The National Archives and Records Administration (NARA) requires Senior Agency Officials for Records Management (SAORM) to provide an annual report demonstrating how agencies are handling important records management initiatives as identified by NARA.

NARA uses the reports to determine the overall progress of the Federal Government in managing its records and the transition away from paper to digital formats, and to identify best practices and model solutions within Federal agencies.

On June 28, 2019, the Office of Management and Budget and the National Archives issued a memorandum: *Transition to Electronic Records* (M-19-21) to ensure that all Federal records are created, retained, and managed in electronic formats by December 31, 2022. This year's SAORM report provides an opportunity for agencies to report on plans and progress towards the milestones and target goals in this memorandum, as well as other important records management initiatives.

The reporting period begins on January 19, 2021, and reports are due back to NARA no later than March 19, 2021.

NARA plans to post your 2020 SAORM report on the NARA website upon receipt. Please ensure that your agency's report is a publicly releasable version. This action is in the interest of transparency in Government and to promote collaboration and communication among agencies. NARA intends to list any non-responding agencies in a summary report and on the website.

Instructions for Reporting:

- This template covers both records management program developments towards the transition to electronic recordkeeping outlined in M-19-21 through December 31, 2022, and other aspects of agency records management programs.
- Please be brief and precise in your answers. Limit answers to each question to no more than 500 words.
- Please complete the questions/items below and send the report to rmselfassessment@nara.gov. Include the words "SAORM 2020 Annual Report - [Agency Name]" in the subject line of the email.
- If you are responsible for records management in multiple agencies, components, or bureaus, please determine how you will submit reports to NARA. While NARA prefers a comprehensive report, you may submit separate reports for each component.

Provide the following information (required):

- Name of SAORM: Celia Y. Doggette (2020 Internal Revenue Service Senior Agency Official Report)
- Position title: Director, Identity and Records Protection (IRP)
- Address: 1111 Constitution Ave, Washington, D.C. 20224

1. **What agencies, bureaus, components, or offices are covered by this report and your position as SAORM and which will be reporting separately?**

   Please provide a list, and also indicate any that are new or have been changed due to reorganization or other circumstances.

   Internal Revenue Service (IRS)

2. **Has the COVID-19 pandemic changed any policies or practices related to records management at your agency?**

   X Yes

   ☐ No

   ☐ Do not know

   Please explain your response (include details of specific challenges, if applicable):

   Federal Records Center (FRC) closures and/or reduced services since March 2020, have created a Freedom of Information Act (FOIA) request backlog. The IRS had to adjust FOIA response expectations (for records at the FRCs) to just those that meet emergency request criteria, and most IRS requests do not meet that criteria. The FOIA Office posted notice of anticipated delays on its website and provided guidance informing requesters on the most efficient way to make a request. This includes the impact of IRS office closures and staff inability to conduct adequate records searches.

   The few FRCs operating intermittently under a Phase 1 approach accepted records that needed to be retired. This helped mitigate in-house paper records storage issues, but as IRS employees start returning to the office and resume normal paper processing, storage issues have become more of an issue. Some IRS Files Areas procured a few storage trailers for overflow tax return work. The FRCs that service our tax return file runs agreed to accept List Year tax return runs to limit the overflow and the need for many trailers.

   Permanent paper records transfers to NARA also ceased because of COVID-19 concerns and the Records Office in conjunction with records owners, are "staging" the records in anticipation of the resumption of transfers/transfer pick-ups.

3. **Does your agency have an established information governance framework that connects records management, data management, and other agency information lines of business? (A relationship between CIO, CDO, SAORM, DRO/ARO, RM Staff)**

X Yes

□ No

□ Do not know

Please provide details on what support is needed:

As the SAORM, I promote records management as a Service-wide mission critical function. FY 2020 initiatives (some ongoing) I oversee to certify records management directives, policies, procedures, and retention schedules are properly implemented in conjunction with agency stakeholder activities include:

- Created comprehensive eRM Governance Model, including a formal Records and Information Management (RIM) support request intake process, organization of RIM staff into roles/responsibilities defined in the eRM Team, and plan to establish eRM Change Control Board to manage eRM changes required across unstructured and structured systems that hold the agency and employees accountable to create, organize, secure, maintain, use, and dispose of information in ways that align with M-19-21, the Federal Records Act, and the Presidential Memorandum
- Partnered with SharePoint Project Management Office (PMO) to assist with preliminary unstructured data organizational scan
- Ongoing partnership with Information Technology (IT) organization to meet OMB/NARA *Transition to Electronic Records* Directive (M-19-21), including in-house upgrades to the agency's SharePoint (unstructured data) environment for greater network-backed records storage, and more automated records retention and destruction controls
- Participation in a variety of Service-wide digitization/digitalization strategy working groups/initiatives, including Enterprise Case Management (ECM), Cloud projects, and other IRS modernization efforts in scope with NARA 2022 mandate
- RIM Policy Handbook updates, including Internal Revenue Manual (IRM) 1.15.6 (*Managing Electronic Records)* relating to unstructured data management/preservation guidance
- Leading the Records Office on a cross-functional IRS team (including the IT organization) to ensure the repair and import (of a marginal number of primarily corrupt) of personal storage tables (PSTs)
- Provide records management support on an IRS digitization working group that seeks to streamline the digitization of paper forms and correspondence received by the IRS, and to support enterprise solutions to create, manage and access the data
- Participate in regular information shares with Chief Information Office (CIO)/Technology Implementation Services Office, CIO/Enterprise Services, and CIO/Strategy & Planning-PMO (including demos, review of documents owned by either Privacy, Governmental Liaison and Disclosure (PGLD) or CIO, or the facilitation of discussions between other stakeholders like PGLD/CIO vendors)
- Provide regular contributions to business systems planning (BSP) informational updates regarding eRecords SharePoint training and implementation

- Continue to engage with IRS business units to review/update records inventories and files plans to identify current recordkeeping requirements, including the identification of permanent records (and format)
- Separating employee clearance (SEC)-related process improvements, including a newly created SEC Records Advisors Group that developed training for business units in best practices for managing records content, and updated Form14757, *Records Management Checklist for Separating Employees* to ensure certification that all records (including those stored on individual hard drives) are appropriately secured prior to equipment turn-in

4. **Has your agency made progress towards managing all permanent records in an electronic format with appropriate metadata by December 31, 2022? (M-19-21, 1.2)**

X Yes

☐ No

☐ Do not know

Please explain your response (include specific goals and example metrics):

The IRS is committed to managing all permanent records in an electronic format.

IRS uses Exchange 2016 Outlook email system to manage email. Retentions are set at the account-level based on IRS's Capstone approach. All mailboxes of designated Capstone officials are automatically and permanently maintained without burden/dependency on the end-user and will be transferred to NARA in electronic format (as approved by NARA on 09/25/2017), under Job No. GRS 6.1-0058-2017-0001.

In FY 2020, the IRS completed substantial updates to existing records management policies, procedures, and practices, including management of permanent electronic records and unstructured data.

IRS is leveraging AvePoint Records Manager to ensure all unstructured data, including permanent records, residing in SharePoint Site Collections (or targeted for SharePoint maintenance) and Shared Drives have appropriate retentions and that dispositions are electronically carried out. Additionally, IRS implemented the Documentum records management module to appropriately manage permanent electronic records in that environment.

COVID-19 related challenges further delayed the full deployment and configuration of infrastructure required for management of IRS permanent electronic records, but in December 2020, IRS reported to NARA that the agency successfully completed implementation, and all identified permanent electronic records are appropriately managed. Other initiatives taken to support IRS recordkeeping needs included updated policy and procedural guidance relating to unstructured data, the creation of disposition plans for business unit SharePoint environments, and the implementation of two recordkeeping solutions, AvePoint Records and Documentum Records.

5. **Has your agency made progress towards managing all <u>temporary</u> records in an electronic format by December 31, 2022? (M-19-21, 1.3)**

   X Yes

   ☐ No

   ☐ Do not know

   Please explain your response (include specific goals and example metrics):

IRS is committed to managing its temporary records in electronic format by December 31, 2022, to the fullest extent possible.

The Records Office is actively engaging with IT to procure and develop upgrades to the agency's SharePoint (unstructured data) environment for greater network-backed records storage, and more automated records retention and destruction controls.

RIM is also in the midst of a comprehensive records control schedule (RCS) update in which electronic records scheduling needs have been identified, most of which are temporary in nature.

RIM staff are fully engaged in systems development life cycle processes and associated digitization/digitalization working groups and committees to ensure agency (electronic) recordkeeping strategies fit a 21st Century framework, and compliance with M-19-21.

6. **Is your agency investing resources in IT to support the transition to electronic recordkeeping?**

   X Yes

   ☐ No

   ☐ Do not know

   Please explain your response. If Yes: Please include specific examples of resources and how this will support records management processes. If No or Do not know: Please explain.

Adherence to a strategic e-records road map and ensuring appropriate/dedicated resources to address e-records matters is an agency priority.

The IRS Records Office, in conjunction with the IT organization and others are actively engaged in multiple digitization/digitalization working groups and initiatives that are transforming the way IRS conducts business and manages records. The RIM Program ensures all modernization efforts comply with recordkeeping requirements, such as the Federal Records Act, NARA regulations, the *Transition to Electronic Records* Directive (M-19-21), and other legislative mandates. The IRS is

committed to addressing challenges associated with large volumes of paper. The IRS digitalization strategy establishes an enterprise vision for converting paper-based forms, correspondence, and transforming business processes to convert documents into data that is accessible and easily processed to improve taxpayer experience and drive efficiencies. There are multiple strategic initiatives in place at the IRS that are focused on creating and enhancing digital services and managing data, including PGLD-RIM Digital Recordkeeping Modernization Strategic Plan, IRS Strategic Plan, Taxpayer First Act, 21st Century Integrated Digital Experience Act (IDEA), Tax Administration 2030, Wage and Investment (W&I) Customer Experience Service Delivery Plan, Enterprise Data Strategy, IRS Integrated Modernization Business Plan. This digitalization strategy serves as an integration layer that provides centralized planning and coordination for these efforts to advance the IRS's e-recordkeeping commitments.

7. **To meet the requirements of M-19-21, 1.3, related to records storage facilities, does your agency have plans to use commercial storage to replace agency-operated records centers and NARA Federal Records Centers by December 31, 2022? (M-19-21, 1.3)**

X Yes

☐ No

☐ Do not know

Please explain your response (include specific goals and example metrics):

IRS takes mandates such as M-19-21 very seriously and is working to eliminate paper processes and use electronic recordkeeping options to the maximum extent possible. The IRS's newly created Enterprise Digitalization and Case Management Office will help plan, lead, communicate, and execute the enterprise-wide digitalization management and strategy programs efforts. They will ensure the agency continues to work towards the underlying goals and objectives described in the President's Management Agenda, specifically in relation to modernizing IT and transforming the customer experience through better management of case creation, execution, maintenance, and closure.

Recent data shows that IRS processed a total of 253 million returns and other forms, and annually stores over 7 million cubic feet of paper records (the bulk of which are tax returns) at FRCs nationwide. Unfortunately, given the paper-intensive nature of business operations and activities, along with the unanticipated demands on resources and attention that COVID-19 impacts placed on the agency, full compliance with OMB/NARA M-19-21 is not feasible for IRS by December 31, 2022. In September 2020, the IRS Records Officer requested an exception from the NARA requirement to electronically manage all temporary records by December 31, 2022, thus creating an ongoing paper records storage need with a commercial vendor if the FRCs do not relax current storage restrictions post-2022. IRS does not maintain any agency-operated records centers.

8. **Does your agency have policies and procedures that include documentation to ensure records of <u>newly appointed and outgoing senior officials</u>* are properly captured and/or processed and not improperly removed, altered, or deleted including electronic records and email?**

*Senior officials are the heads of departments and independent agencies; their deputies and assistants; the heads of program offices and staff offices including assistant secretaries, administrators, and commissioners; directors of offices, bureaus, or equivalent; principal regional officials; staff assistants to those aforementioned officials, such as special assistants, confidential assistants, and administrative assistants; and career Federal employees, political appointees, and officers of the Armed Forces serving in equivalent or comparable positions.

X Yes

☐ No

☐ Do not know

Please explain your response (include specific details of policies and procedures):

All IRS employees (including Senior and appointed officials) and contractors are required to complete an annual records management briefing course that covers records in all formats and emphasizes the requirement that Federal records are not to be destroyed before the end of their retention periods, whether in paper or electronic format. Managers must also complete a mandatory briefing every other year designed to specifically address managerial responsibilities regarding oversight of the same business objectives. Completion of mandatory briefings/training is tracked, and successful completion is monitored at the RIM headquarters level, and within each business unit and business operating division.

The Human Capital Office (HCO) provides an onboarding presentation to all new executives as part of the IRS senior officials Candidate Development Program (CDP). An individual's learning history can be pulled and referred to, upon request, to verify the completion of these courses.

Updated separating employee clearance procedures, including a newly created SEC Records Advisors Group, help ensure the records of all outgoing agency employees are properly captured and/or processed, especially the records of senior officials.

In advance of agency separation, the senior official (or his/her office) notifies RIM via email (the Records Officer also receives HCO notice of executive separations and may contact the senior official) about the pending separation and requests that the Records Officer conduct an exit briefing and assist in the completion of Form 14757, *Records Management Checklist for Separating Employees*. The Records Officer also ensures the senior official schedules a briefing with his/her manager and documents all efforts via HR-Connect and Form 14757, including the identification of any litigation holds and associated records that must be preserved.

During the exit briefing, the IRS Records Officer confirms personal papers and copies of requested records do not have any restrictions and/or do not have an independent historical preservation

interest that must be considered prior to removal. The Office of General Counsel and the Office of Disclosure have also been consulted on limited occasions with non-record review.

IRS has adopted the Capstone Approach to managing email (approved under NARA Job No. GRS 6.1-0058-2017-0001). All retentions are set at the Enterprise level (permanent for Capstone accounts, and 20 years for all other accounts) and dispositions are configured to take place electronically (and automatically, though some manual intervention is still necessary). For Capstone officials, even if an email is deleted, it remains permanent (although no longer visible to the end user) until transfer to NARA.

9. **Do you, as the SAORM, see challenges within your agency in meeting the goal of fully-electronic recordkeeping?**

X Yes

☐ No

☐ Do not know

Please explain your response (include details of specific challenges, if applicable):

The IRS is working very hard to meet the challenges of M-19-21 electronic recordkeeping goals and the agency is committed to streamlining its paper-based processes.

Much of the agency's trend from paper to electronic recordkeeping is driven by expected and necessary business process re-designs. RIM is busy assisting IRS BUs on new and regular digitization initiatives to identify where digitizing records should be considered, not only from a records management standpoint, but also from agency economic and efficiency perspectives when legally possible. RIM is an active participant on several agency cross-functional digitization working groups/initiatives that seek to streamline the digitization of paper forms and correspondence (of temporary or permanent value) received by the IRS, and to support enterprise solutions to create, manage and access the data. For IRS, however, the challenges are not just the identification of what should be done but how to efficiently and effectively accomplish the kind of digital transformation required given the following reasons:

- **Complexity and Continuity of IRS Operations.** IRS serves a broad and diverse customer base comprised of millions of individual filers and businesses, and technological advances must be balanced with the continued goal to ensure voluntary compliance. Compliance is dependent on taxpayer trust in IRS to effectively manage its records.
- **Continued Assessment of Enterprise-wide Strategy and Long-term Solution for Electronic Processing of Paper Records.** IRS policy and procedural updates that provide network environments and resources for electronic recordkeeping over paper dependencies are ongoing priorities. Through data digitization, incoming paper will be increasingly scanned and stored in an electronic format, and the integration of tax processing systems will create workflow efficiencies and allow for the retirement of legacy systems.
- **Legislative/Policy Requirement to Maintain Specific Records Information in Paper Format.** With limited exceptions, the Internal Revenue Code (IRC) prohibits the IRS from

mandating that taxpayers electronically file (e-file) tax returns, thus taxpayers may file tax returns on paper. The IRC only permits the IRS to require e-filing by certain tax return preparers, certain partnerships, corporations that have assets of $10 Million or more, and those filing at least 250 returns during a calendar year (see §6011). Furthermore the IRC requires the agency use paper in the conduct of certain business, including the issuance of summonses (see §7603) and notices of deficiency (see §6212).

- **Paper Volume.** Large paper volume (mostly tax records) will continue to be created and will need to be managed via a third-party service provider beyond December 31, 2022.
- **Technological Interdependencies.** IRS's ability to successfully modernize includes necessary efforts to determine proper scanning operations and test upgraded environments to ensure the preservation of authoritative digital records prior to the destruction of source paper.

The IRS Records Office is committed to supporting these Service-wide goals and identifying where digitizing records and business processes should be considered as part of IRS's business transformation. The IRS's newly created Enterprise Digitalization and Case Management Office will help plan, lead, communicate, and execute the enterprise-wide digitalization management and strategy programs efforts. They will ensure the agency continues to work towards the underlying goals and objectives described in the President's Management Agenda, specifically in relation to modernizing IT and transforming the customer experience through better management of case creation, execution, maintenance, and closure.

10. Do you have suggestions for NARA to improve its engagement with you as the SAORM?

X Yes

☐ No

☐ Do not know

Please explain your response (include any comments on previous NARA SAORM engagements, topics for future engagements, or other suggestions):

IRS seeks continued close NARA partnership/support/engagement to promote on-going enhancements to its electronic recordkeeping systems; compliant with Federal records management requirements and NARA regulations. IRS anticipates additional NARA guidance relating to its request for an exception to produce analog formats after December 31, 2022 (to be stored in commercial storage facilities). IRS also requests NARA guidance on the allowance for post-2022 accretions to paper records already stored at the FRCs. This would help IRS fully prepare for changes in recordkeeping and recordkeeping processes post 2022.