

Date of Approval: January 26, 2017

PIA ID Number: 2135

A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. Modified Employee Plans Exempt Organization Determination System, MEDS

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.

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Next, enter the **date** of the most recent PIA. 2/20/2014

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

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

Were there other system changes not listed above? Yes

If yes, explain what changes were made. Renewal. Current PCLIA on file expired.

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

<u>No</u>	Vision & Strategy/Milestone 0
<u>No</u>	Project Initiation/Milestone 1
<u>No</u>	Domain Architecture/Milestone 2
<u>No</u>	Preliminary Design/Milestone 3
<u>No</u>	Detailed Design/Milestone 4A
<u>No</u>	System Development/Milestone 4B
<u>Yes</u>	System Deployment/Milestone 5
<u>No</u>	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.

The Modified Employee Plan / Exempt Organization Determination System (MEDS) provides full inventory and status control of determination cases and supports timely and accurate processing of applications for Employee Plans (EP) and Exempt Organizations (EO) determination letters as mandated by the Internal Revenue Code (IRC) and Income Tax Regulations. The following is a description of the functions within MEDS: •In the Receipt and Handling function users receive paper documents and image them in electronic form. This function is interconnected with the Business Rules function via the IRS/Treasury Intranet. This function interfaces with the IRS system CRX. •In the Business Rules function the data from the cases is used to govern functionality associated with: Case Grading, Case Classification/Complexity, User Fee correctness, Case Categorization, Cycle, Application Completeness, Disclosability, and EP Case Closing and Notice Composition. The Business Rules function is interconnected with the Records Repository function and receives data from the Receipt and Handling function. •In the Record Repository function case records are managed, assigned, and processed by users. The Record Repository also supports the Business Rules and Reporting functions, and sends case status information to EDS. •In the Reporting function the reporting capability support the Receipt and Handling and Record Repository functions along with EDS. This is a repository for snapshots of case data from MEDS. It generates standard reports, queries, and ad-hoc reports from the case data and snapshots. Business Objects, and the COTS product, Documentum are both reporting capabilities the back-end utilizes. The Business Objects reporting functionality receives source data from the EDS legacy system.

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.)? No

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>Selected</u>	<u>PII Element</u>	<u>On Primary</u>	<u>On Spouse</u>	<u>On Dependent</u>
Yes	Name	Yes	Yes	No
Yes	Mailing address	No	No	No
Yes	Phone Numbers	No	No	No
No	E-mail Address	No	No	No
No	Date of Birth	No	No	No
No	Place of Birth	No	No	No
Yes	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
No	Tax Account Information	No	No	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.
No	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
Yes	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)
No	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.

All information is essential. All data items are used by management to support case inventory control, inventory monitoring (i.e., by group and specialist), as well as reporting functions. The data in MEDS is necessary for TE/GE to determine if potential tax-exempt entities submitting applications to Exempt Organizations (EO) and Employee Plans (EP) meet the law requirements of the Internal Revenue Code. EDS maintains inventory for cases being resolved under the Employee Plans Determination Letter Program and the Exempt Organizations Determination Letter Program. No data is redundant or unnecessary.

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

Accuracy: Captiva is used for scanning and imaging all correspondence. Optical Character Recognition (OCR) is used to convert the hard copy text into a soft copy. MEDS users then use Captiva FormWare to correct and validate the data. The technical specialist will review each application for sufficient data necessary to scan the document. Timeliness: Captiva FormWare is used to check paper submission and the date stamped on the submission. Completeness: Automated business rules check to ensure information is complete and will cite what information might be missing. The technical specialist reviews the business rules findings and makes the final determination on completeness and can overrule the business rules if necessary.

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>
<u>Treasury/IRS 50.222</u>	<u>Tax Exempt/Government Entities Case Management Rec</u>
<u>Treasury/IRS 34.037</u>	<u>IRS Audit Trail and Security Records System</u>

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 PIA?</u>	<u>PIA Approval Date</u>	<u>SA & A?</u>	<u>Authorization Date</u>
LINUS	Yes	11/18/2014	Yes	10/19/2016
EDS	Yes	02/11/2015	Yes	05/25/2016
Pay.gov	No	02/11/2015	No	05/25/2016

11b. Does the system receive SBU/PII from other federal agency or agencies? No

11c. Does the system receive SBU/PII from State or local agency (-ies)? No

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

11e. Does the system receive SBU/PII from **Taxpayer** forms? Yes

If **yes**, identify the forms

<u>Form Number</u>	<u>Form Name</u>
1023	Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code
1024	Application for Recognition of Exemption Under Section 501(a) or for Determination Under Section 120
1023-EZ	Application fro Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code EZ
1026	EO Business Master File On-Line (BMFOL) Exempt Organiztion Account/Entity Information screen printou
1028	Application for Recognition of Exemption Under Section 521 of the Internal Revenue Code
2848	Power of Attorney and Declaration of Representative
5300	Application for Determination for Employee Benefit Plan
5307	Application for Determination for Adopters of Master or Prototype or Volume Submitter Plans
5309	Application for Determination for Adopters of Master or Prototype or Volume Submitter Plans
5310	Application for Determination Upon Termination
5310A	Notice of Plan Merger or Consolidation, Spinoff, or Transfer of Plan Assets or Liabilities; Notice o

5316	Application for Group or Pooled Trust Ruling
6088	Distributable Benefits from Employee Pension Benefit Plans
8670	EDS Closing Form EO
8671	EDS Closing Form EP
8717	User Fee for Employee Plan Determination Letter Request
8718	User Fee for Exempt Organization Determination Letter Request
8734	Support Schedule For Advance Ruling Period
8821	Tax Information Authorization
Schedule	Schedule Q (with 5300)
5316	Application for Group or Pooled Trust Ruling
8905	Certification of Intent to Adopt a Pre-Approved Plan

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? Yes

If **yes**, identify the full name and acronym of the IRS system(s) that receive SBU/PII from this system.

<u>System Name</u>	<u>Current PIA?</u>	<u>PIA Approval Date</u>	<u>SA & A?</u>	<u>Authorization Date</u>
Correspondence Letter System	Yes	08/03/2014	Yes	03/08/2010

Identify the authority and for what purpose? Data sent to Correspondence Letter System (CORRESPONDEX, CRX) to create letters containing PII.

12b . Does this system disseminate SBU/PII to other Federal agencies? No

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, cloud, 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? Yes

17a. If **yes**, how is notice provided? Was the individual notified about the authority to collect the information, whether such is mandatory or voluntary, the purpose for which the information will be used, with whom the information may be shared, and the effects, if any, if they decide not to provide any of the requested information?

A Notice was provided. Also Instructions for Form 1023-EZ was provided which outlines Purpose of Form, Who Can File Form, and How to file form.

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? Instruction for Form 1023-EZ provides individuals with information that is needed to complete this form. Individuals must complete a checklist prior to filling out form to determine their eligibility. Any organization may file Form 1023 to apply for recognition of exemption from federal income tax under section 501(c)(3).

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

If an applicant receives a "negative determination" as to the exemption/qualification, the applicant is notified of a proposed adverse determination and is given an opportunity to protest before any final action is taken. Additionally, the applicant has the right to appeal a determination through the Appeals Division (or EO Technical or EP Examination for certain cases). Taxpayers are provided the Specialist's contact information to discuss negative determinations or to update incorrect case information.

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>	Yes/No	Access Level(Read Only/Read Write/Administrator)
Users	Yes	Read and Write
Managers	Yes	Read and Write
Sys. Administrators	Yes	Read and Write
Developers	No	

Contractor Employees? Yes

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

21a. How is access to SBU/PII determined and by whom? Only individuals who have been identified in the application's database table are authorized to access MEDS information. These users are IRS employees performing data entry, Secretaries, Reviewer, Agents/Tax Law Specialists, and Managers. System Administrators and Database Administrators have access to all data, system files, and functions required to carry out their assigned tasks and responsibilities. Developers do not have access to any production data. A potential user will request access via the OL5081 system. This request has to be approved by the potential user's manager based on a user's position and need-to-know.

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 ? Not Applicable

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.

MEDS is unscheduled. A request for records disposition authority for MEDS and associated records is requested 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 MEDS inputs, system data, outputs, and system documentation will be published in IRS Document 12990 under Records Control Schedule (RCS) 24 for Tax Exempt and Government Entities (TEGE), item 80.

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)? Yes

23a. If **yes**, what date was it completed? 9/6/2016

23.1 Describe in detail the system s audit trail. MEDS maintains an application audit trail (also known as case chronology). These audit records are stored in a proprietary database and may only be viewed by privileged managers with access to the Manager's Console. The MEDS application audit trail includes the following information: successful/unsuccessful logons or logoffs, change of password, data files opens and closed, reading, editing and deleting records or fields, change in access control permissions, user annotations made for each access or change made to the case, running/printing/updating reports, all SA actions, batch file modifications to database, direct manipulation of records in the database, date and time, user ID, event types, case number, outcome of event (success/failure), case number, and all entered comments.

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?

Test plans are created for Change Requests (CRs). When a CRs is submitted to make changes to MEDS (form changes, fees, infrastructure, upgrades, etc.), a test plan is generated to address the requests.

24b.1. If **completed**, where are the test results stored (or documentation that validation has occurred confirming that requirements have been met)? Test Plans are stored on MEDS SharePoint site.

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>100,000 to 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? Yes

If **yes**, describe the type of information derived from these efforts and the technical (e.g., audit trails) or other processes used to limit unauthorized monitoring. Tax Exempt Organization under Section 501(c)(3)

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
