



Senior Agency Official for Records Management 2021 Annual Report

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. On January 1, 2021, Congress enacted the Preservation of Electronic Messages and Other Records Act, amending 44 U.S.C. Chapter 29, that requires the electronic capture, management, and preservation of such electronic records in accordance with the records disposition requirements of 44 U.S.C. Chapter 33. This year's SAORM report provides an opportunity for agencies to report on plans and progress towards electronic records keeping and preservation under both these requirements, as well as other important records management initiatives.

The reporting period begins on January 10, 2022, and reports are due back to NARA no later than March 11, 2022.

NARA plans to post your 2021 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 records management program developments towards the transition to electronic recordkeeping outlined in M-19-21 through December 31, 2021, 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 rmsselfassessment@nara.gov. Include the words "SAORM 2021 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 (2021 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 impacted policies or practices related to records management at your agency?

- 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 started returning to the office and resuming normal paper processing, storage issues became more of an issue (especially in IRS Submissions Processing “Files” areas, which handle tax returns). Some IRS Files areas procured storage trailers for overflow tax return work. The FRCs that service our tax return files 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, have been “staging” the records in anticipation

of the resumption of transfers/transfer pick-ups.

The IRS Records Office works closely with FRC Executive Leadership and has expressed records storage and backlog concerns. IRS is hopeful that all FRCs will reopen under “CDC Substantial Transmission or lower - "Open with full capacity” status soon and resume *business as usual*.

3. Does your agency have an established information governance framework that integrates records management, data management, and other agency information lines of business? (This includes a relationship between CIO, CDO, SAORM, DRO/ARO, RM Staff, Security, Privacy Officers, and FOIA)

Yes

No

Do not know

Please provide details. If 'Yes,' provide details on how your RM program is integrated into this framework. If 'No' or 'Do not know,' please explain your response.

As the SAORM, I promote records management as a Servicewide mission critical function. Fiscal Year (FY) 2021 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:

- Creation of 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 actively participated in eRM Change Control process to manage eRM changes required across unstructured and structured systems that drive the agency and employees accountable to create, organize, secure, maintain, use, and dispose of information in alignment with M-19-21, the Federal Records Act, and the Presidential Memorandum.
- Ongoing partnership with Information Technology (IT) and the Enterprise Digitalization and Case Management Office (ED&CMO) to coordinate compliance activities related to paper, digitization and structured data and comply with the Office of Management and Budget (OMB)/National Archives and Records Administration (NARA) *Transition to Electronic Records* Directive (M-19-21).
- Supported Digitalization Program Management Office (PMO) draft of third-party commercial storage request for information (RFI), and agency funding request.
- Participation in a variety of Servicewide digitization/digitalization strategy working groups/initiatives, including Separating Employee Clearance (SEC) Enterprise Case Management (ECM), Cloud projects, and other IRS modernization efforts in scope with NARA 2022 mandate.
- RIM policy updates, including Internal Revenue Manual (IRM) 1.15.6 (*Managing Electronic Records*) relating to use of collaboration tools such as Microsoft Teams and Microsoft 365, and recordkeeping responsibilities.
- Drafted interim digitalization/digitization policy for Servicewide use.

- Implemented digitization (scanning) and electronic system validation and compliance processes and assessments.
- Ongoing engagement with IRS business units to review/update records inventories and files plans to identify current recordkeeping requirements.

The IRS takes seriously its responsibility to manage its permanent electronic records. IRS reached full email compliance in 10/2017, using native records management functionality in the Exchange 2016 Outlook environment. Retentions are set at the account-level based on IRS's Capstone approach. All mailboxes of designated Capstone officials are automatically and permanently maintained 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.

IRS reached full compliance in managing permanent electronic records in 12/2020, using MS SharePoint with an AvePoint records management add-on and records management tools in the Documentum environment to ensure all unstructured data (including permanent records) have appropriate retentions and that dispositions are electronically carried out.

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 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 and correspondence, and for transforming business processes to convert documents into data that is accessible and easily processed to improve taxpayer experience and drive efficiencies. This digitalization strategy provides centralized planning and coordination for these efforts to advance the IRS's e-recordkeeping commitments.

IRS is committed to a Servicewide records management responsibility, beginning "at the top." Records management internal controls are part of the annual IRS Federal Managers' Financial Integrity Act (FMFIA) assessment. The FMFIA requires that each agency head establish internal controls to ensure that the agency uses its financial resources effectively and manages them securely. The IRS uses the Internal Controls Managerial Assessment (ICMA) to measure compliance and risk related to financial stewardship activities and provide a general assessment of all IRS controls. The assessment contains five records-related internal control valuations for Front Line Managers (FM) and Senior Managers (SM), including:

- SM-14, I have the knowledge to recognize what constitutes official records, and I preserve them in an electronic or paper format as appropriate.
- SM-15, I know who to contact or where to find information if I have questions about maintaining or disposing of official records.
- SM-16, I understand what a litigation hold is and know what I should do if I receive notification of one.

4. Will your agency meet the goal to manage and preserve all permanent records in an electronic format with appropriate metadata by December 31, 2022? (M-19-21, 1.2)

- Yes
 No
 Do not know

Please explain your response (include specific goals, example metrics, and/or challenges):

IRS is fully compliant in managing permanent electronic records.

IRS reached full email compliance in 10/2017, using native records management functionality in the Exchange 2016 Outlook environment. Retentions are set at the account-level based on IRS's Capstone approach. All mailboxes of designated Capstone officials are automatically and permanently maintained 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.

COVID-19 related challenges delayed the full deployment and configuration of infrastructure required for management of IRS permanent electronic records, but in 10/2020, IRS implemented the AvePoint records management add-on tool to provide management of permanent electronic records in MS SharePoint and IRS file shares. Additionally, in 12/2020, IRS implemented the records management module to manage permanent records in the Documentum environment. Both tools were configured to address metadata requirements.

5. Will your agency meet the goal to manage and preserve all temporary records in an electronic format by December 31, 2022? (M-19-21, 1.3)

- Yes
 No
 Do not know

Please explain your response (include specific goals, example metrics, and/or challenges):

IRS will not complete all temporary records digitization efforts by 12/31/2022, however the Service has made significant progress toward the requirement with the following (ongoing) activities and technological advancements, and completed key initiatives:

- Enterprise migration to M365 cloud, SharePoint Online and OneDrive (ongoing) to allow for robust management of temporary records in electronic format; Interim retention policy of temporary records in electronic format; configuration in M365 cloud environment; I-Drive migration, hard drive sync, and OneDrive deployment. (Est. Completion 6/2023)
- Submitted formal exception request to NARA. (9/22/2020)
- Released third-party request for information (RFI) for a records storage solution. (2/2022)

- Drafted digitalization/digitization interim guidance (IG), including technical, metadata, and quality assurance requirements for revision of Records Office IRM 1.15.6 *Managing Electronic Records*. (Ongoing)
- Implemented digitization (scanning) and electronic system validation and compliance processes and assessments. (Complete)

6. Does your agency have plans to submit to NARA a request for an exception to the M-19-21 requirements before December 31, 2022?

- Yes
 No
 Do not know

Please explain your response. If 'Yes,' please include an estimate of when you plan to submit an exception and any relevant details. If 'No' or 'Do not know,' please explain your response.

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. ED&CMO is partnering with the Records Office to plan, lead, communicate, and execute the enterprise-wide digitalization management and strategy programs efforts. They will help 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 annually processes more than 240 million returns and other forms, and annually stores an estimated over 5.8 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 formally requested an exception from the NARA requirement to electronically manage all temporary records by December 31, 2022, and requested consideration to continue to transfer paper records to the FRCs until January 2028 (five years beyond 2022 deadline).

7. Is your agency utilizing the General Services Administration's Special Item Number for Electronic Records Management ([518210 ERM](#)) 6 to procure solutions to assist in transitioning to an Electronic Environment?

- Yes
 No
 Do not know

Please explain your response. If 'Yes,' please include specific examples and how this will support records management processes. If 'No' or 'Do not know,' please explain.

8. Has your agency developed plans to meet the requirements of M-19-21, 1.3 to store temporary records in commercial storage facilities by December 31, 2022?*

- Yes
 No
 Do not know

**M-19-21, 1.3 includes closing of agency-operated storage facilities and no new transfers of paper records to the Federal Records Centers.*

Please explain your response. If 'Yes,' provide details about the use of commercial storage and other changes related to storage. If 'No' or 'Do not know,' please explain.

The IRS is aggressively planning for January 1, 2023, when NARA/FRCs will no longer accept transfers of permanent or temporary records in analog (paper) formats. The IRS will not be able to fully meet M-19-21 digitization/electronic recordkeeping requirements and has fully apprised NARA of the agency's recordkeeping status. In September 2020, the IRS Records Officer formally requested an exception from the NARA requirement to electronically manage all temporary records by December 31, 2022, and requested consideration to continue to transfer paper records to the FRCs until January 2028 (in lieu of immediate commercial storage facility use).

The IRS has not yet received a formal NARA response regarding its exception request, and necessarily current agency budget planning includes procurement of a third-party commercial vendor to replace FRC storage and servicing of IRS paper records for new records transfers beginning 2023. Paper records already stored at the FRCs will stay at the FRCs until they reach their final disposition.

The IRS does not store inactive temporary and/or permanent records in an agency-operated records center.

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

- 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 actively 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 in a post continuing resolution (CR) budget posture, and 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](#)). The Records Office is working with IRS Chief Counsel to identify paper requirements and the need for maintenance of “wet signatures” and to evaluate for future electronic recordkeeping allowance.
- **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 Servicewide goals and identifying where digitizing records and business processes should be considered as part of IRS's business transformation.

10. NARA is always working on ways we can make your role as the SAORM easier, improve how we interact with you and how you interact with each other. Do you have any suggestions?

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 (and for continued FRC storage and servicing). This would help IRS fully prepare for changes in recordkeeping and recordkeeping processes post 2022.