



North Carolina Department of Health and Human Services
Division of Medical Assistance

2501 Mail Service Center • Raleigh, N. C. 27699-2501 • Tel 919-855-4100 • Fax 919-733-6608

Beverly Eaves Perdue, Governor
Albert A. Delia, Acting Secretary

Craig L. Gray, MD, MBA, JD, Director

March 15, 2012

Dear County Directors of Social Services:

RE: FRR/BEER Automation

Attention: Medicaid/Work First/Special Assistance Program Managers, Supervisors, and Security Officers

The purpose of this letter is to inform counties about the upcoming changes regarding the delivery of Federal Tax Information (FTI) to each county DSS. Currently, the Financial Resource Report (FRR) and Beneficiary Earnings and Exchange Report (BEER) are mailed to each county DSS via U.S. postal mail in a hot pink envelope marked confidential. Effective April 1, 2012, counties will be able to access this information via NCXPTR under the following reports: DHRIRS FRR 1099 Control Report, DHRIRS FRR 1099 Worker Report, DHRIRS BEER W2 Control Report and DHRIRS BEER W2 Worker Report. These reports will be located in a new XPTR "IRS" directory that will have to be added to existing XPTR profiles before you can view the reports.

Beginning April 1, 2012, paper copies of FRR/BEER reports will no longer be mailed to counties. Counties will be able to print and distribute reports at their discretion provided that they continue to follow rules regarding the security of FTI found in IRS Publication 1075. Current reports will be available in NCXPTR for 30 days and will retain the format of paper FRR/BEER reports.

Since access to FTI will be restricted to designated persons, each county is required to provide to DMA the names and RACF ID numbers of their primary and backup security officers. Please fax the attached form to Brenda Gooch at (919) 715-0801 **no later than March 30, 2012**. Appointments/deletions of security officers should continue to be requested by faxing the Security Officer Change Authorization form (in the Security Manual) to the DHHS/DIRM Customer Support Center at 919-715-8864.

As a reminder, all FTI must be kept out of public view and protected from unauthorized disclosure at all times. Logs that record the receipt of, distribution of, and return of FTI must be maintained for 5 years. You may use the following URL in Internet Explorer as a guide for the training: http://www.ncdhhs.gov/dma/county/frrbeersafetrain_0410.pdf.



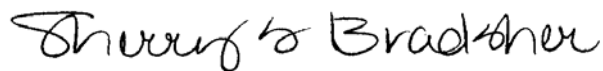
For more information on the IRS's requirements for safeguarding FTI, refer to the following:

- IRS Publication 1075 <http://www.irs.gov/privacy/article/0,,id=177651,00.html>
- IRS Disclosure Awareness <http://www.irs.gov/privacy/article/0,,id=207917,00.html>
- DMA Administrative Letter No.16-02/DSS Administrative Letter No. Economic Independence (Work First and Food Stamps) 04-2002/ DSS Administrative Letter No. Adult and Family Services 02-2002
- DMA Administrative Letter No.16-02/DSS Administrative Letter No. Economic Independence (Work First and Food Stamps) 04-2002/ DSS Administrative Letter No. Adult and Family Services 02-2002 Addendum 1.

If you have questions concerning the information in this letter, please contact the Division of Medical Assistance, Eligibility Information Systems Unit at (919) 855-4000.

Sincerely,

Craig L. Gray, MD, MBA, JD, Director
Division of Medical Assistance



Sherry S. Bradsher, Director
Division of Social Services



Dennis W. Streets, Director
Division of Aging and Adult Services

PM-REM-01-2012
AFS-04-12



DESIGNATION OF SECURITY OFFICER FOR FRR/BEER REPORTS

It shall be unlawful for any person to inspect or disclose in any manner not provided by law Federal tax return or return information. Unauthorized inspection is a misdemeanor punishable by a fine not to exceed \$1,000, or imprisonment of not more than one year, or both, together with the cost of prosecution. Unauthorized disclosure is a felony punishable by a fine not to exceed \$5,000, or imprisonment of not more than 5 years, or both, together with the cost of prosecution. If convicted of unauthorized inspection or disclosure, violators may also be subject to civil damages.

I, _____, state that on this date, I reviewed IRS Codes Sections 7213(a), 7213A, and 7431. These codes have been made available to each of the following employees.

(Please print)

COUNTY NAME: _____

PRIMARY SECURITY OFFICER: _____

RACF ID: _____

EMAIL ADDRESS: _____

BACKUP SECURITY OFFICER: _____

RACF ID: _____

EMAIL ADDRESS: _____

Signatures of the following staff attest to their presence during training and their understanding of the civil and criminal penalties for unauthorized inspection or disclosure:

Signature of County Director/Designee

Date

Fax to Brenda Gooch at (919) 715-0801 no later than March 30, 2012.

NOTE: THIS FORM DOES NOT REPLACE DSS SECURITY OFFICER CHANGE AUTHORIZATION FORM

