
A. SYSTEM DESCRIPTION

1. Enter the full name and acronym for the system, project, application and/or database. Direct Payment Bonds, DPB

2. Is this a new system? No

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

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>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

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.

Build America Bonds (BABs) were created as a part of American Recovery and Reinvestment Act (ARRA) 2009. These bonds are municipal bonds that would normally qualify for tax-exempt interest, but issuers could elect to receive a credit paid directly from the IRS in lieu of exemption for interest payments. ARRA 2009 also created Recovery Zone Economic Development Bonds (RZEDBs) which are similar to BABs. In 2010, the HIRE Act allowed certain types of tax credit bonds to elect to receive a credit payment similar to BABs credits. Collectively, BABs, RZEDBs, and the refundable tax credit bonds specified by the HIRE Act are referred to as Direct Pay Bonds (DPBs). All of these DPBs use Form 8038-CP to request payment of their claimed credits. Form 8038-CP could be filed with the issuer identified in Part 1 as the payee, or the issuer could designate another payee in Part 1. Each return may be designated independently (i.e., period 1 – issuer, period 2 – trustee, period 3 – issuer, period 4 – new trustee). Form 8038-CP was initially developed in a very short period (ARRA enacted mid-February and IRS began accepting returns May 1st).

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	No	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? No

6d. Are there other types of SBU/PII used in the system? Yes

If **yes**, describe the other types of SBU/PII that are applicable to this system. Information that is put into the system is obtained from submitted 8038-CP, Returns for Credit; Name of entity that will receive payment of the credit, Employee Identification Number (EIN) for both the entity to receive credit along with the EIN for the Reporting Authority, Address, Telephone number of the Officer or legal representative and Point-of-Contact (POC) to call regarding bond and Direct Deposit information.

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.

Information that is put into the system is obtained from submitted 8038-CP, Returns for Credit; Name of entity that will receive payment of the credit, EIN for both the entity to receive credit along with the EIN for the Reporting Authority, Address, Telephone number of the Officer or legal representative, and POC to call regarding bond and Direct Deposit information.

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

Data entry is performed by specific individuals. Validation rules are built into the system to ensure accuracy, timeliness and completeness of data. The 8038-CP is rejected if these fields are not validated.

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.

SORNS Number

SORNS Name

Treasury/IRS 50.222 Tax Exempt/Government Entities (TE/GE) Case Manage

Treasury/IRS 24.046 Customer Account Data Engine Business Master File—

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? 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>
BMF Master File	Yes	04/24/2015	Yes	02/25/2016

Identify the authority and for what purpose? During transcription process, information is transferred to IRS Master File.

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? 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.

Entities are required to fill out the 8038-CP if they are to receive credits through BAB program.

Form 8038-CP is intended to facilitate prompt implementation of the BAB programs and to enable

state and local governments to begin issuing these bonds for authorized purpose to promote economic recovery and job creation.

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? Entities are required to fill out the 8038-CP if they are to receive credits through BAB program Form 8038-CP is intended to facilitate prompt implementation of the BAB programs and to enable state and local governments to begin issuing these bonds for authorized purpose to promote economic recovery and job creation.

19. How does the system or business process ensure due process regarding information access, correction and redress? Due to the potential for fraud, TEGE, in cooperation with the Wage and Investment operating division, established a compliance review of all Form 8038- CP returns during their initial processing. This review is conducted in two parts: a) A review by Tax Exempt Bonds of the qualifications of the direct pay bonds transaction. b) A review of the refund returns embedded (Form 8038-CP) within the "Pipeline" of the Ogden Service Center (OSC) returns submissions processing system. The DPB database is stored on the Philadelphia server in a GECU shared folder. (phi0730vpsec1\common\Tege\Ge\GECU\Projects\DPB Database). Each user must have permission to access this folder to be able to use the database. Responsibilities for the compliance review of the Form 8038-CP returns are determined by the employee's position: a) Tax Compliance Officer (TCO) b) Lead c) TEB Coordinator d) Project Manager. Conversion of DPBs system to Corporate Data Initiative will provide for greater functionality and reliability for users and implement security features to enable the successful completion of a future Federal Information Security Management Act Information System Contingency Plan.

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	Administrator
Developers	No	

Contractor Employees? No

21a. How is access to SBU/PII determined and by whom? Access/roles are determined by the employee function forms table which provides different menu/form options to users. The four levels of permissions are: Level 1, Tax Compliance Officer; Level 2, Government Entities Compliance Unit Lead; Level 3, Manager; and Level 4, Analyst. The only real restriction is what menu or form options each has. Every user has read/write permissions.

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 ? No

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? Yes

22a. If **yes**, how long are the records required to be held under the corresponding RCS and how are they disposed of? In your response, please include the complete IRM number 1.15.XX and specific item number and title.

All records housed in the DPB system will be erased or purged from the system in accordance with approved retention periods. It is the official repository for data and documents and has received National Archives approval to affect data disposition. Any records generated by the system will be managed according to requirements under Internal Revenue Manual 1.15.1 and 1.15.6, and will be destroyed using IRS Records Control Schedules 29, Item 92, and as coordinated with the IRS Records and Information Management Program and IRS Records Officer.

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)? No

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

23.1 Describe in detail the system s audit trail. There are no audit trails because of limited infrastructure and system support.

J. PRIVACY TESTING

24. Does the system require a System Test Plan? No

24c. If **no**, please explain why. This is an internally created Access database that did not follow an IT or BSP path in development. The BSP office is now in the process of analyzing the current state and considering options for either improving the existing tool or transitioning to an enterprise solution.

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: Under 50,000

26b. Contractors: Not Applicable
26c. Members of the Public: Not Applicable
26d. Other: No

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
