

AGENCY OF HUMAN SERVICES

# AHS FTI Transmission Standard

---

**Jack Green**

**10/9/2013**

The purpose of this procedure is to facilitate the implementation of the Vermont Health Connect's security control requirements for the FTI Transmission (IRS Publication 1075) Controls.

## Revision History

Date	Version	Description	Author
	.99	Procedures received from HI and reviewed by Referentia	
10/9/2013	3.0	Procedures reviewed and adapted for VHC business processes and security requirements	Jack Green

### PURPOSE/STANDARD STATEMENT:

The purpose of this procedure is to facilitate the implementation of the Vermont Health Connect's (VHC) security control requirements for the FTI Transmission (SC-ACA-1, SC-9, SC-8, MP-2, MP-3, MP-5, MP-5(2), MP-6, MP-6(1), MP-6(2), MP-6(5) ) Controls.

The information systems covered in this procedure document contain but are not limited to the following:

- VHC website
- VHC Portal
- VHC workstations and mobile phones
- Network Accounts
- E-Mail accounts

### SCOPE

The scope of this standard includes the VHC and its constituent systems only

### STANDARD

#### **Identification of FTI**

1. Prior to transmitting FTI, it must be clearly labeled as "Federal Tax Information".
2. All FTI must be handled and never misplaced or accessible by non-authorized personnel.

#### **E-mail**

1. In general, FTI is to not be transmitted or used on the agency's internal e-mail systems.
  - The following must be adhered to and be enforced if an FTI is to be transmitted via E-mail:
    - i. FTI should not be sent unencrypted in e-mail, however, if a file containing FTI must be sent, it must be encrypted.
    - ii. Validate prior to sending e-mail that it is going to the proper address.
    - iii. When required or prompted, ensure the password is provided in a separate e-mail or via other communication methods.
    - iv. Ensure all communications done via e-mail are tracked properly via the "Recordkeeping" process.

#### **Fax Machines**

1. When transmitting an FTI via Fax Machine, the following must be performed:
  - Include a cover sheet on the fax transmission that provides explicit guidance to the recipient.
  - The Cover sheet must contain the following fields:
    - i. To
    - ii. From
    - iii. Cc
    - iv. Fax number
    - v. Contact telephone number:
    - vi. Date
    - vii. Number of pages
    - viii. Subject
    - ix. Banner containing the following text:
      1. CONFIDENTIAL  
WARNING: CONTENTS CONTAIN FEDERAL TAX INFORMATION AND ARE INTENDED FOR THE RECIPIENT ONLY TO BE VIEWED ON A NEED-TO-KNOW BASIS ONLY FEDERAL TAX INFORMATION (FTI) IS PROTECTED FROM UNAUTHORIZED ACCESS OR DISCLOSURE BY INTERNAL REVENUE CODE SEC 7213, 7213A, AND 7431. UNAUTHORIZED ACCESS AND/OR DISCLOSURE ARE SUBJECT TO PENALTIES UP TO \$5,000, 5 YEARS IN FEDERAL PRISON, OR BOTH, PLUS COSTS OF PROSECUTION. IF YOU RECEIVED THIS FAX IN ERROR, CONTACT THE NUMBER ABOVE (COLLECT IF NECESSARY) TO REPORT THE DISCLOSURE AND CONFIRM DESTRUCTION.
  - The following must be performed when transmitting or receiving a fax:
    - i. During the sending or receiving of FTI transmissions via fax, always make sure a trust staff member is on both ends of the fax machines.
    - ii. Note the sensitivity of the data on the fax transmission on the cover letter.
    - iii. Note means to communicate with the sender in the event unintended recipients receive the transmission.
      1. If this occurs, report the disclosure and confirm destruction of the information.
    - iv. Always accurately maintain broadcast lists and other preset numbers of frequent recipients of FTI.
    - v. Any FTI that have been received by fax must be treated as new FTI and must be tracked accordingly per the "Recordkeeping" process.

- vi. Continually monitor this process to ensure all agencies with access to FTI have policies and procedures in place for using fax machines to transmit and receive documents containing FTI.

### **Converted Media of FTI**

1. Prior to conversion of any FTI from paper to electronic, it must be tracked from creation through destruction.
2. All data elements of the converted FTI must be tracked on logs per the "Recordkeeping" process.

### **Printing of FTI**

1. When printing any FTI, it must never be done through a multi-functional printer copier.

### **Destruction of FTI**

1. Once an FTI has been provided to a user or used in appeals and exists in paper format, photo, printout, carbon paper, notes, stenographic notes, or work papers must be destroyed.
  - When shredding the FTI, the following steps must be performed:
    - i. Paper must be inserted so that lines of print are perpendicular to the cutting line and not maintain small amount of shredded paper.
    - ii. Paper must be shredded to effect 5/16 inch wide or smaller strips.
      1. When deviating from IRS's 5/16" requirement, FTI, as long as it is in this condition, must be safeguarded until it reaches an unreadable stage.
    - iii. The pulping of data must be accomplished only after material has been shredded.

### **Logging the creation or Receipt, Movement, and Destruction of FTI**

1. All FTI media must have its record maintained on the creation or receipt of the FTI.
  - When a new FTI is created, scanned, faxed or copied, the following information must be captured:
    - i. Date received by or created within the agency
    - ii. Exact location of FTI
    - iii. Date checked out for usage by employee
    - iv. Name of employee accessing FTI
    - v. Client name and/or control number
    - vi. Tax year
    - vii. Purpose of usage
    - viii. Date returned to secure storage area

- ix. Date and method of final destruction
  - x. Type of information
  - xi. Number of records if available
- The resource responsible for tracking the FTI may refer to the template included in IRS Pub 1075 section 3.3 for reference.

### **Logging access to areas that contain FTI**

1. When a visitor accesses an area that contains FTI, the following must be logged and captured:
  - Name and organization of the visitor
  - Signature of the visitor
  - Form of identification
  - Date of access
  - Time of entry and departure
  - Purpose of visit
  - Name and organization of person visited
2. This log must then be reviewed annually.

### **Logging bulk transmission of FTI**

1. When transmitting FTI from one mainframe computer to another, the identification of bulk records must occur.
2. The identification must include the following:
  - Number of taxpayer records
  - Date of transmission
  - Description of the records
  - Name of individual making/receiving the transmission
3. It must also be ensured that no live FTI will be used in any test environment.

### **IMPORTANT INFORMATION**

These procedures can be found at <http://dvha-intra.ahs.state.vt.us/policies-protocols/InfoSec>