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**A. SYSTEM DESCRIPTION**

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1. Enter the full name and acronym for the system, project, application and/or database. ACA Compliance Validation Release 2.0, ACV 2.0

2. Is this a new system? Yes

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>Yes</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>No</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? No

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**A.1 General Business Purpose**

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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.

To support post-filing compliance for ACA Section 4980H(a), the ACV 2.0 system will process and correlate data between ACA third-party information and tax returns. The ACV 2.0 project will develop an ACA post-filing compliance system that will: • Perform an analysis to identify and evaluate potential 4980H(a) non-compliant Applicable Large Employers (ALEs) • Provide ECC Calculator service to ACA Compliance Management (ACM) to calculate the Employer Shared Responsibility Payment (ESRP) amount using ALE's PreL responses data and • Provide bulk access via a web service to the Individual Coverage Compliance (ICC) Calculator.

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**B. PII DETAIL**

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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 variations of SSN s (i.e. last 4 digits, etc.)? Yes

If **yes**, check who the SSN (or SSN variation) is collected on.

Yes On Primary Yes On Spouse Yes On Dependent

If **yes**, check all types SSN s (or variations of SSN s) that apply to this system:

Yes Social Security Number (SSN)

<u>Yes</u>	Employer Identification Number (EIN)
<u>Yes</u>	Individual Taxpayer Identification Number (ITIN)
<u>Yes</u>	Taxpayer Identification Number for Pending U.S. Adoptions (ATIN)
<u>No</u>	Preparer Taxpayer Identification Number (PTIN)

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

ACV 2.0 will follow IRM 10.5.1.2 (see IRM for IRS strategy compliance with the OMB – Safeguarding IRM 10.5.1.2) Privacy, Information Protection & Data Security (PIPDS) Policy and Guidance in handling the use of EINs and SSNs of taxpayers.

6b. Does this system contain other (non-SSN) PII that it uses, collects, receives, displays, stores, maintains, or disseminates? (i.e. Names, addresses, etc.) No

6c. Does this system contain SBU information that it uses, collects, receives, displays, stores, maintains, or disseminates? No

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)

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

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

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## **B.1 BUSINESS NEEDS AND ACCURACY**

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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 variations) are used, explicitly explain why use of SSNs meets this criteria. Be specific.

IPM (Integrated Production Model) contains information from systems such as Individual Returns Transaction File (IRTF), Information Returns System Modernization (IRSM), Coverage Data Repository (CDR), Integrated Master File/ Customer Account Data Engine 2 (IMF/CADE 2), and Business Master File (BMF). ACV 2.0 uses these data to perform 4980H(a) compliance evaluation analysis and stores results on ACV Correlation database. During the analysis, ACV 2.0 uses Employers' EINs, and their employees' SSNs.

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

ACV 2.0 will follow IRM 10.5.1.2 (see IRM for IRS strategy compliance with the OMB – Safeguarding IRM 10.5.1.2) Privacy, Information Protection & Data Security (PIPDS) Policy and Guidance in handling the use of EINs and SSNs of taxpayers.

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**C. PRIVACY ACT AND SYSTEM OF RECORDS**

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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.

**SORNS Number**

**SORNS Name**

Treas/IRS 24.030 IMF

Treas/IRS 24.046 BMF

Treas/IRS 34.037 IRS 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

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**D. RESPONSIBLE PARTIES**

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10. Identify the individuals for the following system roles. N/A

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**E. INCOMING PII INTERFACES**

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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.

**System Name** **Current PIA?** **PIA Approval Date** **SA & A?** **Authorization Date**

IPM                      Yes                      10/15/2014                      Yes                      08/01/2011

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

**Form Number**

**Form Name**

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

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#### F. PII SENT TO EXTERNAL ORGANIZATIONS

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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>
Health and Human Services/CMS	Internet	Yes

Identify the authority and for what purpose? ACV 2.0 return compliance validation results on ALEs to CMS in accordance with MOU by authority of 4980H(a).

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

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#### G. PRIVACY SENSITIVE TECHNOLOGY

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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

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#### H. INDIVIDUAL NOTICE AND CONSENT

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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 ACV 2.0 system does not communicate directly with taxpayers or employers. ACV 2.0 will retrieve relevant data, including PII data (such as EINs and SSNs), to perform and evaluate ALEs' 4980H(a) compliance. This analysis will be saved in ACV Correlation database.

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 ACV 2.0 system does not communicate directly with taxpayers or employers. ACV 2.0 will retrieve relevant data, including PII data (such as EINs and SSNs), to

perform and evaluate ALEs' 4980H(a) compliance. This analysis will be saved in ACV Correlation database.

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

The ACV 2.0 system does not communicate directly with taxpayers or employers. ACV 2.0 will retrieve relevant data, including PII data (such as EINs and SSNs), to perform and evaluate ALEs' 4980H(a) compliance. This analysis will be saved in ACV Correlation database.

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## **I. INFORMATION PROTECTION**

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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? No

Contractor Employees? No

21a. How is access to SBU/PII determined and by whom? Not applicable.

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

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### **I.1 RECORDS RETENTION SCHEDULE**

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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.

ACV is non-recordkeeping. However, system-generated 4980H(a) compliance analysis results are store in ACV Correlation database (CDR) for future analysis and PreL generation. The IRS Records Office and ACA will be working together to review CDR records retention/scheduling requirements.

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### **I.2 SA&A OR ECM-R**

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23. Has the system been through SA&A (Security Assessment and Authorization) or ECM-R (Enterprise Continuous Monitoring Reauthorization)? No

23c. If **no**, is the system secured in accordance with all applicable federal, treasury, and IRS security policy, procedures, and requirements? Yes

23.1 Describe in detail the system s audit trail. IRS utilizes Continuous Monitoring program to evaluate the presence and effectiveness of the security controls on an ongoing basis.

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**J. PRIVACY TESTING**

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

24b. If **yes**, Is the test plan in process or completed: In Process

If **in process**, when is the test plan scheduled for completion? 7/1/2016

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?

Privacy testing does not form a part of testing managed by the Consolidated Project System Test Plan, nor of the Release Level Test Plan. Privacy requirements are included among the project's Non-Functional Requirements (NFRs), exactly as specified by the Privacy organization.

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**K. SBU Data Use**

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

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**L. NUMBER AND CATEGORY OF PII RECORDS**

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

26a. IRS Employees:	<u>Not Applicable</u>
26b. Contractors:	<u>Not Applicable</u>
26c. Members of the Public:	<u>100,000 to 1,000,000</u>
26d. Other:	<u>No</u>

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**M. CIVIL LIBERTIES**

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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

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**N. ACCOUNTING OF DISCLOSURES**

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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

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**End of Report**

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