Accounting Controls System (RRACS). The files are also made available to GAO for sampling and to validate the financial statements. The CDDDB takes the lessons learned from prior modernization efforts to solve long-standing financial reporting weaknesses cited by GAO. The CDDDB determines the amount of duplicate penalties assessed for financial reporting in the annual audit. It provides information on incorrect, missing, or invalid cross references to the business units for correction, improving the quality of the Trust Fund Recovery Penalty inventory. It provides transaction level support for the revenue and refund records in RRACS and improves the timeliness of financial information by providing data weekly instead of monthly. CDDDB is the custodial sub-ledger that supports the financial statement and reconciles to the General Ledger RRACS. FMIS does not directly interface or interconnect with any systems (internal or external). The application solely shares information with a number of different IRS internal systems via the IBM Mainframe (MITS-21 GSS).

B. PII DETAIL

6. Does the system use, collect, receive, display, store, maintain, or disseminate IR Code 6103 taxpayer information; or any type of Sensitive but Unclassified (SBU) or Personally Identifiable Information (PII)? Yes

6a. If 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

If yes, check who the SSN (or tax identification number) is collected on.

Yes On Primary Yes On Spouse No On Dependent

If yes, check all types SSN s (or tax identification numbers) that apply to this system:

- Yes Social Security Number (SSN)
- No Employer Identification Number (EIN)
- No Individual Taxpayer Identification Number (ITIN)
- No Taxpayer Identification Number for Pending U.S. Adoptions (ATIN)
- No Practitioner Tax Identification Number (PTIN)

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

The FMIS system requires the use of SSN's because no other identifier can be used to uniquely identify a taxpayer. There is no planned mitigation strategy and forecasted implementation date to mitigate or eliminate the use of SSNs in FMIS.

6b. Does this system contain other (non-SSN) PII that it uses, collects, receives, displays, stores, maintains, or disseminates? (i.e. Names, addresses, etc.) Yes

If yes, specify the information.

	<u>On Primary</u>	<u>On Spouse</u>	<u>On Dependent</u>	<u>Selected</u>	<u>PII Element</u>
Yes	Name		Yes	Yes	No
Yes	Mailing address		No	No	No
No	Phone Numbers		No	No	No
No	E-mail Address		No	No	No
Yes	Date of Birth		Yes	Yes	No
No	Place of Birth		No	No	No
No	SEID		No	No	No
No	Mother's Maiden Name		No	No	No
No	Protection Personal Identification Numbers (IP PIN)		No	No	No
No	Internet Protocol Address (IP Address)		No	No	No
No	Criminal History		No	No	No
No	Medical Information		No	No	No
No	Certificate or License Numbers		No	No	No
No	Vehicle Identifiers		No	No	No
No	Passport Number		No	No	No
No	Alien (A-) Number		No	No	No
No	Financial Account Numbers		No	No	No

No	Photographic Identifiers	No	No	No
No	Biometric Identifiers	No	No	No
No	Employment (HR) Information	No	No	No
Yes	Tax Account Information	Yes	Yes	No

6c. Does this system contain SBU information that is not PII, it uses, collects, receives, displays, stores, maintains, or disseminates? Yes

If yes, select the types of SBU

<u>Selected</u>	<u>SBU Name</u>	<u>SBU Description</u>
No	Agency Sensitive Information	Information which if improperly used or disclosed could adversely affect the ability of the agency to accomplish its mission
No	Procurement sensitive data	Contract proposals, bids, etc.
Yes	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.
No	Proprietary data	Business information that does not belong to the IRS
No	Protected Information	Information which if modified, destroyed or disclosed in an unauthorized manner could cause: loss of life, loss of property or funds by unlawful means, violation of personal privacy or civil rights, gaining of an unfair procurement advantage by contractors bidding on government contracts, or disclosure of proprietary information entrusted to the Government
No	Physical Security Information	Security information containing details of serious weaknesses and vulnerabilities associated with specific systems and facilities
No	Criminal Investigation Information	Information concerning IRS criminal investigations or the agents conducting the investigations.

6d. Are there other types of SBU/PII used in the system? No

6e. Cite the authority for collecting SBU/PII (including SSN if relevant)

- Yes PII for federal tax administration is generally Internal Revenue Code Sections 6001, 6011, 6012e(a)
- Yes SSN for tax returns and return information is Internal Revenue Code Section 6109
- No SSN for personnel administration (IRS Employees) is 5 USC & Executive Order 9397
- No PII for personnel administration is 5 USC
- No PII about individuals for Bank Secrecy Act compliance 31 USC
- No Information by CI for certain money laundering cases may be 18 USC

6f. Has the authority been verified with the system owner? Yes

B.1 BUSINESS NEEDS AND ACCURACY

7. 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 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.

8. How is the SBU/PII verified for accuracy, timeliness, and completeness? Explain how steps are taken to ensure that all information maintained by the system that is used by IRS to make any adverse determination about an individual's rights, benefits, and/or privileges is maintained with such accuracy, relevance, timeliness, and completeness as is reasonably necessary to assure fairness to the individual in the determination

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 (Integrated Data Retrieval System/Masterfile). FMIS receives the data from the MITS-21 GSS. To ensure no data is lost, the Log Accounting Report System 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.

C. PRIVACY ACT AND SYSTEM OF RECORDS

9. Are 10 or more records containing SBU/PII maintained, stored, and/or transmitted by or through this system? Yes

- 9a. If yes, are records in the system retrieved by any personal identifier (e.g., name, SSN, Photograph, IP Address) for an individual? Yes

If yes, is there a System of Records Notice(s) or SORNs that addresses the PII records in this system? Yes

If yes, enter the SORN number(s) and the complete the name of the SORN.

<u>SORNS Number</u>	<u>SORNS Name</u>
IRS 22.054	Subsidiary Accounting Files
IRS 22.061	Individual Return Master File
IRS 24.030	Customer Account Data Engine Individual Master File
IRS 24.046	Customer Account Data Engine Business Master File
IRS 26.019	Taxpayer Delinquent Accounts Files
Treasury .009	Treasury Financial Management Systems
IRS 34.037	Audit Trail and Security Records System

If yes, does the System of Records Notice(s) (SORN) published in the Federal Register adequately describe the records as required by the Privacy Act? Yes

D. RESPONSIBLE PARTIES

10. Identify the individuals for the following system roles. ##Official Use Only

E. INCOMING PII INTERFACES

11. Does the system receive SBU/PII from other system or agencies? Yes

11a. If yes, does the system receive SBU/PII from IRS files and databases? Yes

If yes, enter the files and databases.

<u>System Name</u>	<u>Current PCLIA</u>	<u>Approval Date</u>	<u>SA&A?</u>	<u>Authorization Date</u>
IMF	Yes	05/16/2017	Yes	11/14/2016
NMF	No		No	
BMF	Yes	04/24/2015	Yes	03/13/2013

11b. Does the system receive SBU/PII from other federal agency or agencies? Yes

If 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).

<u>Organization Name</u>	<u>Transmission method</u>	<u>ISA/MOU</u>
GAO	Lockbox	No

11c. Does the system receive SBU/PII from State or local agencies? No

11d. Does the system receive SBU/PII from other sources? No

11e. Does the system receive SBU/PII from Taxpayer forms? No

11f. Does the system receive SBU/PII from Employee forms (such as the I-9)? No

F. PII SENT TO EXTERNAL ORGANIZATIONS

12. Does this system disseminate SBU/PII? Yes

12a. Does this system disseminate SBU/PII to other IRS Systems? No

12b. Does this system disseminate SBU/PII to other Federal agencies? Yes

If yes identify the full names of the federal agency(s) that receive SBU/PII from this system, and if there is an Inter-Agency Agreement (ISA) / Memorandum of Understanding (MOU)

<u>Organization Name</u>	<u>Transmission method</u>	<u>ISA/MOU</u>
GAO	CFO & Extracts	Yes

Identify the authority and for what purpose? Every fiscal year, the GAO issues an audit opinion on whether or not IRS financial statements are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles. An unmodified (clean) audit opinion is critical to prove to both the Congress and the American people that the IRS is a good steward of public funds. However, the effect of the IRS financial statement audit extends far beyond the IRS.

12c. Does this system disseminate SBU/PII to State and local agencies? No

12d. Does this system disseminate SBU/PII to IRS or Treasury contractors? No

12e. Does this system disseminate SBU/PII to other Sources? No

G. PRIVACY SENSITIVE TECHNOLOGY

13. Does this system use social media channels? No

14. Does this system use privacy-sensitive technologies such as mobile, global position system (GPS), biometrics, RFID, etc.? No

15. Does the system use cloud computing? No

16. Does this system/application interact with the public? No

H. INDIVIDUAL NOTICE AND CONSENT

17. Was/is notice provided to the individual prior to collection of information? No

17b. If no, why not? If information is not collected directly from an individual, please discuss the factors considered in deciding to collect information from third party sources.
The FMIS system does not directly interact with the taxpayer.

18. Do individuals have the opportunity to decline from providing information and/or from consenting to particular uses of the information? No

18b. If no, why not? The FMIS system does not directly interact with the taxpayer.

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

The FMIS system does not directly interact with the taxpayer. Due process is provided pursuant to 5 USC.

I. INFORMATION PROTECTION

20. 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

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

IRS Employees? Yes

<u>IRS Employees?</u>	<u>Yes/No</u>	<u>Access Level (Read Only/Read Write/Administrator)</u>
Users	Yes	Read-Only
Managers	Yes	Read-Only
Sys. Administrators	Yes	Read and Write
Developers	Yes	Read-Only

Contractor Employees? Yes

<u>Contractor Employees?</u>	<u>Yes/No</u>	<u>Access Level</u>	<u>Background Invest. Level</u>
Contractor Users	Yes	Read-Only	High
Contractor Managers	Yes	Read-Only	High
Contractor Sys. Admin.	Yes	Read and Write	High
Contractor Developers	Yes	Read-Only	High

21a. How is access to SBU/PII determined and by whom? Managers and Contracting Officer's Technical Representatives determine access. Access is granted to individuals on a "need to know" basis. On-Line 5081 must be completed in order for access to be granted. Because this is a steady state legacy system, programmers require access for continued maintenance. FMIS requires programmers and report preparers to be authorized.

21b. If computer matching occurs, can the business owner certify that it meets requirements of IRM 11.3.39 Disclosure of Official Information, Computer Matching & Privacy Protection Act? Yes

I.1 RECORDS RETENTION SCHEDULE

22. Are these records covered under the General Records Schedule (GRS), or have a National Archives and Records Administration (NARA) archivist approved a Record Control Schedule (RCS) for the retention and destruction of official agency records stored in this system? No

22b. If no, how long are you proposing to retain the records? Please note, if you answered no, you must contact the IRS Records and Information Management Program to initiate records retention scheduling before you dispose of any records in this system.

A request for records disposition authority for FMIS and associated records will be drafted with the assistance of the IRS Records and Information Management 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 in Records Control Schedule (RCS) Document 12990 under RCS 16 for the CFO, Item 19. A 5-year retention has been proposed for 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 Automated Non-Master File 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.

I.2 SA&A OR ECM-R

23. Has the system been through SA&A (Security Assessment and Authorization) or ECM-R (Enterprise Continuous Monitoring Reauthorization)? In-process

23b. If in process, when is the anticipated date of the SA&A or ECM-R completion? 10/27/2017

23.1 Describe in detail the system s audit trail. FMIS does not have an audit trail.

J. PRIVACY TESTING

24. Does the system require a System Test Plan? Yes

24b. If yes, Is the test plan in process or completed: Completed

24.3 If completed or in process, 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?

Data has been verified at the source (i.e., the IRS IMF/BMF) and FMIS checks the File ID to make sure it has been received. The original data from the IRS IMF/BMF is not verified again once it is in FMIS; the only verification is whether data is extracted and put into FMIS.

24b.1. If completed, where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)? DocIT Repository - testing is performed in accordance with Internal Revenue Manual 10.8.8 - IT Security, Live Data Protection Policy.

24b.2. If completed, were all the Privacy Requirements successfully tested? Yes

24.2 If completed, are there any residual system privacy, civil liberties, and/or security risks identified that need to be resolved? No

K. SBU Data Use

25. Does this system use, or plan to use SBU Data in Testing? No

L. NUMBER AND CATEGORY OF PII RECORDS

26. Identify the number of individual records in the system for each category:

26a. IRS Employees:	<u>Under 50,000</u>
26b. Contractors:	<u>Under 5,000</u>
26c. Members of the Public:	<u>More than 1,000,000</u>
26d. Other:	<u>No</u>

M. CIVIL LIBERTIES

27. Does the system maintain any information describing how any individual exercises their rights guaranteed by the First Amendment? No

28. Is the system information used to conduct data-mining as defined in the *Implementing the 9/11 Commission Recommendations Act of 2007, Public Law 110-53, Section 804*? No

29. Will this system have the capability to identify, locate, and monitor individuals or groups of people? No

N. ACCOUNTING OF DISCLOSURES

30. 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

End of Report
