



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Peter Hans, President

January 30, 2019

IMPORTANT INFORMATION

MEMORANDUM

TO: Members of the State Board of Community Colleges
Community College Presidents
Boards of Trustees Chairs
Community College Chief Academic Officers, Chief Admissions Officers, Basic Skills Directors, Business Officers, Chief Financial Officers, Financial Aid Officers, Planners, Public Information Officers, Registrars, Student Development Administrators, Residency Liaisons, Chief Information Officer Association & Other Interested Parties

FROM: Q. Shanté Martin, *NCCCS General Counsel*

RE: Requiring Students to Provide SSNs

Background

Around 2005, after the adoption of the Privacy Protection Act, it is our understanding that community colleges were advised that they were not permitted to collect social security numbers pursuant to G.S. 132-1.10(b)(1) which provides,

Except as provided in subsections (c) and (d) of this section, no agency of the State or its political subdivisions, or any agent or employee of a government agency, shall do any of the following:(1) Collect a social security number from an individual unless authorized by law to do so or unless the collection of the social security number is otherwise imperative for the performance of that agency's duties and responsibilities as prescribed by law. Social security numbers collected by an agency must be relevant to the purpose for which collected and shall not be collected until and unless the need for social security numbers has been clearly documented.

Because community colleges are open-door institutions that provide educational opportunities, providing a social security number is not “imperative for the performance of the [NCCCS’] duties and responsibilities as

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prescribed by law” to provide education. For this reason, colleges were advised that they could not require the collection of social security numbers.

2019 Analysis

G.S. 132-1.10(b)(1) provides that “Except as provided in subsections (c) and (d) of this section” This excerpt means that the language in subsection (b) restricting the collection of social security numbers does not apply in the situations described in subsections (c) and (d). G.S. 132-1.10(c) provides that “Subsection (b) does not apply in the following circumstances: (1) To collect social security numbers or other identifying information disclosed to another governmental entity or its agents, employees, or contractors if disclosure is necessary for the receiving entity to perform its duties and responsibilities.” Pursuant to 26 CFR § 1.6050S-1(a), community colleges are required to provide social security numbers for students to the Internal Revenue Service (IRS) (another governmental agency), except the following students: 1) students taking courses for which no academic credit is offered; 2) nonresident alien students, unless requested by the student; 3) students whose qualified tuition and related expenses are entirely waived or paid entirely with scholarships; and 4) students for whom the community college does not maintain a separate financial account and whose qualified tuition and related expenses are covered by a formal billing arrangement between an institution and the student’s employer or a governmental entity. Community colleges must provide student social security numbers subject to being reported to the IRS so that the IRS can perform its statutory and regulatory duties and responsibilities related to qualified tuition and related expenses. Because community colleges need to provide certain student social security numbers to the IRS or be subject to financial penalties for compliance failures, our North Carolina state law authorizes community colleges to collect social security numbers from students subject to IRS reporting.

Next Steps

Given community colleges’ ability to lawfully collect student social security numbers pursuant to G.S. 132-1.10(c)(1), the System Office will work with CFNC to evaluate whether appropriate adjustments to the admissions application are warranted. Additionally, the System Office will proceed with proposing language for SBCC Code adoption to clarify this issue. Please see the attached for helpful summary information about the IRS reporting requirements.

Attachment