

FRRR/BEEER

**Annual
Safeguard Awareness
Training**

TERMS

- **FRR – Financial Resource Report**
- **BEER – Beneficiary Earnings Exchange Report**
- **IEVS – Income Eligibility Verification System**
- **IRS – Internal Revenue Service**
- **FTI – Federal Tax Information**
- **IRC – Internal Revenue Code**

PURPOSE

- The Safeguard Awareness Training is designed to provide the annual training required by the IRS for safeguarding Federal Tax Information (FTI).
- Provide a history of the FRR/BEER.
- Provide basic guidelines for handling and working the FRR/BEER reports (the trainer should provide specific instructions for your county).

IRC SECTION 6103 – GENERAL RULE

Returns and Return Information shall be confidential, and except as authorized by this title –

1. No officer or employee of the United States
2. No officer or employee of any State, any local law enforcement agency receiving information under subsection (i)(7)(A), any local child support enforcement agency, or any local agency administering a program listed in subsection (1)(7)(D) who has or had access to returns or return information under this section
3. No other person (or officer or employee thereof) who has or had access to returns or return information under subsection (e)(1)(D)(iii), paragraph (6), (12), (16), (19), (20), or (21) of subsection (1), paragraph (2) or (4)(B) of subsection (m), or subsection (n), shall disclose any return or return information obtained by him in any manner in connection with his service as such an officer or an employee or otherwise or under the provisions of this sections. For purposes of this subsection, the term “officer or employee” includes a former officer or employee.

IRC SECTION 6103 – GENERAL RULE SUMMARY

- FTI can only be disclosed to the beneficiary or their authorized representative.
- FTI can not be disclosed to any legal counsel in the case of fraud claims. You may release the information to the beneficiary and they may share with their counsel.
- IRC Section 6103 applies while you are employed and after employment ends.

DEFINITIONS

(Provide a Copy to each worker)

IRC Section 6103



Definitions

Return – The term “RETURN” means any tax or information return, declaration of estimated tax, or claim for refund required by, or provided for or permitted under, the provisions of this title which is filed with the Secretary by, on behalf of, or with respect to any person, and any amendment or supplement thereto, including supporting schedules, attachments, or lists which are supplemental to, or part of the return so filed.

DEFINITIONS

Return Information – The term “RETURN INFORMATION” means:

(A) A taxpayer's identity, the nature, source, or amount of his income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, deficiencies, over assessments, or tax payments, whether the taxpayer's return was, is being, or will be examined or subject to other investigation or processing, or any other data, received by, recorded by, prepared by, furnished to, or collected by the Secretary with respect to a return or with respect to the determination of the existence, or possible existence, of liability (or the amount thereof) of any person under this title for any tax, penalty, interest, fine, forfeiture, or other imposition, or offense, AND

(B) Any part of any written determination or any background file document relating to such written determination (as such terms are defined in section 6110(b)) which is not open to the public inspection under 6110,

(C) Any advance pricing agreement entered into by a taxpayer and the Secretary and any background information related to such agreement or any application for an advance pricing agreement, and

(D) Any agreement under section 7121, and any similar agreement, and any background information related to such an agreement or request for such an agreement, but such term does not include data in a form which cannot be associated with, or otherwise identify, directly or indirectly, a particular taxpayer. Nothing in the preceding sentence, or in any other provision of law, shall be construed to require the disclosure of standards used or to be used for the selection of returns for examination, or data used or to be used for determining standards, if the Secretary determines that such disclosure will seriously impair assessment, collection, or enforcement under the internal revenue laws.

Summary: All information printed on the FRR and BEER reports IS considered FTI and must be protected from unauthorized inspections and/or disclosure.

DEFINITIONS

Taxpayer Identity – The term “TAXPAYER IDENTITY” means the name of a person with respect to whom a return is filed, his mailing address, his taxpayer identifying number (as described in section 6109), or a combination thereof.

Inspection – The terms “INSPECTED” or “INSPECTION” mean any examination of a return or return information.

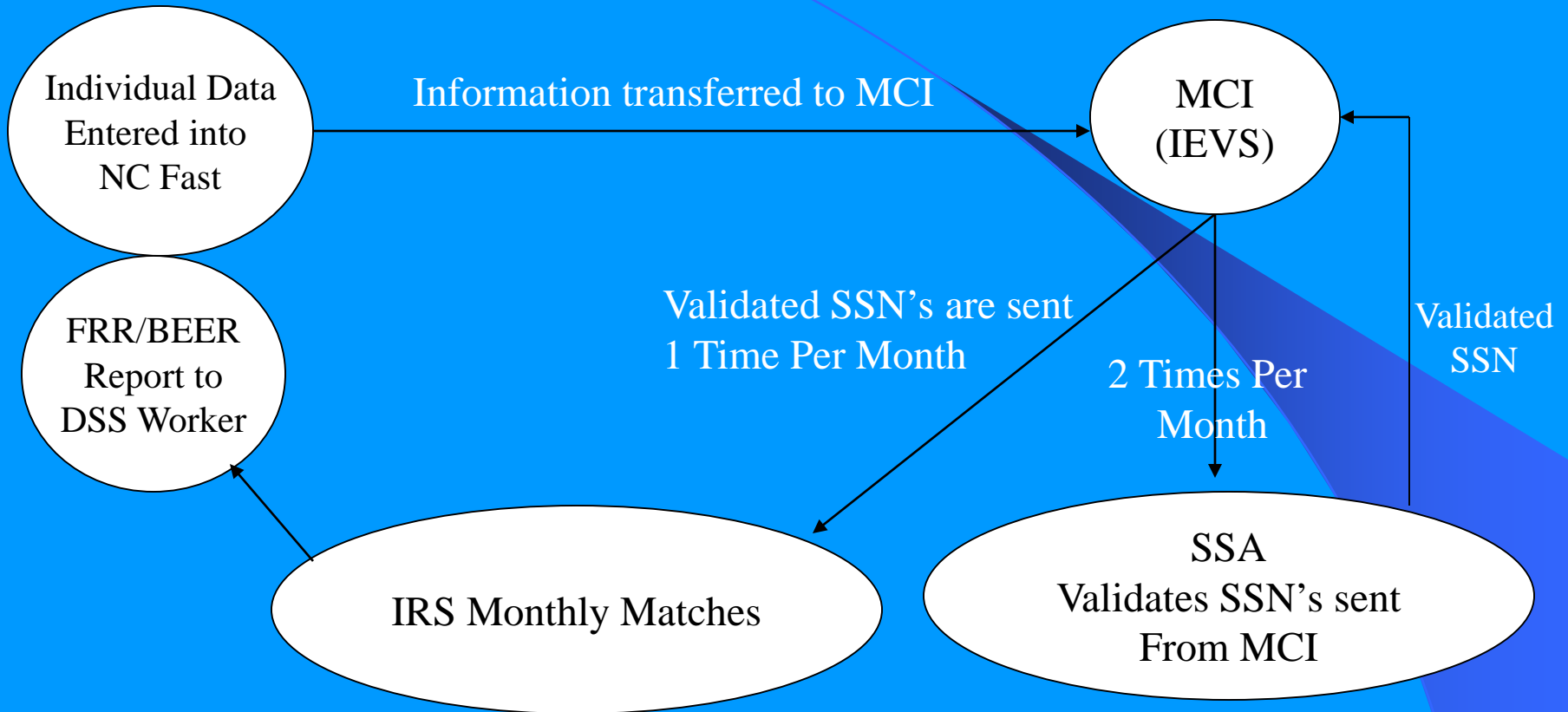
Disclosure – The term “DISCLOSURE” means the making known to any person in any manner whatever a return or return information.

HISTORY

The Income and Eligibility Verification System (IEVS) was implemented in October 1986. This system provides a mechanism to interface with the Internal Revenue Service (IRS) to obtain leads regarding income and resources reported to the IRS by employers and financial institutions. This matched information is printed on the Financial Resource Report (FRR).

IEVS also gave us access to certain types of income reported to the Social Security Administration (SSA) by the IRS. These income types are: military employment, self-employment, and federal employment. This matched information is printed on the Beneficiary Earnings Exchange Report (BEER).

TRANSFER OF INFORMATION



FRR/BEER matches are conducted monthly in each aid program/category for Pending applications and newly approved recipients with a valid SSN.

A mass run of the FRR report is conducted yearly (in July/August) for all applicants/recipients with a valid SSN.

ACCESS TO FRR/BEER REPORTS

- The FRR/BEER reports are available in NCXPTR monthly, and will be available there for 3 months. (Availability of these reports are usually after the 13th of each month)
- The county's Primary and Secondary Control officers are responsible for checking NCXPTR monthly to obtain these reports. (No communication will be sent out on availability)
- Location of the reports are given only to the Primary and Secondary Control officers.
- The worker copy and control copy should be logged before distributing the worker copies.

FRR/BEER SAFEGUARDING

- Review IRS Code Sections: 7213, 7213A, 7431, and MA_AL16-02 Addendum 3; Attachment II
 - (Provide a copy to each worker).
- All staff that have access to FTI must sign the annual security training log.
- Reports must be safeguarded at all times. They must be locked in a file cabinet or desk drawer when not in use and/or when the worker leaves the office.
- If workers do not have lockable cabinets, then the reports must be given back to the control officer or supervisor who has a control log for secure storage.
- Caseworker responsibility found in MA-AL16-02, Section IV
- All FTI must be kept out of public view.

FRR/BEER SAFEGUARDING

- All FTI must be protected from unauthorized disclosure at all times.
- Interagency communication among program workers is allowable. However, FTI must not be included in electronic format (email, etc.) to other agency staff.
- Reports must be kept separate from any case files.

FRR/BEER SAFEGUARDING

Alternate Work Site

- If the confidentiality of FTI can be adequately protected, alternative work sites, such as employee's home or other non-traditional work sites can be used. Despite location, FTI remains subject to the same safeguard requirements and the highest level of attainable security.
- Minimum Protection Standards (MPS) requires two barriers to access FTI under normal security: secured perimeter/locked container, locked perimeter/secured interior, or locked perimeter/security container. Locked means an area or container that has a lock with controlled access to the keys or combinations (See section 4.3.4 for secured perimeter/interior). A security container is a lockable metal container with a resistance to forced penetration, with a security lock with controlled access to keys or combinations. The two barriers provide an additional layer of protection to deter, delay, or detect surreptitious entry. Protected information must be containerized in areas where other than authorized employees may be access after hours.

FRR/BEER SAFEGUARDING

Transporting Federal Tax Information by Staff

Any time FTI is transported from one location to another, care must be taken to provide safeguards. In the event the material is hand-carried by an individual in connection with a trip or in the course of daily activities, it must be kept with that individual and protected from unauthorized disclosures.

Example: When not in use, and definitely when the individual is out of the room, the material is to be out of view, preferably in a locked briefcase or suitcase.

Reference Information

- DMA Administrative Letter No. 16-02
- DMA Administrative Letter No. 16-02 Addendum 1
- DMA Administrative Letter No. 16-02 Addendum 2
- DMA Administrative Letter No. 16-02 Addendum 3
- Adult Medicaid Policy Manual section 2430
- Family & Children's Medicaid Manual Section 3515
- County DSS Control Officer/Trainer
- Operational Support Team
- IEVS Coordinator @ DMA
 - Wanda McLeoud, 919-813-5352
- IRS Publication 1075

REVIEW

- All information printed on the FRR and BEER reports is considered FTI and must be safeguarded.
- All FRR/BEER reports must be returned to the control officer once complete.
- If case managers do not have a secure location to store FRR/BEER reports, then they must be returned to a location where they can be securely stored.
- FTI must never be transmitted in electronic format (ex: email).
- All staff having access to FTI should have a copy of the IRC sections [7213\(a\), 7213A, and 7431](#) to serve as notification of penalties for unauthorized disclosure or inspection of FTI.
- When a security incident is discovered, within 24 hours of the discovery, the DHHS Privacy and Security Incident Report must be completed.
- Disclosure restrictions and penalties apply even after employment with the agency has ended.

Questions?

Wanda McLeoud, IEVS Coordinator
NC Division of Medical Assistance
2501 Mail Service Center
Raleigh, NC 27699-2501
Phone: 919-813-5352
Fax: 919-224-1070

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Slide Modified: 02/23/18