Date of Approval: **May 05, 2020**

PIA ID Number: **4917**

SYSTEM DESCRIPTION

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

FUTURE Act - Direct Data Exchange, FA-DDX

Is this a new system?

Yes

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

Customer Service Governance Board

Current ELC (Enterprise Life Cycle) Milestones:

Vision & Strategy/Milestone 0

Project Initiation/Milestone 1

Domain Architecture/Milestone 2

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

No

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.

FA-DDX is an application programming interface (API) that is a computer matching program as defined by the Privacy Act of 1974, which provides authorized data elements from individual income tax returns to the Department of Education (ED) to administer Federal Student Aid programs. Upon request from ED and with consent from individuals completing the Free Application for Financial Student Aid (FAFSA), Income Driven Repayment (IDR) or Total and Permanent Disability (TPD) loan discharge applications, specific tax return data will be provided in real time or batch processing via a secured direct data exchange. IRS derives no benefit from this matching program which is conducted for non-tax administration purposes.

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

Delivery of governmental benefits, privileges, and services

Explain why the authorized use(s) above support the new or continued use of SSNs (or tax identification numbers)

An SSN is required from Department of Education so IRS can identify the correct taxpayer's account and retrieve tax return information for disclosure as authorized by IRC section 6103(l)(13).

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

IRS cannot conduct the matching program without an SSN; since SSN is uniquely needed to identify the taxpayer's tax return.

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:

Name

Date of Birth

Tax Account Information

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

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?

No

Cite the authority for collecting SBU/PII (including SSN if relevant

SSN for tax returns and return information is Internal Revenue Code Section 6109

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.

An SSN is necessary to conduct the matching program to identify the correct taxpayer's account and retrieve the tax information necessary to respond to the request. Authority to conduct the match and release taxpayer records, including taxpayer identity information is provided by law pursuant to IRC section 6103(l)(13).

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

IRS is responsible for conducting the match and the accuracy of the information provided. However, Education is responsible for obtaining the individual's consent to request tax records and providing that to the IRS. IRS will disclose tax information upon receipt of the individual's unique Consent Identifier and timestamp from the Department of Education.

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 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: Individual Master File
    Current PCLIA: Yes
    Approval Date: 3/4/2020
    SA&A: Yes
    ATO/IATO Date: 9/22/2019

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: Department of Education
    Transmission Method: HTTPS
    ISA/MOU: Yes

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

    No

Does the system receive SBU/PII from other sources?

    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?

    No

Does this system disseminate SBU/PII to other Federal agencies?

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).

Organization Name: Department of Education
Transmission Method: HTTPS
ISA/MOU   Yes

Identify the authority

The FA-DDX is a matching program as defined in 5 U.S.C. 552a.(o) and the FUTURE Act (Public Law 116-91) requires the IRS to conduct a match in order to disclose return information under IRC section 6103(l)(13) from income tax returns. The match will be conducted based on SSN, Last Name and Date of Birth, to identify the correct taxpayer's account before retrieving the tax return on file and provide return information from the return as filed or amended. The Higher Education Act of 1965 requires Dept of Education to obtain the consent of an individual applying for Federal Student Aid benefits in order to request tax records from the IRS.

Identify the Routine Use in the applicable SORN (or Privacy Act exception)

Disclosure of returns and return information may be made only as provided by 26 U.S.C. 6103.

For what purpose?

Disclosure authorized by IRC Section 6103(l)(13).

Does this system disseminate SBU/PII to State and local agencies?

No

Does this system disseminate SBU/PII to IRS or Treasury contractors?

No

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?

Requirement to obtain the applicant's consent is required by amendment to the Higher Education Act of 1965 as specified in the FUTURE Act. Individuals applying for federal student Aid through completion of the FAFSA must authorize Education to request tax records to support their eligibility determination and cannot opt out of this requirement. The individual must also authorize any redisclose by Education to an institute of higher education (IHE), a state education agency or certain scholarship organizations which may administer state, local or private financial aid programs.

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):

Pursuant to the Higher Education Act of 1965, as amended by the Fostering Undergraduate Talent by Unlocking Resources for Education (FUTURE) Act requires applicants completing the Free Application for Federal Student Aid (FAFSA) to consent to the use of tax information to determine eligibility for this federal student aid benefit. The Department of Education must certify to the IRS that they have the applicant's consent on file as a condition for disclosure by the IRS. Applicants may not opt out of this statutory requirement, however, may choose not to apply for financial aid.

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

The Department of Education must comply with the Privacy Act access, correction and redress requirements when making eligibility determinations for Federal Student Aid. The due process procedures established by the Department of Education are documented in the computer matching agreement between IRS and Department of Education for the FA-DDX.

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

System Administrators: Administrator

IRS Contractor Employees

Contractor Developers: Read Only

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

Administrative access to the FA-DDX application is controlled through the IRS OL5081 system with manager approval.

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.

The FUTURE Act- Direct Data Exchange (FA-DDX) is non-recordkeeping. FA-DDX a used only for matching purposes with the Department of Education and the matching data is considered "transitory data" for temporary storage and will be deleted when no longer needed for purposes of conducting the match. No copies of the data used in the matching program are being maintained by the IRS. It is not the official repository for any data or documents and does not require a National Archives and Records Administration (NARA)-approved Records Control Schedule (RCS) to affect data disposition. Audit trail data is maintained in SAAS for seven years in accordance with NARA Job No. N1-58-10-22, approved 4/5/2011 (published under RCS 19 for Martinsburg Computing Center, Item 88).

SA&A OR ASCA

Has the system been through SA&A (Security Assessment and Authorization) or ASCA (Annual Security Control Assessment)?

In-process

When is the anticipated date of the SA&A or ACS completion?

6/16/2020

Describe the system's audit trail.

FA-DDX sends security audit records to Security Audit and Analysis System (SAAS) and Enterprise Security Audit Trails (ESAT) on a continuous basis. Audit trails sent on a continuous basis and meets or exceed IRS & FISMA requirements for security.

PRIVACY TESTING

Does the system require a System Test Plan?

No

Please explain why:

System uses API to communicate with Dept. of Education and is being added to the suite of existing applications on the production system.

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: Not Applicable

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