Department of Human Resources 311 West Saratoga Street Baltimore MD 21201	**Family Investment Administration** **ACTION TRANSMITTAL**
Control Number: # 16-16	**Effective Date: Immediately** **Issuance Date: 5/31/16**

TO: DIRECTORS, LOCAL DEPARTMENTS OF SOCIAL SERVICES
DEPUTY/ASSISTANT DIRECTORS FOR FAMILY INVESTMENT
FAMILY INVESTMENT SUPERVISORS AND ELIGIBILITY STAFF

FROM: ROSEMARY MALONE, EXECUTIVE DIRECTOR Rosemary W Malone

RE: FEDERAL TAX INFORMATION REQUESTS

PROGRAM AFFECTED: TEMPORARY CASH ASSISTANCE (TCA), FOOD SUPPLEMENT PROGRAM (FSP)

ORIGINATING OFFICE: OFFICE OF PROGRAMS

SUMMARY

The Department of Human Resources' Family Investment Administration (FIA) receives, and maintains, Federal Tax Information (FTI) from the United States Internal Revenue Service (IRS) as a mandated requirement for the State's Income Eligibility Verification System. Local departments may use this data at their discretion. If a local department requires access to FTI data for verification and eligibility purposes, it must complete a formal request for viewing access, and submit that request to the Executive Director for approval.

This action transmittal includes both the FIA request form for FTI viewing access, as well as the instructions for how to complete the form and submit a request for FTI viewing access. If the request is approved, data and reports will be available for in-person review at the Annapolis Data Center.

INSTRUCTIONS

Under federal law, all state agencies administering a program funded by the Temporary Assistance for Needy Families block grant must maintain an Income Eligibility and Verification System (IEVS) that is approved by the Health and Human Services Administration for Children and Families (HHS-ACF). All state IEVS systems must include computer matching of data with the State Wage Information Collections Agency (SWICA), the Social Security Administration (SSA) and the Internal Revenue Service (IRS). Systems must also match data with the United States Citizenship and Immigration Services (USCIS), formerly known as Immigration and Naturalization Service (INS). [1]

Most income verifications can be done quickly by the case manager without special approval using Maryland's Automated Benefits System (MABS), Maryland's own SWICA database, and using information from SSA through SVES. Case managers may also use other forms of verification that are faster and more current, such as calling employers or using the Work Number.

When verification and eligibility cannot be completed using these readily accessible systems and techniques, the local department may request to view Federal Tax Information. This information includes the Disclosure of Federal, State and Local Agencies (DISFLA) and the Benefit Exchange and Earning Records (BEERS). Due to the highly sensitive nature of tax data, the federal safeguards are substantial and are in place to prevent unauthorized access and disclosure of individuals' tax information. This information must be reviewed in-person and in a private location, in order to maintain proper security.

To request an appointment to view FTI data, the local department must do the following:

1. Submit the FTI Project Request form, include details about the project requiring FTI access to the Executive Director of FIA stating why FTI data is necessary and an explanation as to why the project cannot be completed using other verification tools.
2. FIA's Executive Director will consult with the State Programmer to discuss the feasibility of the project.
3. If approved, the local department will receive a written notice of approval.
4. The local department will then work directly with the State Programmer to develop an ad-hoc report for the project and the necessary appointments for viewing the data.

A local department with FIA approval to view FTI data will comply with IRS Safeguards. The following conditions apply to the request:

- Data that is requested and not used will be immediately deleted.
- All reports will be available for the local department view at the Annapolis Data Center located at located at 108 Carroll Street, Annapolis, Maryland 21404.

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1 *45 CFR 264.10; "Must States do computer matching of data records under IEVS to verify recipient information?"*

- Reports or data may not be removed from the Annapolis Data Center.
- When the data has been viewed, the report will be immediately deleted.
- If FTI data is being used to determine eligibility there must be a second corroborating source to verify the data before any action may be taken.

COMPLETING THE FORM

We are attaching the DHR-FIA Federal Tax Information Project Request form with this Action Transmittal. The form is also being posted on FIPNET. To complete the form, include the following information:

1. Explain why the project requires FTI data rather than data from other available resources.
2. List all staff that will be participating in the project and/or who will have access to viewing the FTI data. All staff participating in the project must complete the IRS FTI Training on Disclosure Awareness. The training is available on the Maryland Cornerstone system under “FTI Disclosure Awareness”.
3. Include the start date for compiling the data. The start date must be three months after the request to allow time for the development of the ad-hoc report.

INQUIRIES

All questions regarding IRS Safeguards and ITF requests may be directed to Vesta Kimble (vesta.kimble@maryland.gov) or by phone at (410)767-7947.

DEPARTMENT OF HUMAN RESOURCES

Family Investment Administration
Federal Tax Information Project Request

Local Department of Social Services:	
Director Name:	
Date of Submission:	
Name of Project Request:	

SCOPE OF THE PROJECT:
In this section, please explain why the FTI DISFLA and BEERS data must be used to complete the project, rather than other available resources.

TIMEFRAME FOR THE PROJECT:

Review Period Start Month:	
Review Period Final Month:	

STAFF INVOLVED IN THE PROJECT:
Please complete all sections for each staff person involved in the project. Any missing information will result in staff being prohibited from project participation. If this project is approved, only the staff listed may participate on the project. Any additions to the list must be approved prior to their beginning to work on the project. If a staff person is removed from the project, the Executive Director must be notified within 2 business days. Should there be a breach in confidentiality related to FTI, refer to Action Transmittal 04-09 “Confidentiality of Customer Information.”

Name Title Contact Information	Role in the Project	Completed needed training? Yes / No	Will this individual be participating in the review of FTI at ADC? Yes / No

SIGNATURES:

____________________________________ ____________
LDSS Director **Date**

DECISION:

______ **Approved** ______ **Denied**

____________________________________ ____________
Executive Director **Date**