



## Part 5. Collecting Process

### Chapter 4. Case Processing

#### Section 10. General Case Processing

##### 5.4.10 General Case Processing

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##### Manual Transmittal

December 18, 2013

##### Purpose

(1) This transmits revised IRM 5.4.10, General Case Processing, for use by Collection Centralized Case Processing in the Campus.

##### Material Changes

- (1) IRM 5.4.10 revised and reorganized.
- (2) Retitled IRM 5.4.10.1, *Adjustments, Payment Tracer, Credit Transfers, 6020(b), CDP, Form 53, and 900 Waivers*, as *General Procedures* to more accurately reflect the scope of the content. Material rewritten and restructured to provide further clarification.
- (3) Retitled IRM 5.4.10.1.1, *Processing Requests as Identification of Misrouted Cases*. Instructions have been added for identification of misrouted cases. *Processing Requests* moved to IRM 5.4.10.1.3
- (4) IRM 5.4.10.1.2, *CCP Rejection Procedures*, Instructions have been added for CCP rejection procedures.
- (5) IRM 5.4.10.1.3, *Processing Requests*, moved from IRM 5.4.10.1.1. Restructured, revised and rewritten.
- (6) IRM 5.4.10.1.3.1, *Use of IAT Tools*, Added instructions about mandatory use of IAT tools.
- (7) IRM 5.4.10.1.4, *Refund and Assessment Statute Expiration Research*, Instructions added for CCP research to avoid Barred Statutes
- (8) IRM 5.4.10.2 Revised and rewritten. Added mandatory use of IAT tools when inputting adjustments.
- (9) Retitled IRM 5.4.10.2.1, *Types of Adjustments Requiring Referral*, as *Limited Liability Company (LLC) Adjustments*. Instructions added for Limited Liability Company (LLC) Adjustments. *Types of Adjustments Requiring Referral* moved to IRM 5.4.10.2.4.
- (10) IRM 5.4.10.2.2, *Adjustments to Personal Liability Assessments for Excise Tax*, Instructions added for Adjustments to Personal Liability Assessments for Excise Tax.
- (11) IRM 5.4.10.2.3, *Reasonable Cause Assistant (RCA) Abatements*, Instructions added for Reasonable Cause Assistant (RCA) processing.
- (12) IRM 5.4.10.2.3.1, *Procedures for RCA Cases*, Added procedures for processing RCA cases.
- (13) Retitled IRM 5.4.10.2.4, *Types of Adjustments Requiring Referral*, as *Types of Requests Requiring Referral*. Revised and specific instructions added for cases forwarded to Accounts Management by CCP.
- (14) IRM 5.4.10.3 Revised and rewritten. Added mandatory use of IAT tool to process payment tracers.
- (15) IRM 5.4.10.4 Revised and rewritten. Added mandatory use of IAT tool to process credit transfers.
- (16) Retitled IRM 5.4.10.5, *IRC 6020(b)*, as *IRC 6020(b) Processing. Revised and rewritten*.
- (17) IRM 5.4.10.5.1, *IRC 6020(b) Adjustments Processed by CCP*, Instructions added for IRC 6020(b) processing within CCP and mandatory use of IAT tool.
- (18) IRM 5.4.10.5.2, *IRC 6020(b) Adjustments Limited Liability Company (LLC)*, Instructions added for processing LLC adjustments.
- (19) IRM 5.4.10.6 Revised and rewritten.
- (20) IRM 5.4.10.7 Revised and rewritten to include instructions that CNC accounts require managerial approval with exceptions.
- (21) IRM 5.4.10.7.1 Revised to include information about Tolerance accounts.
- (22) IRM 5.4.10.7.2 Revised.
- (23) IRM 5.4.10.7.3, *Form 53 Unassessed*, retitled as *Processing of Form 53 on Pre-assessed Modules* Revised.
- (24) IRM 5.4.10.7.3.1, *Unassessed Form 53 File*, retitled as *Processing of Pre-assessed Form 53* Revised to include instructions for IDRS input of Pre-assessed Form 53.
- (25) IRM 5.4.10.7.4 Revised, rewritten and expanded for clarification.
- (26) Retitled IRM 5.4.10.7.4.1, *Review of Form 53 Mandatory Follow-up Cases*, as *Initial Analysis of Form 53 Mandatory Follow-up Cases* Instructions added for initial analysis. *Review of Form 53 Mandatory Follow-up Cases* moved to IRM 5.4.10.7.4.2.

(27) IRM 5.4.10.7.2, *Review of Form 53 Mandatory Follow-up Cases*, Rewritten and expanded to include instructions for six-month follow up for compliance. Included procedures for issuing OI to follow up with Field Collection.

(28) IRM 5.4.10.8 Revised.

(29) IRM 5.4.10.8.1 Revised.

(30) Editorial corrections and updates made throughout.

## Effect on Other Documents

This IRM supersedes IRM 5.4.10, dated October 1, 2007

## Audience

The target audience is tax examining technicians in SB/SE Collection Centralized Case Processing at the Philadelphia Campus.

## Effective Date

(12-18-2013)

Dretha Barham  
Director, Collection Policy  
Small Business/Self-Employed

### 5.4.10.1 (12-18-2013)

#### General Procedures

1. Centralized Case Processing (CCP) processes adjustment requests (primarily Status 26 cases) received from Field Collection (FC).
2. In an effort to improve productivity, consistency and quality, CCP managers must emphasize the use of available Integrated Automation Technology (IAT) Tools. All CCP employees will adhere to the **mandatory** use of IAT tools. See IRM 5.4.10.1.3.1, *Use of IAT Tools*, below.
3. To process requests received in CCP, you will need to reference other Internal Revenue Manuals (IRMs) such as:

#### List of Reference IRMs

IRM 2.3, *IDRS Terminal Responses*  
IRM 2.4, *IDRS Terminal Input*  
IRM 3.17.5, *Hardcore Payment Tracers*  
IRM 3.8.46.1, *Discovered Remittances*  
IRM 4.24.1, *Introduction to Excise Taxes*  
IRM 5.1.4, *Jeopardy, Termination, Quick and Prompt Assessments*  
IRM 5.1.8, *Courtesy Investigations*  
IRM 5.1.9, *Collection Appeal Rights*  
IRM 5.1.11, *Delinquent Return Accounts*  
IRM 5.1.12, *Cases Requiring Special Handling*  
IRM 5.1.15, *Abatements, Reconsiderations, and Adjustments*  
IRM 5.1.21, *Collecting from Limited Liability Companies*,  
IRM 5.1.19, *Liability Collection*  
IRM 5.4.13, *CCP General Procedures*

#### List of Reference IRMs

IRM 5.5, *Decedent Estates and Estate Taxes*  
IRM 5.7, *Trust Fund Compliance*  
IRM 5.12, *Lien Release and Related Topics*  
IRM 5.14.2, *Partial Payment Installment Agreements and the Collection Statute Expiration Date (CSED)*  
IRM 5.16.1, *Currently Not Collectible*  
IRM 5.18.2, *Business Returns IRC 6020(b) Processing*  
IRM 20.1, *Penalty Handbook*  
IRM 20.2, *Interest*  
IRM 21.3.3.4, *Correspondence Procedures*  
IRM 21.5, *Account Resolution*  
IRM 21.6, *Individual Tax Returns*  
IRM 21.7, *Business Tax Returns and Non-Master File Accounts*  
IRM 25.6.1, *Statute of Limitations Processes and Procedures*

4. Research all adjustment requests to determine whether the action should be completed by CCP, or processed by another area or campus.
5. CCP will forward specific adjustments to Accounts Management (AM). AM will not accept Requests for Adjustments directly from Field Collection. Only the adjustments established by the Service Level Agreement (SLA) between the Wage and Investment (W&I) Division and Small Business/Self Employed (SB/SE) should be forwarded to the established Point of Contact (POC) in AM. The intent of the SLA is to establish uniform standards for the processing of Status 26 casework including: carryback adjustments, BMF International, and BMF Domestic Forms 1120 series and Forms 1041. CCP will continue to process any Status 26, Forms 3870, *Request for Adjustment*, for IMF International and IMF Domestic casework, with the exception of those noted. IRM 5.4.10.2.4 See IRM 21.3.3.4.10.2, *Campus Collection Function, Correspondence/Inquiry/Notice*.
  - A. If the adjustment is returned from AM requesting additional documentation, CCP will contact the originating RO to request the required information and following procedures in IRM 5.4.10.1.2, *CCP Rejection Procedures*, below.
  - B. If the adjustment can be processed, AM will forward for processing. Once CCP verifies the claim can be processed, via an open control by AM on IDRS, CCP will close the CCP control.
6. Return all misrouted cases to Field Collection. Some examples of misrouted cases that should be returned to the originator are listed below:
  - A. Combined Annual Wage Reporting (CAWR) adjustments. See IRM 5.1.15.7, *Combined Annual Wage Reconciliation (CAWR) Adjustments*.
  - B. Federal Unemployment Tax Act (FUTA) adjustments. See IRM 5.1.15.8, *Federal Unemployment Tax Act (FUTA) Tax Adjustments*.
  - C. Audit Reconsideration adjustments. See IRM 5.1.15.4.1, *Audit Reconsiderations*.
  - D. Automated Underreporter Adjustments(AUR). See IRM 5.1.15.4.2 *Automated Underreporter (AUR) Reconsiderations*.
  - E. Automated /Substitute For Return (A/SFR) adjustments. See IRM 5.1.15.4.3, *Substitute For Return (SFR) and Automated Substitute for Return (ASFR) Reconsiderations*.

**Note:**

If TC 599 cc 89 is present on the module, the taxpayer agreed to the assessment and CCP can process the adjustment. Verify that no subsequent TC 599 cc XX with an audit assessment is present on the module.

  - F. Tax Exempt/Government Entities (TE/GE). See IRM 5.1.15.9, *Tax Exempt and Government Entities (TE/GE) Adjustments*.
  - G. Employee Plan/Exempt Organizations (EP/EO) adjustments. See IRM 5.1.15.9, *Tax Exempt and Government Entities (TE/GE) Adjustments*.
  - H. Trust Fund Recovery Penalty (TFRP) adjustments. See IRM 5.7.7.5, *Abatements and Adjustments of a TFRP*.
  - I. Excise Tax adjustments. See IRM 5.7.3.1.2, *Personal Liability for Excise Taxable Fuel Taxes*.

J. Estate Tax Return adjustments. See IRM 5.5, *Decedent Estates and Estate Taxes*.

K. Identity Theft adjustments. See IRM 5.1.15.13, *Identity Theft*.

**Note:**

CCP will route Form 8758, Excess Collections File Additions to the appropriate accounting function for processing.

**Note:**

See 5.4.10.1.1 below for identification of misrouted cases.

7. Tax examiners must update the control base activity on Integrated Data Retrieval System (IDRS) with where the case should be worked, i.e., CAWRCASE, EXAMCASE, ASFRCASE, etc. and close the CCP control base.
8. **Do Not** contact the originator by phone or e-mail regarding misrouted cases.

**Note:**

Do not consider a case misrouted if a CCP tax examiner takes an action on the case and the case has to be sent elsewhere for further processing, i.e., a return that must be reprocessed.

9. Research IDRS and perfect adjustments meeting the criteria for area input to ensure all necessary data elements are present. See IRM 21.5.1, *General Adjustments*, IRM 21.5.2, *Adjustment Guidelines*, IRM 21.6 *Individual Tax Returns* and IRM 21.7 *Business Tax Returns and Non-Master File Accounts* additional adjustment processing procedures.
10. Analyze and perfect payment tracer and credit transfer requests to ensure all area research steps have been taken, required documentation is attached, and all data elements are present. See IRM 21.5.7, *Payment Tracers*, for payment tracer processing and IRM 21.5.8, *Credit Transfers*, for credit transfer processing.
11. See IRM 5.12.3.2.1(5), *Liability is Satisfied*, regarding the necessity of a manual lien release. Employees of functions with access to the Automated Lien System (ALS) will input lien release requests in these situations. If a manual lien release is required by CCP, prepare a Field Office Resource Team (FORT) referral. For those functions that do not have access to ALS, determine the Centralized Lien Operation (CLO) lien release contact on the IRS intranet by going to :
  - A. IRWeb;
  - B. SERP;
  - C. Who/Where;
  - D. Lien Payoff/Release Contact Numbers

**Note:**

An internal use only telephone number is also provided along with the contact information provided on the CLO website. Ensure all e-mail communications regarding liens are transmitted via secured e-mail.

12. There are specific data elements which must be present on each adjustment, payment tracer, or credit transfer request. Contact the initiator for any missing data. Verify the items below are present on requests received from the revenue officer:
  - A. Taxpayer Name and/or Name Control
  - B. Taxpayer Identification Number (TIN)
  - C. MFT Code
  - D. Tax period(s)
  - E. Brief explanation of reason for requested action
  - F. Transaction Codes and/or Credit Reference Number and related amounts;
  - G. Closing code, when applicable
  - H. Signature of initiator and employee number;
  - I. Manager's approval is required on IRC Section 6658, Bankruptcy-Related Penalty Abatement Requests and paper Penalty Abatements Due to Reasonable Cause. See IRM 5.1.15.16.2, *Reasonable Cause Penalty Abatements*. Other requests for adjustments and payment tracers do not require a manager's approval.

**Note:**

Any requests lacking required managerial approval should be returned to the revenue officer.

13. Alert your manager for possible field coordination to improve quality, if a particular area office shows a trend of an increasing number of errors.

**5.4.10.1.1 (12-18-2013)**

**Identification of Misrouted Cases**

1. All misrouted cases received from Field Collection should be returned to the originator. Below is a list of adjustments that CCP is not authorized to process and how to identify them.
2. Combined Annual Wage Reporting (CAWR) adjustments can be identified as listed below:
  - A. SSA-CAWR - MFT 13 TC 240 Penalty Reference Number (PRN) 549 for failure to file (this is a penalty assessment),
  - B. SSA-CAWR - MFT 13 TC 240 Penalty Reference Number (PRN) 550 for late filing (this is a penalty assessment),
  - C. IRS-CAWR - MFT 01, 11,16 (941, 943, 944 or 945) TC 290 DLN blocking series (digits 9, 10, 11) of 500-559 (this is a tax assessment), or
  - D. TIN Penalty - MFT 13 (BMF) or MFT 55 (IMF) with TC 240 Penalty Reference Number of (PRN) 500-514 (this is a penalty assessment). See IRM 5.1.15.7.3, *Taxpayer Identification Number (TIN) Penalty*, and IRM 20.1.7, *Information Return Penalties*, for additional information on this type of penalty.
  - E. See IRM 5.1.15.7, *Combined Annual Wage Reconciliation (CAWR) Adjustments*, for more information.
    - CAWR uses Blocking Series 550-559.
3. Federal Unemployment Tax Act (FUTA) tax assessment can be identified by an additional tax with TC 290 on either MFT 10 (Form 940) or MFT 30 (Schedule H, Form

1040) with numbers 50 or 51 in digits 9 and 10 of the DLN. CCP cannot process an adjustment requesting the abatement of the additional tax. See IRM 5.1.15.8, *Federal Unemployment Tax Act (FUTA) Tax Adjustments*.

- FUTA uses Blocking Series 500-509 & 510-519.

**Caution:**

If there is no TC 290 assessment on the TXMOD then it is not a FUTA assessment and CCP can process the adjustment.

4. Audit Reconsideration adjustments can be identified on TXMOD by Transaction Code (TC ) 420, (audit) followed by a TC 300 with an amount. See IRM 5.1.15.4.1, *Audit Reconsiderations*.
5. Automated /Substitute For Return (A/SFR) adjustments can be identified by the following:
  - A. A TC 150 followed by "0.00" and the literal "SFR" to the right of the TC 150 assessment Document Locator Number (DLN),
  - B. Tax Class 2 with Document Code 10 in the DLN,
  - C. Blocking Series 000-299,
  - D. The tax amount assessed will appear as a TC 290 (Collection ASFR Assessment) or TC 300 (Examination SFR Assessment) with blocking series 540-549 or 640-649, and/or
  - E. Transaction Code (TC) 599 with Closing Code (CC) 88, no response to SFR notifications,

**Note:**

If TC 599 cc 89 is present on the module, the taxpayer agreed to the assessment and CCP can process the adjustment. Verify that no subsequent TC 599 cc XX with an audit assessment is present on the module. See IRM 5.1.15.4.3, *Substitute For Return (SFR) and Automated Substitute for Return (ASFR) Reconsiderations*, for more information.

6. Tax Exempt/Government Entities (TE/GE), of which some of the most common TE/GE forms are listed in the table below:

MFT	TYPE OF FORM	TITLE
67	990/990EZ	Return of Organization Exempt from Income Tax
37	5527	Split-Interest Trust Information Return
02	1120-POL	U.S. Income Tax Return of Political Organization
34	990-T	Exempt Organization Business Income Tax Return
36	1041-A	U.S. Information Return- Trust Accumulation of Charitable Amounts
50	4720	Return of Certain Excise Taxes on Charities and Other Persons Under Chap.41 and 42 of IRC
44	990-PF	Return of Private Foundation

See IRM 5.1.15.9, *Tax Exempt and Government Entities (TE/GE) Adjustments*, for more information. Also see IRM 21.7.7.2, *Exempt Organizations Overview*, for a list of the various forms filed by Exempt Organizations and Government Entities.

7. Trust Fund Recovery Penalty (TFRP) adjustments can be identified by MFT 55 with TC 240 and Penalty Reference Numbers (PRN) 618, 699 or 697. A TC 538 on MFT 01/03/09/11/12 tax modules also indicates TFRP assessment. See IRM 5.7.7.5, *Abatements and Adjustments of a TFRP*.
8. Excise Tax adjustments, See IRM 5.4.10.2.2 below and IRM 4.24.1, *Excise Tax - Introduction to Excise Taxes*.
9. Estate Tax Return adjustments includes Forms 706 returns and are processed under MFT 52 or 53 on IDRS. See IRM 5.5.3, *Working Decedent Cases*.
10. Identity Theft adjustments and related transaction are not processed by CCP. Refer to IRM 5.1.15.13, *Identity Theft*.

**5.4.10.1.2 (12-18-2013)**

**CCP Rejection Procedures**

1. The Integrated Collection System (ICS) should be reviewed for missing or incomplete explanations. *IRM 5.4.10.1(11)* above. If the information cannot be obtained from ICS, contact the originator for the missing data. Write a brief history in ICS explaining reason for access.
  - A. Send a secure e-mail to the originator and "cc" the group manager requesting the missing or incomplete information. Provide the TIN and taxpayer name and include the following statement: "In order to have the request processed, you must respond to this e-mail or call the tax examiner within 72 business hours. If there is no response within 72 hours, your request will be rejected."
  - B. Place case in "S" status and update IDRS history with:
    - The requested information
    - 72hr/RSP
    - Date of e-mail
2. Tax examiner internal forwarding procedures :
  - A. Make a copy of the request, attach copy of the e-mail sent and place in team's suspense file for lead review. (Retain original request for 72 hours.)
  - B. If originator responds with the requested information within 72 hours, remove copy from suspense file and process case.
  - C. Close IDRS control base.
  - D. After the lead tax examiner has taken the actions listed in (3) below, the assigned tax examiner will mail the case back to the originator if the case contained original documents. If the case did not contain original documents, place case in Classified Waste. See IRM 21.5.1.4.10, *Classified Waste*.
3. Lead tax examiner daily suspense file review procedures:
  - A. Review case to confirm that the case should be rejected.
  - B. Check IDRS for history input.
  - C. If there has been no response after 72 hours, reject the case back to the originator using the following procedures:
    - Send a secure e-mail to the originator and "cc" the group manager stating the reason for case rejection. Include in the e-mail: "We cannot process your request for taxpayer's name, TIN, MFT and tax year, as submitted because you did not respond within the 72 hour time frame. Please resubmit your request using normal procedures when you have the missing information."

- Insert signature.
- Insert "DO NOT RESPOND TO THIS e-mail."
- Inform assigned tax examiner that the Reject Action has been completed.

#### 5.4.10.1.3 (12-18-2013)

##### Processing Requests

1. Research adjustment, payment tracer and credit transfer requests meeting CCP criteria on IDRS using Command Code (CC) SUMRY/TXMOD prior to input:

###### If the module being adjusted

Is not on SUMRY,

Has an open control (evidenced by Status S, A, or M in the Case Control Section of the module on IDRS),

Was previously adjusted,

TC 170 or TC 171 is present, and you are adjusting withholding,

TC 160, 161, 270, or 271 is present, and you are adjusting tax,

TC 180 or TC 186 is present, and you are adjusting tax,

TC 340, 341, or 770 is present,

###### Then

Use Command Code MFREQD to activate the account or ACTON to create a "dummy module." See IRM 2.3.10, *Command Codes MFREQ and RECON* and IRM 2.3.12, *Command Code ACTON*.

Contact must be made with the assigned employee prior to adjusting the account. If the control is Status B or C, the adjustment action may be continued. Refer to IUUD: IDRS-Unit & USR Database.

Leave IDRS history indicating PREVADJ and close IDRS control base after verifying that all requested actions have been completed.

ES penalty must be addressed even if the RO did not request it. See IRM 20.1.3.1.2, *Manual Penalty Adjustments*, paragraph (6).

FTP penalty and/or FTF penalty must be addressed even if the RO did not request it. See IRM 20.1.2.1.5, *Manual Penalty Adjustments*. Exception: If TC 270 or TC 271 contains reason code 062, it does not need to be addressed.

FTD penalty must be addressed even if the RO did not request it. See IRM 20.1.4.23, *Manual Adjustments*.

Interest must be addressed even if the RO did not request it. See IRM 20.2.8.3, *Manual Computations*.

2. Always open and close a control on the module or ENMOD using command code ACTON when adjusting accounts.
3. When processing a request that cannot be closed immediately, change the status "A" to status "S" using ACTON. See IRM 2.3.12.2, *Case Control Using Command Code ACTON*.

#### 5.4.10.1.3.1 (12-18-2013)

##### Use of IAT Tools

1. IAT provides tools that simplify research, reduce keystrokes, eliminates repetitive typing, and increases the accuracy of regular work processes.
2. The use of IAT is mandatory and limited to the certain IAT Tools listed below. For User Guides, see the IAT web site at: <http://iat.web.irs.gov/JobAids/iat.asp>.
3. If an IAT tool is not available, or an employee has a problem with the IAT Task Manager, the case should be processed through IDRS, following established procedures.
4. Additional IAT tools will be added to the following list when one is deemed beneficial and seen as adding quality to Campus Collection work processes.
5. The use of IAT tools are mandatory if applicable during the work process. Below is a list of mandatory IAT tools used in CCP.

- 6020B Backout
- 6020B Backout Credit Return
- Compliance Suite
- Credit Transfer
- Disclosure
- ESTAB
- Fill Forms
- IBTF Batch Process
- MMIA Batch Process
- Payment Tracer/Tracer
- REQ54
- TFRP Suite
- xClaim

6. Below is a list of suggested IAT tools to be used by CCP.

- Address
- Letters
- REQ77

#### 5.4.10.1.4 (12-18-2013)

##### Refund and Assessment Statute Research

1. Review IDRS to determine if the adjustment will result in a refund or credit where the Refund Statute Expiration Date (RSED) has expired. See IRM 25.6.1.5, *Basic Guide for Processing Cases with Statute of Limitations Issues*.
2. When transferring payments or overpayments as a result of an adjustment, the RSED must be taken into consideration. If the RSED has expired the money cannot be transferred to another module. The money must be moved to Excess Collection.
3. If the Assessment Statute Expiration Date (ASED) has expired, **do not** process the assessment. When a legal tax assessment is not made timely within the prescribed period for assessment (Assessment Statute Expiration Date) (ASED), it is considered a "Barred Assessment." See IRM 25.6.1.13, *Barred Assessments/Barred Statute Cases* and IRM 21.5.3.4.1, *Tax Increase or Credit Decrease Processing*.
4. An abatement may be made before or after the ASED; however, the tax cannot be reassessed if it is determined that the tax decrease was erroneous after the ASED has expired. An erroneous abatement is an abatement of tax that is later determined to have been made in error. See IRM 25.6.1.10.2, *Erroneous Abatement*.

5. Thoroughly review IRM 25.6.1.5, *Basic Guide for Processing Cases with Statute of Limitations Issues*, before processing an adjustment if the RSED or ASED has less than six months remaining.
6. If the RSED has expired on the payments or credits, reject the case back to the originator following the GCP Case Rejection Procedures. *IRM 5.4.10.1* above.

#### 5.4.10.2 (12-18-2013)

##### Adjustments

1. Adjustment and Refund Offset requests may be received on a Form 3870, Request for Adjustment or a Form 4844, Request for Terminal Action.
2. CCP employees who have access to the Integrated Automation Technology (IAT) REQ54 tool are required to use the tool when inputting adjustments. This tool automates the command code REQ54 to assist with adjustments of tax, penalty, interest and the release of freezes. CCP employees are required to use the IAT x-Claim tool when needed to determine the correct adjustment action. This tool researches IDRS and populates the entity portion original figures on the automated "1040X" form and allows the user to input corrected figures. For additional IAT information, refer to the IAT website, <http://idap.web.irs.gov/iat/>.
3. Each tax examiner will prepare a folder for adjustments that require Source Documents with input date and type of input. Label folders with a completed Form 6502, Employee Source Document sticker, indicating the employee profile number, category, input date and number of cases in the folder.
  - A. Keep Form 3870 along with the required documentation, i.e. amended tax returns or missing schedules, as source documents (SD). See IRM 21.5.2.4.5, *Source Documents*.
  - B. Some Forms 3870 and Forms 4844 not required as source documents are classified waste after actions are completed; See IRM 21.5.1.4.10., *Classified Waste*.
  - C. Forms 4844 requesting input of TC 290 for .00 with Block Series 98 (without original return) or Block Series 99 (with original return) must be input as a source document using command code REQ54 and must be sent to files.
  - D. On ADJ54 input; where no source document(NSD) is required, notate "Per Form 3870 or Form 4844" and reason for adjustment (line 11). See IRM 2.4.16-4.
4. When using command codes ADJ54 and REQ54 to input adjustments, overlay the "Activity" field with "ROREQFXXXX" (revenue officer request). Input IDRS history on all requests. See IRM 2.4.16, *Command Codes REQ54 and ADJ54*.
5. See IRM 21.5.2.4, *Adjustment Guidelines – Procedures*, for Source Codes, Hold Codes, Priority Codes, Credit Reference Numbers, and Item Reference Numbers.
6. Only use Hold Code 4 :
  - A. to avoid an erroneous refund; for example, a tax decrease was input and there is a credit balance that needs to be transferred to another account or tax module.
  - B. when reprocessing returns and there is a credit balance.
  - C. when payments are Statute criteria and should be moved to Excess Collections.
  - D. when you are unable to contact the revenue officer to determine if credit should be refunded or offset.
  - E. when revenue officer requests an adjustment with TC 570.
  - F. when inputting an adjustment that will create a credit balance and a manual refund needs to be completed.

##### Note:

Hold Code 4 prevents credit offsets and suppresses notices. Do not use Hold Code 4 unless one of the conditions above exists.

7. Documents should not be requisitioned for the purpose of determining whether an adjustment should be made.
8. See *IRM 5.4.10.1* above regarding the necessity of manual lien releases.
9. When a Form 3870 is received requesting a full abatement of tax due to Bankruptcy Discharge for the X year and box 3 requests input of TC 971 AC 031, input TC 971 AC 031 only. **Do not** input TC 291 to abate tax.
10. Requests for filing requirement (FR) change from Form 944 to Form 941 can be processed beginning **January 1** and ending **April 1**. Input "9" for the appropriate cache year to prevent the FR from changing back to Form 944 if a Form 941 was filed for the prior year but after the FR (to Form 941) was entered. See IRM 21.7.2.4.9.1, *Form 944 Letters/Inquiries*.
11. CCP employees must resolve their own unpostable conditions caused by actions taken on the accounts using the following procedures:
  - A. Research IDRS.
  - B. Check command code UPTIN.
  - C. Research Document 6209 to resolve unpostable condition.
  - D. When documentation is needed to correct the unpostable condition, change your Category Code from NLUN to IRRQ with a pending date.
  - E. If the source document is not received, the manager/lead may contact the Clerical manager to locate the case on the electronic mail disc before contacting the originator.
  - F. Only void the unpostable when the action was previously taken or if the action cannot be taken due to programming errors.
  - G. When in doubt, contact the lead, manager, FORT tax examiner or FORT Technical Advisor.

##### Note:

**Do Not** close IDRS control without taking the necessary action to correct the unpostable condition.

12. Obtain manager/lead approval for adjustments of ≡ ≡ ≡ ≡ ≡ ≡ ≡ ≡ ≡ ≡ ≡

#### 5.4.10.2.1 (12-18-2013)

##### Limited Liability Company (LLC) Adjustments

1. Form 3870 can also be received to process a return made under IRC 6020(b) when a disregarded entity LLC fails to file employment tax returns for tax periods ended before January 1, 2009, and the liable single member owner (SMO) has previously filed an employment tax return for the same tax period for another business. Process the return made under IRC 6020(b) on Form 3870, Request for Adjustment, as a supplemental tax assessment. Ensure that an additional assessment is not prohibited by an ASED. *IRM 5.4.10.5.2* below and IRM 5.1.11.6.7.4(6), *Preparing Returns for Assessment*, and IRM 5.1.15.6.1, "Limited Liability Company (LLC) IRC 6020(b) Adjustments."
2. Process abatement requests on LLCs following normal procedures.

#### 5.4.10.2.2 (12-18-2013)

##### Adjustments to Personal Liability Assessments for Excise Tax

1. CCP will receive requests to abate Personal Liability Assessments for Excise Taxes on a Form 3870 along with a revised Form 9494, *Request For Assessment of Personal Liability For Excise Tax*, page 3, from Advisory revenue officers, which should be forwarded as Source Documents.
2. Advisors must also forward a memorandum of authority to request reversal of a prior adjustment made on the assessment which must be approved by the group manager.
3. The Form 3870 will request abatement of either TC 150 or TC 290 on MFT 03. If the Form indicates MFT 45, the request must be sent to the Non-Master File Unit.
4. Forward request to CCP-FORT

#### 5.4.10.2.3 (12-18-2013)

##### Reasonable Cause Assistant (RCA) Abatements

1. RCA provides a decision support system accessible via Accounts Management Services (AMS) to make penalty abatement determinations using a series of questions that lead the user to a consistent conclusion while ensuring the appropriate factors are addressed. When necessary, RCA systemically generates a letter after the abatement is completed by CCP. See IRM 5.1.15.16.1, *Reasonable Cause Assistant (RCA)*, for a list of letters.
2. Revenue Officers (ROs) are required to use RCA when the taxpayer requests relief of certain penalties due to reasonable cause. RCA should be used for the following penalties:

- A. IMF Failure to File (FTF) and Failure to Pay (FTP). (RCA can be used for MFT 31 - Innocent Spouse/Mirrored Assessment Modules)
- B. BMF Failure to Deposit (FTD). (BMF FTD penalty relief using RCA is currently limited to MFTs 01, 10, 11, 14 and 16.) Refer to IRM 20.1.1, *Penalty Handbook - Introduction and Penalty Relief*, for additional information.

##### Note:

RCA cannot be used for ASFR, CAWR, or EXAM penalty abatements nor -N freeze accounts.

3. CCP will accept Form 3870 requests for reasonable cause abatements on the following types of cases:

- Cases from Technical Advisors/Advisory Revenue Officers
- Cases from OIC specialists (Stat 71 cases)
- TC 300 penalty abatements only, with Exam Manager Approval
- CCP FORT will use Form 3870 and process requests within their area
- Cases with "received date over one year old" must include an explanation. Note: Tax examiners should enter Override Code "R" in the appropriate field of CC ADJ 54 for cases with a received date over one year.
- Schedule B, an amended Schedule B, or Record of Federal Tax Liabilities (ROFTL) for a Form 94X attached to the form.
- MFT 07, Form 1066, US Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return

##### Note:

Penalty abatement rules on Form 1066 are the same as the rules for Form 1065, US Return of Partnership Income

- For those BMF MFTs RCA can be used on, a F3870 would be appropriate if there's no FTD penalty on the module.

##### Note:

All reasonable cause abatement requests received on Forms 3870 **must** include managerial approval and must be retained as source documents.

4. If Form 3870 is received requesting abatements for the penalties listed in (2) above for reasons other than those listed in (3), contact the RO using the narrative below: "On (MM-DD-YYYY) a Form 3870 was submitted requesting to have a penalty abatement input on (TIN/MFT/TAX PERIOD). This request needs to be submitted through the Reasonable Cause Assistant (RCA) system. RCA use is required for IMF FTF and FTP and BMF FTD penalties per IRM 20.1.1.3.6 and IRM 5.1.15.6.1. Since your request was not submitted using the RCA system your request is being closed. In order to have this request processed it will be necessary to resubmit using RCA through AMS. For more information you can refer to catalogue # 557142. If you have any problems, questions or concerns please send them to \*SBSERCAHELP@irs.gov. "

#### 5.4.10.2.3.1 (12-18-2013)

##### Procedures for RCA Cases

1. Research IDRS and verify that the adjustment can be processed by CCP.
2. If a partial abatement was previously input and the request on AMS exceeds the money amount on IDRS, the adjustment cannot be completed.
3. Cases that are "Mixed" or "Sustained" must be printed. (These cases require a source document.)
4. If the adjustment cannot be completed by CCP, input a history on IDRS and AMS indicating why the case is being returned to the manager through the RCA system.
5. If the adjustment was previously completed, input a history on IDRS and AMS. Return case to GM through RCA.

##### Note:

-I Freeze (restricted interest) and -N Freeze (Appeals) accounts should not be processed through RCA.

6. When RCA reaches a conclusion to either abate (remove) or sustain (deny) the penalty relief request, the program automatically displays a print dialog to allow printing the determination that includes all information input by the RCA user. This print must be attached as a source document.
7. RCA cannot consider BMF FTP and FTF penalty relief at this time. Nonetheless, most BMF accounts that have been penalized for FTF and FTP penalties also include FTD penalties. Because RCA should be used to consider penalty relief for the FTD penalty, the RCA determination may also apply to the FTF and FTP penalties.
  - A. If the same reasons are used for requesting FTF and FTP penalty relief (as they usually are), the RCA conclusion should apply to all three penalties.
  - B. If more than one penalty is involved, only one IDRS adjustment should be made. Use the PRC that would be applicable for the FTD penalty abatement.
8. Reasonable cause penalty abatements must be approved by the group manager when RCA reaches the "Abate conclusion". When the RCA conclusion is to "Sustain" the penalty and the RO decides to override the RCA conclusion, managerial approval is also required. The RO provides the group manager a written reason and any documentation for the abatement request. The information is retained by the case file.

#### 5.4.10.2.4 (12-18-2013)

#### Types of Requests Requiring Referral

1. Adjustment requests received in CCP involving the following issues MUST be referred to the appropriate area;
  - A. Carryback/Carryforward/NOL - route to the designated point of contact (POC) in Accounts Management at Philadelphia Campus. *IRM 5.4.10.1.1* above or *IRM 21.3.3.4.10.2, Campus Collection Function Correspondence/Inquiry/Notice*.
  - B. FTD Payment Tracer - route to appropriate Campus based on state location; after researching IDRS. See *IRM 21.5.7.3.3, IDRS Research for Federal Tax Deposits (FTDs)*.
  - C. Military Deferment – PhiladelphiaCampus-CCP-Collections-FORT.
  - D. CCP will forward specific adjustments to Accounts Management (AM). Only the adjustments established by the Service Level Agreement (SLA) between the Wage and Investment (W&I) Division and Small Business/Self Employed (SB/SE) should be forwarded to the established Point of Contact (POC) in AM. Follow local procedures to open a CCP control on IDRS prior to sending cases to AM. See *IRM 21.3.3.4.10.2, Campus Collection Function, Correspondence/Inquiry/Notice*.
  - E. After taking the necessary adjustment action, CCP will forward Form 8758, Excess Collections File Additions, to the appropriate Accounting function for processing.

**Note:**

Statute imminent adjustments requiring prompt/quick assessments should bypass Centralized Case Processing and go directly to the Accounting Function from the field. See *IRM 25.6.1.9.9.1, Procedures for Expeditious Assessments*.

2. Route adjustments to reverse offsets on Debtor Master File (DMF) and Treasury Offset Program (TOP) Offsets to the FORT.

#### 5.4.10.3 (12-18-2013)

#### Payment Tracers

1. Payment tracer requests will be received in CCP on Form 4159, Payment Tracer Request.
2. CCP employees who have access to the Integrated Automation Technology (IAT) Payment Tracer tool are required to use the tool when researching payment tracers. For additional IAT information, refer to the IAT website at: <http://iat.web.irs.gov/> This tool researches accounts for specific payments or a range of payments including UFR & XSF and cross reference TINS. It also displays module balance and refunds.
3. Payment tracer requests should include a photocopy of the front and back of the payment document being traced along with required information as indicated in *IRM 5.1.15.14.1, Requesting Campus Tracing*. If not attached, return to the revenue officer through his/her manager using rejection procedures. *IRM 5.4.10.1.2* above.
4. Use *IRM 21.5.7, Payment Tracers*, for research actions and Remittance Transaction Register (RTR).

If	And	Then
IDRS shows that the case is controlled by another employee		Contact must be made with the assigned employee before taking any action.
the payment is located	was applied as intended	Close control to "PYMTFOUND" and take no further action.
the payment located	was misapplied	input a credit transfer using ADD24/34/48 per <i>IRM 2.4, IDRS Terminal Input</i> .
the payment is not located		prepare a Form 4446 documenting research performed and forward to the appropriate Hardcore Payment Tracer Function (HPTF) Center Payment Transfer function. See <i>IRM 3.17.5.6, Referrals to Hardcore Payment Tracer Function (HPTF)</i> , exhibit 21.5.7-1, <i>Hardcore Payment Tracer Addresses</i> .

#### 5.4.10.4 (12-18-2013)

#### Credit Transfers

1. Credit transfer requests will be received on Form 2424, Account Adjustment Voucher, Form 3809, Miscellaneous Adjustment Voucher or Form 4159, Payment Tracer Request. See *IRM 21.5.8, Credit Transfers*, for processing.
2. Credit transfer requests must contain sufficient information, for both the account to be debited and the account to be credited, to accurately transfer the available credit, including the designated payment code, if applicable. The "Remarks" field on the credit transfer input must include a brief explanation for the transfer if a source document is not required.

3. 

See source document requirements below:

Also refer to *IRM 21.5.8.3.1, Determining Source Document Requirement for Credit Transfers*.

If	And	Then
payment posted to the same TIN or related account	credit is available	source document is not required.
payment posted to the same TIN or related account	transfer results in debit balance	source document is required.
payment posted to non-related account	credit is available	source document is required.
payment posted to non-related account	transfer results in a debit balance	source document is required.

**Note:**

If the information in the "Remarks" section is missing or unclear, check ICS to obtain the required information. If the information can be determined from ICS, complete the credit transfer and notate the Form 2424 with "see ICS." If information cannot be obtained from ICS, return to revenue officer. Document a history in ICS with reason for non-assigned access.

4. You can transfer a credit if at least one of the tax modules is on the Integrated Data Retrieval System (IDRS). If not, activate account to IDRS using Command Code (CC) MFREQD to create a dummy account. Inputting a credit transfer with only one side active on IDRS will systemically MFREQ a dummy account on the corresponding side of the credit transfer.
5. CCP employees who have access to the Integrated Automation Technology (IAT) Credit Transfer are required to use the tool when inputting credit transfers. For additional IAT information, refer to the IAT website <http://iat.web.irs.gov/iat/>. This tool provides a list of transferable payments, auto-fills reversal transaction codes (TCs), performs unpostable checks, and ensures use of appropriate codes, amounts, and dates to help prevent unpostables.
6. CC TXMOD is then input to select the primary account and store the TIN, File Source, Name Control, MFT and Tax Period.



7. The command codes used in transferring credits and their compatible forms are as follows:
  - A. ADD34/ADC34 is used with Form 4159.
  - B. ADD24/ADC24 is used with Form 2424, Account Adjustment Voucher, or Form 4159.
  - C. ADD48/ADC48 – use with Form 3809, Miscellaneous Adjustment Voucher or Form 4159.

**Note:**

IAT will populate the appropriate command codes when completing credit transfers.

8. Consider the effects of pending transactions, previous actions, freeze codes, module balances, posted penalties and interest adjustments, and transactions being input.
9. Do not move payments until they post. Exception: The following payments can be moved if a posting delay code is used;
  - A. AP – pending tax module transaction prior to PN status.
  - B. CU – corrected unpostable transaction.
  - C. PN – pending transaction that has passed all IDRS validity checks and has a complete DLN.
  - D. RS – RS transaction appended to the entity is identified as ERS when it is displayed with a tax module. Limited to TC 903 and 904.
  - E. TP – payment received at the campus input to IDRS from the Remittance Processing System (RPS) with the cycle input.
10. All actions need to post the same cycle to prevent the issuance of erroneous notices. Use posting delay codes when inputting multiple actions such as: credit transfer and tax adjustment or an in-and-out credit transfer.
11. Each credit transfer affects two modules unless the transfer is for the purpose of changing the payment date only. The credit side of the transaction is posted one cycle after the debit side.
12. Input instructions for credit transfers are contained in IRM 2.4, *IDRS Terminal Input*. When transferring credits remember:
  - A. CC SUMRY is used to determine if the module is on IDRS or under control to another employee.
  - B. Command code sequence must be followed.
  - C. The debit module must be on IDRS.
13. See IRM 5.4.10.1 above regarding the necessity of manual lien releases.
14. Credit transfers to or from NMF, URF or XSF cannot be input through IDRS.
  - A. Credit transfers between NMF and MF accounts, and NMF to NMF, within the same campus, will be accomplished by using either a Form 2424 or Form 3809. Credit transfers from NMF to NMF accounts between campuses will be accomplished by using a Form 2158. The campus can be identified by the first two digits of the Credit Reversal DLN. See IRM 3.17.64.10, *Credit Transfers*.
  - B. Unidentified Remittance File and Excess Collection File payment transfers will be sent to the Accounting function at the appropriate Campus using a completed Form 8758 or Form 8765. Input IDRS History. See IRM 21.5.7.3.6, *Researching Unidentified Remittances and Excess Collection File*.

**5.4.10.5 (12-18-2013)  
IRC 6020(b) Processing**

1. Pursuant to IRM 1.2.44.3, **Delegation Order 5–2 (Rev. 2)** dated 10–21–2013, revenue officers, GS-09, and above, and Collection Centralized Case Processing Managers have the authority to prepare and execute returns under IRC 6020(b).
2. Requests for 6020(b) will be received in CCP on a Form 5604, Section 6020(b) Action Sheet, to prepare returns under the authority of IRC 6020(b). ICS should be fully documented by the revenue officer with a complete explanation of the basis for the assessment(s). The explanation should include information such as wages paid, income tax withheld, FTDs or payments, and any calculations or other information used to establish the correct liability for each tax period. This information is important since it could be utilized later should the taxpayer request an appeal, file a suit, or file Form 911, Request for Taxpayer Advocate Service Assistance (And Application for Taxpayer Assistance order) with the Taxpayer Advocate office.
3. A copy of the ICS history documentation that explains the basis for the assessment(s) may be attached to the Form 5604. This will eliminate the need for the revenue officer to complete the "basis for assessment" section on Form 5604. Contact the revenue officer for missing information.
4. CCP will establish an IDRS control for each tax period requested on Form 5604.
5. Returns can be prepared for BMF Forms, Form 720, Form 940, Form 941, Form 941–PR , Form 941–SS , Form 943, Form 944, Form 1065, Form 2290, or Form CT-1 . Return requests for the preparation of any other forms to the revenue officer.

**Note:**

NOTE: Form 720, 2290, CT-1 should be routed to the FORT for processing.

6. Research IDRS to determine if a return has been filed. If the return was previously filed, update ICS, notating return filed and date posted. Close IDRS control base.

**Note:**

If the request is for IRC 6020(b) preparation of employment tax returns on a disregarded entity LLC for tax periods ended before January 1, 2009, and the liable single member owner (SMO) has previously filed an employment tax return for the same tax period, the return must be prepared under IRC 6020(b) on Form 3870, Request for Adjustment, as a supplemental tax assessment in the name and EIN of the liable party, the SMO. See IRM 5.1.11.6.7.4, *Preparing Returns for Assessment* . When the adjustment is processed, CCP should note the name and EIN of the LLC in the IDRS history on the module. For additional information, refer to IRM 5.1.15.6.1, *Limited Liability Company (LLC) IRC 6020(b) Adjustments*.

7. If the return has not been filed, prepare the returns requested on the Form 5604 through ICS templates. Prepare the tax returns in sets. A completed set includes an original and one copy of each return for each tax period. If the form is not available in ICS Templates, complete the return manually. .
8. See IRM 5.1.11.6.7.2, *Preparation and Approval of 6020(b) Returns*, and IRM 5.18.2.2.2, *Basis of Tax for 6020(b) Modules*, for return preparation.
9. Prepare Letter 1085 or Letter 1616 in duplicate using the initiating Revenue Officer's name and contact information on the letters. Mail the taxpayer and, if applicable, any recorded Power of Attorney (POA) the following:
  - A. The Letter 1085, 30 Day Letter Proposed IRC 6020(b) Assessment or Letter 1616, 30-Day Letter, Proposed IRC 6020(b) Assessment Partnership Return,

- B. One set of completed returns (original and a copy),
- C. Publication 5, *Your Appeal Rights and How To Prepare a Protest If You Don't Agree* and
- D. A return envelope.

10. Maintain the following documents in a suspense file for 45 days:

- A. a copy of the Letter 1085, *30 Day Letter Proposed IRC 6020(b) Assessment* or Letter 1616, *30 Day Letter, Proposed IRC 6020(b) Assessment Partnership Return*,
- B. a copy of each return, and
- C. Form 5604.

11. Update ICS history and IDRS with the mailing date of the L1085 or L1616 and suspense date.

12. If the taxpayer requests an appeals conference, send the suspense file and any taxpayer correspondence to the revenue officer. Update ICS history and close IDRS control base.

13. If a taxpayer files bankruptcy after a Letter 1085 or 1616 has been mailed, immediately inform Insolvency and provide them with copies of the proposed returns or contact the revenue officer. Unless instructed otherwise, continue 6020(b) processing. Update ICS history and close IDRS control base.

14. If the taxpayer responds prior to the 45-day suspense date, follow the instructions below:

IF	THEN
Taxpayer states no employees during the period in question	Input TC 590 cc 63 to IDRS on each module not liable. Contact revenue officer to confirm 6020(b) is not necessary and/or to address credit(s) if applicable. Document ICS.
Taxpayer states business is closed	Input TC 591 cc 63 to IDRS on the earliest period closed. Close all necessary filing requirements. Input business closing date using CC ENMOD. Contact revenue officer to confirm 6020(b) is not necessary and/or to address credit(s) if applicable. Document ICS.
Taxpayer submits a return	Input TC 599 cc 64, code, and prepare for processing. NOTE: If a previous TC 599 (cc other than 63) is present or pending within the last 10 weeks and no return is posted or pending do not process the taxpayer's return received; follow instructions in next box. Document ICS.
Taxpayer submits possible second copy of return (see note in above box)	Input TC 594 cc 63. Print your input screen from IDRS and notate "Source Doc." Stamp your employee number and date of input. Attach return behind the print to be filed in the source doc. Document ICS.
Taxpayer correspondence is insufficient	Contact revenue officer via telephone or e-mail using procedures. <i>IRM 5.4.10.1.1</i> . If response not received, continue with 6020(b) processing. Document ICS.
Taxpayer states return will be filed at a later date	Continue with 6020(b) processing and document ICS. Verify the return(s) have been filed under the new EIN.
Taxpayer states return was filed under a different Employer Identification Number (EIN)	A. If the taxpayer filed only for the tax periods addressed on the Letter 1085, input TC 590 cc 63 on those modules. B. If the EIN on the Letter 1085 is no longer liable, input TC 591 cc 63 to the earliest not liable period to close the filing requirements. C. Contact revenue officer to confirm 6020(b) is not necessary and/or to address credit(s) if applicable. Document ICS.
Response indicates the return may have posted to the wrong period and/or EIN and provides the EIN	Contact the revenue officer to complete a Form 3870 indicating "Criteria Transfer" Processing or "Reprocess to the correct EIN." Document ICS.
Remittance received with a return	Prepare Form 3244 and attach the check to the return. Give to unit lead or manager for review and follow above guidelines for processing the return. Document ICS.
Taxpayer indicates possible identify theft Letter 1085 is returned opened and indicating wrong taxpayer	Contact or forward correspondence the revenue officer and document ICS. Forward correspondence to the revenue officer and document ICS.

Close IDRS control base and dispose of the suspense file.

15. Review the account after the 45-day suspense period. If the taxpayer has failed to either:

- A. File a correct, voluntary return by the follow-up date, or
- B. Has not signed and returned the 6020(b) return, then
- C. Research IDRS for posted returns or satisfying transaction code.
- D. If a return has posted or there is a satisfying transaction code, input a history to ICS. Close IDRS control base.

16. If the module is not satisfied, process the returns for assessment under the authority of IRC 6020(b).

- A. Code returns with TC 599-63, on the left margin of the return.
- B. Code returns with Condition Code 4, at the center bottom of the return.
- C. Ensure the returns contain the 6020(b) statement on the bottom of the return and secure the manager's signature.
- D. Date stamp the returns.
- E. Input a TC 599-63 on IDRS using FRM49 for each tax module that has a 6020(b) return.
- F. Complete Section 2 of Form 5604 and attach the original to the earliest tax period on the Form 5604 and copies to all other returns.
- G. Close IDRS control and send the returns for processing to the appropriate submission-processing site.
- H. Close the delinquent returns on ICS if applicable.
- I. Update ICS history with the date the return was sent for processing.

17. For additional 6020(b) processing scenarios, refer to *IRM 5.18.2.4.6*.

#### 5.4.10.5.1 (12-18-2013)

##### IRC 6020(b) Adjustments Processed by CCP

1. The instructions in (2) below are specific to CCP processing of IRC 6020(b) adjustments submitted by Field Collection (FC) revenue officers. The following instructions will result in the ASED field being populated on TXMOD when a return is secured by FC in conjunction with a IRC 6020(b) assessment.
2. Process the adjustment to 6020(b) assessments as follows:
  - A. Input the appropriate TC 290 or TC 291 (along with the TC 18X, FTD penalty adjustment and other penalties) as indicated on the Form 3870. For required information, see IRM 5.1.15.6.
  - B. Input TC 599 cc XX as indicated on the original return. If omitted, use TC 599 CC 69 on partial abatements or TC 599 cc 71 for full abatements.
  - C. Input TC 971 AC 012. Use the return received date for the date of the TC 971 AC 012.
  - D. Route the Form 3870 and return in accordance with current processing procedures for source documents.

**Note:**

State FUTA certification must be attached to all 940 adjustment requests including IRC 6020(b) adjustments unless no credit is claimed for state contributions. See IRM 5.1.15.8, *Federal Unemployment Tax Act (FUTA) Tax Adjustments*.

3. 6020B Back Out/Credit Return IAT Tool - Collection Centralized Processing (CCP) employees who have access to the Integrated Automation Technology (IAT) 6020B Back Out and 6020B Back Out Credit Return tool are required to use the tool when inputting 6020(b) adjustments. The 6020B Back Out tool allows multiple back outs for MFT 01 and 10, completes TC 971's, 590X, STAUPs and REQ54 screens. The 6020B Back Out Credit Return tool assists the user to back out credit available on module to bring module to zero balance, completes the 1085B letter, 94X returns and inputs 59X as needed.

#### 5.4.10.5.2 (12-18-2013)

##### IRC 6020(b) Adjustments on Limited Liability Company (LLC)

1. When a disregarded entity Limited Liability Company (LLC) fails to file employment tax returns for tax periods ending before January 1, 2009, prepare an IRC 6020(b) return. Although the single member owner (SMO) may file employment tax returns for these tax periods in the name and EIN of the SMO or the name and EIN of the LLC, the IRC 6020(b) return must be prepared in the name and EIN of the liable party, the SMO. If the SMO has previously filed an employment tax return for another business under the SMO EIN for the same tax period, then the return prepared under IRC 6020(b) should not be submitted to Submission Processing as a secured return. The return prepared under IRC 6020(b) will be processed on Form 3870 as a supplemental tax assessment. Review ASED before processing the additional assessment.
2. The revenue officer will submit Form 3870 to CCP using the name and EIN of the SMO with the following statement in the Reason for Adjustment section of the form: "This liability resulted from the operation of (Name and EIN of LLC), for which (Name of Single Member Owner) was liable as the employer, it should be added to the original assessment as a supplemental assessment."
3. Notate the name and EIN of the LLC in the IDRS history on the module.
4. Follow normal procedures to process an abatement request on an LLC/SMO.

#### 5.4.10.6 (12-18-2013)

##### Collection Due Process (CDP)

1. Form 12153-A, Referral Request for CDP Hearing and Request for CDPTS Input, has a two-fold purpose for the Collection Field function (CF). It is used to request updates to the CDP Tracking System (CDPTS) and to transmit cases to Appeals.
2. Revenue officers will submit requests to add or update CDPTS using Form 12153-A, input. Requests should normally be submitted to CCP through the GCP electronic mailbox \*CTR PHI CS GCP.
3. Form 12153-A must be complete. See IRM 5.1.9.6.3, *Adding a Case to the CDPTS*.
4. These requests are worked as a priority.
5. Employees authorized for IDRS command code CDPTR can use definer "T" to research the status of a CDP case that is part of the CDPTS using standard IDRS terminals. This command code provides a summary of the CDP accounts that are on the CDPTS and the current stage of the case.
6. Employees who input data to the CDP Tracking System, use IDRS via the IRS intranet at <http://CDP.web.irs.gov>. For data input, the employee needs to be profiled for the following IDRS commands: CDPTA, CDPTB and CDPTD. CCP can input the stages below:
  - Stage 1, Hearing Request Rec'd, needs to be input when a CDP or equivalent hearing request is received. Refer to IRM 5.1.9.6.3.1, *Stage 1 Elements*, for required information.
  - A. The taxpayer account must be present on IDRS when adding a case to the CDPTS.
  - B. Each tax module that is on Form 12153-A needs to be added to the CDPTS.
  - C. When the module is added to the CDPTS, a TC 971 is systemically generated with action code 275 if it is a CDP lien request, ACs 275 and 630 if it includes a CDP levy request, or action code 278 if it is an Equivalent Hearing (EH). These action codes identify when the hearing request was received and they are also used to exclude module(s) from selection by automated levy programs when appropriate.
    - Stage 3, Transferred to Appeals, needs to be input when a CDP or equivalent hearing request is being referred to Appeals. When the transfer of the case to Appeals occurs promptly after receipt of the hearing request, i.e., within 5 days, Stage 1 and Stage 3 may be requested at the same time. The Stage 1 and Stage 3 dates should not be the same, unless the request is transferred to Appeals on the same day the hearing request is received. However, Stage 1 must be input before Stage 3. If information is not provided for Stage 1, contact the revenue officer requesting response within 24 hours.
    - Stage 12, Hearing Request Withdrawn, needs to be input when a CDP or equivalent hearing request is withdrawn prior to being transferred to Appeals. The Form 12153-A used to request input showing Hearing Request Rec'd, can be updated to request input of Stage 12. However, if the module(s) are in Stage 4, Received by Appeals, Stage 13 must be input by Appeals.
    - Stage 14, Case Rec'd from Appeals, needs to be input when the CDP or equivalent hearing is received back from Appeals. Input of Stage 14 acknowledges receipt.
7. CCP will only receive requests to add or update the CDPTS. Return requests for input of TC 520 cc 76/77 to the originator without being input. Appeals will input TC 520 CC 76/77 as appropriate.
8. Return any CDP or Equivalent Hearing case files to the originating revenue officer.

#### 5.4.10.7 (12-18-2013)

##### Form 53

1. The purpose of Currently Not Collectible (CNC) is to ensure collection action is suspended. Accounts may be reported CNC for a variety of reasons using transaction code (TC) 530. See IRM 5.16.1.1, *Currently Not Collectible Policy and Procedure Overview*, for a list of the most commonly used CCs and definitions.
2. The request to place an account in CNC status requires the approval of a manager. See IRM 5.16.1.5, *Managerial Approval*, for exclusions.
3. The sections below provide instructions for terminal input of "Assessed" and "Pre-Assessed" tax periods along with instructions for monitoring of Mandatory Follow-up cases.

#### 5.4.10.7.1 (12-18-2013)

##### Form 53 — Assessed

1. Generally, a regular Form 53 requires no action by CCP. A systemic TC 530 CC XX will upload to IDRS from ICS.
2. Form 53s sent to CCP for manual input of the TC 530 CC XX will be received from Field Collection on various forms, such as Form 53, Currently Not Collectible; Form 3177, Notice of Action for Entry on Master File; and Form 4844, Request for Terminal Action. The information required includes the tax period(s), MFT and the closing code. The Form 53 should be annotated "Assessed".
3. Paper Form 53 requests require manager approval by the immediate manager of the revenue officer. Return unapproved requests to the revenue officer. See IRM 5.16.1.5, *Managerial Approval*.
4. See IRM 5.16.1.2.5, *Tolerance*, for tolerance accounts being closed with TC 530 cc 09 and cc 19 that do not require managerial approval.

#### 5.4.10.7.2 (12-18-2013)

##### Terminal Input and Handling of Form 53

1. CCP will research IDRS:

If	Then
TC 530 present on TXMOD, with same closing code	send to classified waste.
TC 530 present on TXMOD with different closing code	input TC 530 with different closing code on IDRS, using REQ77.
TC 530 not present on TXMOD.	input TC 530 on IDRS, using REQ77.
Item 10 with a "Yes" on the Form 53 indicates change to BMF filing requirements.	research IDRS using Command Code (CC) ENMOD and input the required action by using CC ENREQ.
Item 6a (1) or (2) or 6b on Form 53 indicates TC 130 is needed. TC 130 is needed on BMF entity to trigger refund offsets and on IMF entity to trigger CNC reactivation of BMF accounts.	research BMF and IMF entities on IDRS using CC ENMOD for a prior unreversed TC 130. If no prior unreversed TC 130 is present, input TC 130 on ENMOD using REQ77.
Form 2363, Master File Entity Change, is attached.	input the new address and/or Area Office location code using CC ENREQ.

##### Note:

A posted TC 150 must be present on at least one module prior to the input of a TC 530 cc XX.

2. When the account is reported CNC, CCP must use one of the following values for Responsibility Unit Code (RUC) or Jurisdiction Code when using Command Code (CC) FRM77 input on CNC accounts.

##### Value Functional Area

- 1 Field Office
- 2 Revenue Officer
- 3 Campus
- 4 ACS
- 6 Exam
- 7 Appeals
- 8 PRP/Taxpayer Advocate
- 9 Other (Accounts Management & Taxpayer Assistance Center)

This information can also be found in IRM 2.4.19–5.

#### 5.4.10.7.3 (12-18-2013)

##### Processing of Form 53 on Pre-assessed Modules

1. The Form 53 request for input of a TC 530 on an unassessed or preassessed module occurs when a taxpayer is determined to be CNC and tax period(s) have an assessment that has not posted to IDRS. CCP monitors the tax period(s) for the posting of the TC 150 and immediately inputs the TC 530 on IDRS using CC REQ77 to avoid collection activity against the taxpayer.
2. Form 53s sent to CCP for input of the TC 530 cc XX on unassessed modules will be received from the FC on various forms, such as Form 53, Currently Not Collectible; Form 3177, Notice of Action for Entry on Master File; and Form 4844, Request for Terminal Action. The information required includes the tax period(s), MFT and the closing code. The Form 53 should be annotated "Pre-Assessed".
3. Ensure that proper approvals have been secured prior to input of a CNC request. Return unapproved requests to the revenue officer. See 5.16.1.5, *Managerial Approval*.

#### 5.4.10.7.3.1 (12-18-2013)

##### Processing of Pre-assessed Form 53

1. CCP will input the TC 530 cc XX for the pre-assessed Form 53 with a six cycle (06) Posting Delay Code (PDC) and input a history item on ENMOD with the MFT and tax period. For example, input "UM01-1203" to indicate unassessed module for 01-201203.
2. The tax examiner will create an IDRS control base with a 6-week follow-up date from the date of receipt of the Form 53 in CCP for the posting of a TC 150 using CC ACTON.
3. On the follow-up date, check IDRS using CC TXMOD for posting of TC 150 and/or additional assessment(s) to be 53'd.
  - A. If the TC 150 or additional assessment is present, input the TC 530, See IRM 5.4.10.7.2, Terminal Input and Handling of Form 53 above.
  - B. If the TC 150 or additional assessment has not posted, set another 6-week follow-up date. If the return/assessment still has not posted, annotate the Form 53 and contact the revenue officer to possibly re-submit the tax return(s).

#### 5.4.10.7.4 (12-18-2013)

##### Form 53 Mandatory Follow-up

1. Revenue officers request mandatory follow-ups if there is evidence that the taxpayer's ability to pay will improve and either computer-generated reactivation is not available or the improvement will happen significantly sooner than systemic reactivation can occur. The RO creates a systemic Non Field Other Investigation (NF- OI) "101-Mandatory 53" and the ICS case is systemically assigned to CCP for monitoring.
2. Cases not processed on ICS, should contain the specific follow-up actions and the date required in the Mandatory Follow-up Action section of Form 53 (or equivalent) in sufficient detail to ensure appropriate follow-up. Also, information in the case history should permit review of the follow-up action after part 4 of Form 53 is detached. As each follow-up action is completed, update part 4 to show the date of the next follow-up.
3. A mandatory follow-up should **not be** requested in the following instances:
  - A. To update and review a CIS on the chance that a taxpayer's financial condition will change.
  - B. If follow-up will occur in less than 90 days; these cases should be held in the RO inventory and not transferred to CCP.
  - C. To check on future compliance with filing requirements.
  - D. To verify that payments are being made on an installment agreement.
  - E. To verify that estimated tax payments are being made.
  - F. To determine offset of a potential refund.
  - G. To attempt to locate a taxpayer whose accounts were reported CNC with closing code 03, 06 or 19.
  - H. If the aggregate account balance, including accruals, is less than the following Bal Due deferral levels:

IMF - ===== , ===== , ===== ===== , =====
--

**Note:**

If the case is received for one of the reasons above, return to originator.

4. Accounts may be reported CNC using cc 13 when an operating (in business) corporation, exempt organization, or limited partnership cannot pay its back taxes and enforcement cannot be taken because the business has no distrainable accounts receivable or other receipts or equity in assets. These cases are sometimes referred to as "In-Business 53s."
5. Closing code 13 may also be used for Limited Liability Corporation (LLC) cases (where the LLC is identified as the liable taxpayer), when an operating business cannot pay its back taxes and enforcement cannot be taken because the LLC has no distrainable income or equity in assets.
6. Refer to IRM 5.16.1.6, *Mandatory Follow-Up* , and IRM 5.16.1.2.7, *In-Business Corporations, Exempt Organizations, Limited Partnerships, or Limited Liability Companies* for additional information.

**5.4.10.7.4.1 (12-18-2013)**

**Initial Analysis of Form 53 Mandatory Follow-up Cases**

1. Review paper Form 53, ICS history and/or IDRS for the following information:
  - A. Managerial Approval on ICS.
  - B. Mandatory Follow-up Date for the action to be taken. Requests that exceed 24 months must include an explanation in the history or CCP will limit the time to 24 months.

**Note:**

If the TC 530 closing code is other than 13, verify the reason for monitoring is other than the reasons listed in *IRM 5.4.10.7.3* above. See IRM 5.16.1.6, *Mandatory Follow-Up*.

**Note:**

If the TC 530 closing code is 13, see (2) below for additional information and analysis.

- C. Creation of NF OI "101 Mandatory 53" on ICS.
  - D. Input the appropriate follow-up date on ICS and update history for the mandatory follow-up action needed.
  - E. For appropriate IDRS case status (53) as indicated in *IRM 5.4.10.7.4* above.
  - F. Lien indicators present on all IDRS periods.
  - G. Type of entity is a sole proprietor, input TC130 on IDRS, if not already present.
  - H. Verify that all balance dues are included on Form 53. Also verify that all open delinquent returns (del rets) have been addressed. If not addressed, return case to originator and document ICS.
    - I. Set a follow-up date for six months from receipt of the case. Follow up on the case every six months to check IDRS for new balance dues and/or del rets.
    - J. If a paper file is received, forward to clerical for retention within CCP and document ICS history. **Do not** forward case to closed files.
2. In addition to the above, review cases closed using TC 530 CC 13 for the following:
  - A. The mandatory follow-up should be 18 to 24 months after the date of the Form 53. Requests that exceed 24 months must include an explanation in the history. If no explanation provided, set a 24 month follow-up.
  - B. A Trust Fund Recovery Penalty (TFRP) investigation must be completed and a recommendation on Form 4183, *Recommendation re: Trust Fund Recovery Penalty Assessment*, must be approved prior to disposition of the account. Review ICS history to confirm that the TFRP recommendation has been completed. See IRM 5.7.4, *Investigation and Recommendation of TFRP*, for further information.

**5.4.10.7.4.2 (12-18-2013)**

**Review of Form 53 Mandatory Follow-up Cases**

1. If ICS notification is received that the revenue officer (RO) has been re-assigned to the case, close the NF OI and take no further action. **Do not** transfer the case if the RO only has an open Other Investigation (OI) to complete the TFRP investigation. Notifications must be worked within 5 business days of receipt.

2. CCP employees will process mandatory follow-ups per instructions below.
3. CCP must request a copy of the transcript for NMF accounts requiring follow-up.
4. If the case has reached the follow-up date on ICS, research IDRS for the status. **Do not contact the originating revenue officer.** Take the following actions:

If	Then
the accounts are full paid (Status 12) document ICS, and close NF OI on ICS.	
the accounts are in Status 71 or 72	input history on ICS and set a new follow-up for one year on ICS. i

5. When the six month follow-up is reached, check IDRS for compliance. If the case has a **new bal due or del ret**, take the following actions:
  - A. Issue an OI to the Group Manager Hold File (XXXX-XX00) of the group assigned to the zip code using ICS parameter tables. Include the following wording in the remarks section of the OI and in the ICS history: **"Prior accounts on this taxpayer were reported CNC using closing code 13. The taxpayer subsequently incurred additional bal dues or del rets. Please address these outstanding delinquencies, and if necessary request input of TC 531 to reverse the CNC. Per IRM 5.16.1.6(9), if the taxpayer is now out of business, the closing codes for the CNC periods should be updated to cc 10 for a defunct corporation. If this OI cannot be resolved by the due date, an extension must be requested or the CNC will be reversed and assigned to the GM hold file."**
  - B. Set a 45-day follow-up on the OI.
  - C. If there is no response to the OI or if there is no request to extend the follow-up on the OI within 45 days, request input of TC 531 and assign case to Group Manager T-SIGN.
  - D. If the RO responds to the OI, see boxes 2 and 3 in chart below as appropriate.
6. When the **mandatory 53 date** is reached and the accounts have remaining balance dues (bal dues), take the following actions:
  - A. Request the paper case file.
  - B. Input history on ICS.
  - C. Issue an OI to the Group Manager Hold File (XXXX-XX00) of the group assigned to the zip code using ICS parameter tables. Include the following wording in the remarks section of the OI and in the ICS history: **"The mandatory follow-up will include securing a new CIS, conducting a full compliance check, and reviewing the corporation's or LLCs latest income tax returns as applicable. This review will determine whether the account will be reactivated or scheduled for additional mandatory follow-up. See IRM 5.16.1.2.7(7)."**
  - D. Send paper case file to field GM.
  - E. Set 45-day follow-up on the OI.

**Note:**

Case is considered closed when the OI control is closed.

7. When the Mandatory Follow-up date or OI follow-up date is reached, take the appropriate actions based on chart below:

IF	and	Then
there is no response to the OI or, if there is no request to extend the follow-up on the OI	case was closed as: <b>TC 530 cc XX</b>	<ol style="list-style-type: none"> <li>1. Transfer the OI to the GM. See IRM 5.1.8.6.</li> <li>2. Mail case file to GM.</li> <li>3. Document ICS with the following history: "Case transferred to field due to no response to CCP OI."</li> <li>4. Input TC 531 to reverse CNC and assign case to Group Manager TSIGN.</li> <li>5. Close CCP NF-OI.</li> </ol>
after the RO completes the actions on the OI	<b>the case no longer requires monitoring</b>	Close NF-OI. Send case file to Closed Cases.
after the RO completes the actions on the OI	<b>the account remains in 53 status</b>	The revenue officer should request to update the closing code to reflect current conditions. If a new closing code is needed the revenue officer should request input of TC 530 with the new closing code on the CNC modules. The revenue officer should send an approved Form 4844 requesting input of TC 530 with the new closing code on the CNC modules. (Check IDRS for update before closing OI). Set new follow-up date as appropriate, if requested.

**5.4.10.8 (12-18-2013)  
Processing Form 900, Tax Collection Waiver**

1. *It is the policy of the Internal Revenue Service that CSED extensions are permitted only in conjunction with PPIAs and only in certain situations (see IRM 5.14.2.1.3). It is the policy of the Internal Revenue Service that CSED extensions are limited to five (5) years beyond the original CSED for each tax account (plus up to one year). Group Managers will approve CSED extensions. The CSED may be extended more than once for each balance due account as specified in IRM 5.14.2.2(7). For more information, see IRM 5.14.2.2, Collection Statute Expiration Date (CSED): Law, Policy and Procedures*
2. A Form 900 Waiver is a Tax Collection Waiver. It is a legal document executed by a taxpayer, which allows the Internal Revenue Service (IRS) to extend the amount of time allowed to collect a tax liability. The maximum time allowed to collect taxes is identified as the Collection Statute Expiration Date (CSED).
3. Parts 1 and 3 of Form 900 Waivers secured in conjunction with installment agreements will be forwarded to CCP for input.
4. The Form 900 Parts 1 and 3 must be accompanied by a copy of the Form 433D.
5. Part 2 is the taxpayer's copy and Part 4 should be retained in the RO case file.
6. Perform an initial review of the 900 Waiver to ensure it is complete and correct. The following information must be present on the Form 900:
  - A. Verify taxpayer entity information (TIN/Name/Address).
  - B. CSED extension – Must be at least 1 year beyond current CSED.
  - C. Authorization signatures – The 900 Waiver is valid for input if at least one-taxpayer signs and it is approved by the Group Manager.

**Note:**

If the extension is for joint filers, both individuals should sign the Form 900.

7. More than one tax period can be listed on the waiver. The tax period and extension date for each individual tax year must be listed.
8. Separate Form 900 Waivers are required for:
  - A. Each entity
  - B. IMF accounts (1040, etc.)
  - C. BMF accounts (941, Civil Penalty, etc.)
  - D. NMF accounts - If the account is active on IDRS, input NMF TC 550; otherwise forward NMF request 900 Waiver to NMF unit on a Form 3210 to Cincinnati Campus (CSC).
9. Assessment Date(s) of the tax periods must include all assessments per tax period for which the CSED is being extended.

Example: There is a TC 150 and TC 290 with assessment dates of 4/15/2010 and 6/15/2010 for tax period 12/31/2009. You must include both assessments on 900 Waiver since both assessments are collectable and need to be extended until 10/30/2023.

10. If it is determined that information is missing or incorrect and the TC 550 cannot be input, reject the 900 Waiver back to the revenue officer.

#### **5.4.10.8.1 (12-18-2013)**

#### **Inputting and Filing Form 900 Waiver**

1. Input a TC 550 using REQ77.
2. Input '1' for the Trans-Register-Ind.
3. Input new requested CSED for the extension date.
4. Use the date the group manager signed the waiver as the transaction date in the Trans-DT area.
5. Input correct CSED code in the CSED-CD area. No alpha code is needed for Civil Penalty/BMF.
  - A. P = primary taxpayer signed waiver.
  - B. B = both taxpayers signed waiver.
  - C. S = secondary taxpayer signed waiver.
6. Input predetermined Definer Code for the 550 Definer-CD.
7. In the Remarks area, type "The delegated representative's name per Form 900 Waiver with IA" .
8. Date and initial back of Part 3 (input copy) of 900 Waiver and send for review.
9. After input of an extended CSED, a review must be performed to ensure:
  - A. Extension dates are the same on the Form 900 and IDRS; and
  - B. Status 60 was also input or the agreement is being monitored by CCP.
10. After input, Part 1 of Form 900 (the original) will be kept in an accessible file in CCP for three years beyond the latest date to which CSEDs were extended. IRC 6511(a) provides the right to make claims for refunds within 2 years from when taxes are paid or 3 years from when the return was filed, whichever period expires later
11. Part 3 of the Form 900 will be attached to the related partial payment installment agreements (PPIA).

#### **Note:**

Form 8620, *Statute Extension IRC 6503(c)*, should be processed as a Form 900 Waiver. After the TC 550 has been input on IDRS, the Form 8620 should be marked "Keep" and given to clerical to file with the waivers. See IRM 5.1.19.3.7.4, *Procedures For Adjusting the CSED*, for more information.

[More Internal Revenue Manual](#)



## Part 5. Collecting Process

### Chapter 4. Case Processing

#### Section 11. CCP Installment Agreements

##### 5.4.11 CCP Installment Agreements

- 5.4.11.1 [Overview](#)
- 5.4.11.2 [Processing Guaranteed, Streamline and In-Business Express Installment Agreements](#)
- 5.4.11.3 [Receipt of Manually Monitored Installment Agreements \(MMIA\) and In-Business Trust Fund Installment Agreements \(IBTF-IA\)](#)
- 5.4.11.4 [Monitoring MMIA and IBTF Installment Agreements](#)
- 5.4.11.5 [Installment Agreements Monitored by Integrated Automation Technologies \(IAT\)](#)
- 5.4.11.6 [Taxpayer Inquiries to Default Notices or Proposals to Change Installment Agreements](#)
- 5.4.11.7 [Default and Termination Procedures](#)
- 5.4.11.8 [PIIA Two Year Financial Review](#)
- 5.4.11.9 [Installment Agreement Account Listings \(IAAL\)](#)

##### Manual Transmittal

December 09, 2014

##### Purpose

(1) This transmits a topic based revision to IRM 5.4.11, Case Processing, CCP Installment Agreements to incorporate procedural changes based on ACA Provision 1501.

##### Material Changes

(1) This IRM has only been updated for the Affordable Care Act (ACA) Provision 1501: Requirement to Maintain Minimum Essential Coverage (Individual Shared Responsibility) (IRC § 5000A), as identified below. Content unrelated to the ACA provisions was not reviewed for currency or accuracy.

- IRM 5.4.11.1.1(2) i) Update to incorporate Shared Responsibility Payment (SRP) balances as eligible for Installment Agreement consideration.
- IRM 5.4.11.1.1(3) Update to incorporate Shared Responsibility as eligible for the provision of a mirrored option.
- IRM 5.4.11.2(8) Update provides for adding SRP modules to existing installment agreements.
- IRM 5.4.11.2(9) Update provides updates for transmitting mirrored SRP balances to CCP.
- IRM 5.4.11.3.1(2) k) Update provides for including MFT 35 balances in existing installment agreements.
- IRM 5.4.11.4(2) 8) This update allows for provision of recessing SRP balances (TC 530 cc35).
- IRM 5.4.11.6(4) This provision allows that SRP balances will not cause an installment agreement to default.

##### Effect on Other Documents

This IRM supersedes IRM 5.4.11, dated April 17, 2013.

##### Audience

The target audience is tax examining technicians in SB/SE Collections Centralized Case Processing at the Philadelphia Campus.

##### Effective Date

(01-01-2015)

Cheryl Cordero  
Director, Filing & Payment Compliance  
Small Business/Self-Employed

##### 5.4.11.1 (04-17-2013)

###### Overview

1. Installment Agreements (IA) are arrangements whereby the Internal Revenue Service allows taxpayers to pay liabilities over time. If full payment cannot be achieved by the Collection Statute Expiration Date (CSED), and taxpayers have some ability to pay, Partial Payment Installment Agreements (PPIA) may be granted. During the course of agreements, penalty and interest continue to accrue. Generally, no levies may be served during installment agreements.
2. The Integrated Data Retrieval System (IDRS) is used to monitor most IAs for timely payments on accounts, as well as to determine whether taxpayers remain in compliance with current filing and paying requirements. IDRS also monitors agreements based on the Installment Agreement Locator Number (ALN) recorded at the time agreements are input. See IRM 5.14.1–2, *Installment Agreement Locator Numbers*. Some agreements require special monitoring, such as when accounts reside on Non-Masterfile (NMF) or if payment amounts are varied. These accounts must be manually monitored.
3. This chapter provides procedures for processing all types of IA's received in Centralized Case Processing (CCP), including manually monitored installment agreements (MMIA), and In-Business Trust Fund (IBTF) balance dues. Many of these accounts involve in-business payroll tax accounts, and/or large dollar accounts. See IRM 5.14.7, *BMF Installment Agreements*.

##### 5.4.11.1.1 (01-01-2015)

###### Types of Installment Agreements

1. When taxpayers are unable to pay a liability in full, an IA will be considered.



2. There are various types of installment agreements that may be granted to taxpayers:
  - A. Guaranteed Installment Agreement – Taxpayers with Individual income tax liabilities of \$10,000 or less (exclusive of penalties and interest); See IRM 5.14.5.3, *Guaranteed Installment Agreements*.
  - B. Streamlined Installment Agreements – Taxpayers with liabilities of \$50,000 or less; See IRM 5.14.5.2, *Streamlined Installment Agreements*.
  - C. In-Business Trust Fund Express Installment Agreements; See IRM 5.14.5.4, *In-Business Trust Fund Express Installment Agreements*.
  - D. Manually Monitored Installment Agreements (MMIA); See IRM 5.14.9.5, *Manually Monitored Installment Agreements*, including MMIA In Business Trust Fund (IBTF) agreements; See IRM 5.14.7.4, *In-Business Trust Fund Installment Agreements Requiring Financial Analysis and Determining Ability to Pay*.
  - E. Partial Payment Installment Agreements (PPIA), which can be systemically or manually monitored; See IRM 5.14.2, *Partial Payment Installment Agreements and the Collection Statute Expiration Date*.
  - F. Direct Debit Installment Agreements; See IRM 5.14.10.4, *Direct Debit Installment Agreements*.
  - G. Payroll Deduction Installment Agreements; See IRM 5.14.10.2, *Payroll Deduction Installment Agreements*.
  - H. Installment agreements involving Limited Liability Companies (LLC); See IRM 5.14.7.3, *Installment Agreements Involving Limited Liability Companies*.
  - I. Affordable Care Act (ACA) individual Shared Responsibility Payment (SRP) A standalone SRP occurs when a balance due is created on an module with MFT 35 File Source 1 (SRP 5000A) and there is no other Balance Due module with a different MFT in Status 22, 24, or 26, nor a TDI module in status 03. If an additional SRP balance due occurs in a subsequent year, and still no other modules with a different MFT, it is (they are) still considered a standalone SRP.
3. SRP Manually Monitored Installment Agreements: If the taxpayer has requested an account to be split due to a divorce or innocent spouse, current procedures do not allow for mirroring the assessment until 2016. The case will be sent to Manually Monitored (MMIA). SRP cases can be maintained in MMIA Philadelphia until they can be mirrored. As with all agreements, the taxpayer must have filed all tax returns that are due prior to entering into the agreement

#### 5.4.11.2 (01-01-2015)

#### Processing Guaranteed, Streamline and In-Business Express Installment Agreements

1. IA requests will be received, by mail or electronic submission, in CCP for input from the Field Collection (FC) on a Form 433D, *Installment Agreement*, or Form 2159, *Payroll Deduction Agreement*.
2. Cases must be controlled within five (5) business days.
3. CCP has 21 business days from the CCP receive date to input the IA.
4. Verify the information on the Form 433D:
  - A. Taxpayer name
  - B. Taxpayer Identification Number (TIN)
  - C. Secondary or cross reference TIN
  - D. Taxpayer address
  - E. Taxpayer telephone number(s)
  - F. Levy source(s)
  - G. Agreement Locator Number (ALN)

#### Note:

If the IA was submitted is a routine IA/IBTF Express and it should have been submitted as an Manually Monitored -IA, reject the IA to the originator. See IRM 5.14.9.5, *Manually Monitored Installment Agreement*, including MMIA In Business Trust Fund (IBTF) agreements. See IRM 5.14.7.4, *In-Business Trust Fund Installment Agreements Requiring Financial Analysis and Determining Ability to Pay*

5. Check IDRS before submitting an IA for processing; including compliance and case assignments.

#### Note:

Accounts containing freeze codes -O, -Z, -J, L-, -Y, -W and -V will be rejected to the originator without contact. If there is a W- freeze caused by a TC 470 on the module, input a TC 472 on accounts with a W- freeze and continue processing. These accounts and accounts containing MFREQ modules will be suspended for two-weeks to allow IDRS posting.

6. If information is missing and or incomplete, or conditions exist to prevent a case from going into ST 60, check IDRS and or Integrated Collection System (ICS) for updated information. Attempt to contact the originator. If unable to obtain necessary information for input within 48 hours, notify the originator of the rejected Form 433D by E-mail with a CC to the Group Manager. Input an ICS history and close control base.

#### Note:

History entries must contain enough information so that any person subsequently reading the history can easily determine what decisions were made, why those decisions were made, what actions were taken and what further actions are required to resolve issues.

7. See Exhibit 1-6 in IRM 5.19 *IDRS input of Installment Agreements*.
8. All open Individual Shared Responsibility Payment (SRP) modules should be added to the original installment agreement. However, if the taxpayer wants to add a subsequent MFT 35 to an existing agreement and it no longer meets Streamlined IA criteria, the employee should ask for a financial statement:
  - If they do not respond, the existing IA will stay in place and stand alone MFT 35 will be recessed. Agreement will not default PDIA - A new F2159 is NOT needed/required to add a new liability to an existing PDIA. A PDIA may be updated to include the Individual SRP liability by issuing a Letter 2571C to the employer informing them of the new balance .
  - If the taxpayer chooses to send in a new Form 2159 with the new period, we will accept/process it but it is NOT required Streamlined PDIA Agreements - All open Individual SRP modules should be added to the original installment agreement.
  - However, if the taxpayer wants to add a subsequent MFT 35 to an existing agreement and it no longer meets Streamlined IA criteria, the employee should ask for a financial statement.
  -

- If the IA is a DDIA, the taxpayer must provide a new signed Form 9465 or Form 433-D to include the MFT in the agreement, if they are increasing the payment amount.
9. SRP Mirrored Installment Agreements: Current procedures do not allow for mirroring the assessment until 2016. The case will be sent to Manually Monitored Installment Agreements (MMIA), currently in Philadelphia until the time when the assessment can be split. SRP cases can be maintained in MMIA Philadelphia until they can be mirrored. As with all agreements, the taxpayer must have filed all tax returns that are due prior to entering into the agreement.

#### 5.4.11.3 (04-17-2013)

##### Receipt of Manually Monitored Installment Agreements (MMIA) and In-Business Trust Fund Installment Agreements (IBTF-IA)

1. CCP receives MMIA and IBTF cases as a Non-Field Other Investigation (NF-OI) based on ICS case closure from Field Collection (FC).
2. If an IBTF agreement is received that meets IBTF express agreement criteria, See IRM 5.14.5.4 *Streamline, Guaranteed and In-Business Trust Fund Express Installment Agreements*, reject the case back to the originator to be submitted as an IBTF express agreement.
3. MMIA cases can be received from other functions; Automated Collection System (ACS), Field Assistance, and Collection Service Center Operation (CSCO). These cases will be received on a Form 433D, *Installment Agreement*, and cannot be mirrored. Create a case on ICS, if not established.

**Note:**

Create the case on ICS using the appropriate taxpayer identification number (TIN) based on the earliest collection statute expiration date (CSED), with the name of the taxpayer for whom the IA is being granted. Include only balance due modules in the IA for the appropriate TIN. Establish separate addresses if necessary.

4. Control cases to tax examiners within 10 business days.

**Note:**

Cases received from functions other than CFF will be assigned to tax examiners within 10 business days from receipt of the Form 433D, *Installment Agreement*.

#### 5.4.11.3.1 (01-01-2015)

##### Initial Analysis of MMIA - IBTF - PPIA Cases

1. Initial analysis will be completed within 21 business days from the employee assignment date. Annotate ICS/AMS case history of all actions taken.

**Note:**

History entries will contain enough information so any person subsequently reading the history can easily determine what decisions were made, why those decisions were made, what actions were taken and what further actions are required to resolve an issue.

2. Verify the information on the Form 433D, *Installment Agreement*, to include:

- A. Taxpayer name

**Note:**

Single Member Owner (SMO)/ Limited Liability Company (LLC) In Business Trust Fund (IBTF) agreements will include both the name of the LLC and the name of the SMO.

- B. Taxpayer Identification Number (TIN)
- C. Secondary or cross-reference TIN
- D. Taxpayer address
- E. Taxpayer telephone number(s)
- F. Verify terms of agreement
- G. Levy source(s)
- H. Area designation
  - I. Business unit designation
- J. Group Manager approval (check ICS history and/or Form 433D, *Installment Agreement*, for GM approval and terms) on cases received from the field.

**Note:**

If GM approval is not on ICS, wait for paper case file before inputting IA. Document ICS history and set a 14 day follow-up date. If proof of GM approval is not received, reject case to originator.

- K. New Installment Agreements **must include all open modules, including** SRP, MFT 35: Existing DDIA's /PDIA's IAs will have to be revised to include the MFT 35 for the agreement to be valid.

3. Verify on ICS the following information:

- A. Case Sub-code is 900 (IBTF-IA), 901 (MMIA), 911 (routine PPIA), 906 SMO/LLC IBTF-IA, or 907 SMO/LLC MMIA, 929-Non Field MMIA/Non-IAT, 927-Non Field MMIA/IAT, or 931 for Field Non-IAT cases (unable to be monitored by Integrated Automation Technologies (IAT)).
- B. Location Code is SX-Y, or SX-N (CCP use only). The literal X is, B for IBTF, M for MMIA, and P for PPIA cases.
- C. Status code on IDRS (ST 26 for MMIA or ST 60 for IBTF-IA).
- D. CSED and ASED dates; See IRM 5.14.2.2, *Collection Statute Expiration Date: Law, Policy and Procedures*, and IRM 5.14.7.4.2., *Approval and Monitoring*
- E. Terms of the IA.

**Note:**

Requests for back-up 53's require a completed Form 53, *Report of Currently Not Collectible Taxes*, signed by the group manager.

- F. Verify waivers are input to IDRS (Form 2750-ASED, *Waiver Extending Statutory Period for Assessments of Trust Fund Recovery Penalty*, Form 900-CSED, *Tax Collection Waiver*, or Form 8620-INTL, *Statute Extension IRC 6503(c)*).

- G. On all In Business Trust Fund (IBTF) cases received for monitoring, the ASED must be protected if the IA will not full pay all liabilities at least one-year prior to the earliest ASED. The file must include a Form 2750, *Waiver Extending Statutory Period for Assessment of Trust Fund Recovery Penalty*, which includes all modules on the IA and the completed TFRP file. A TC 971 AC 330 must be present on each module included on the Form 2750, *Waiver Extending Statutory Period for Assessments of Trust Fund Recovery Penalty*, if the TC 971 AC 330 is not present on any module complete the input; or a Form 9327, *Non-Assertion Recommendation of Uncollectible Trust Fund Recovery Penalty or of Uncollectible Personal Liability for Excise Tax*, and a three (3) has been updated in IDRS on ASED. If the appropriate action to protect the ASED, has not been completed and the account is in ST 60, issue an OI to the originator's group manager using the parameter tables. Input "All appropriate actions to protect the ASED have not been completed. Please complete the TF investigation or protect the ASED." Set a 45 day follow-up to check the status of the investigation. If unresolved after the 45 day follow-up expires, elevate to your manager.

**Note:**

Set a follow-up date if a cross-reference TIN needs to be included in the IA after a TFRP assessment posts.

- H. Lien determination has been made by the Revenue Officer (RO). If no lien determination has been made by the RO, prepare a FORT referral.
- I. Input of TC 971 AC 063, if not previously input.

**Note:**

If the case is for manually monitoring a continuous levy, do not input a TC 971 AC 063 on balance due accounts included on the continuous wage levy.

**Note:**

Verify SMO/LLC IBTF IA's are truly a SMO/LLC IBTF IA. If SMO/LLC IBTF IA's contain both pre and post 01/01/2009 assessments, see IRM 5.14.7.3.2, *Installment Agreements When Owner (SMO) and LLC are Liable for Assessments in LLC Name*, TC 971 AC 364/365/366 must be present on each module included in the IA. These codes identify the liable taxpayer for each period. See IRM 5.1.21.8.3, *Identity of the Taxpayer on Integrated Data Retrieval System (IDRS)*. Input the appropriate TC 971 if it is not present. Check IDRS to see if all pre 01/01/2009 modules have a TC 971 AC 365 with a x-ref TIN (can be a SSN or EIN). If no TC 971 AC 365 is present, locate the x-ref TIN in ICS/IDRS and input the TC 971 AC 365. On ICS, look at the Name/Address Record. Look for a "J" or "K" address. The x-ref TIN should be available by viewing the address record. If you are unable to locate an x-ref TIN for the SMO, contact the RO by phone or E-mail. If unable to make contact with the RO, issue an OI to the field telling them to request the input of a TC 971 AC 365 with a x-ref TIN for the SMO on the pre 01/01/2009 modules.

- J. On MMIA cases verify the User Fee was applied and posted correctly. See IRM 5.19.1.5.5.5, *Installment Agreement Payment Method and User Fees (UF) Overview*, for establishing user fee modules, if not posted.

**Note:**

No user fee is deducted from continuous levy cases.

- K. Compliance Issues (open delinquent returns (Del Rets) and/or balances due (Bal Due) not included in the IA), See IRM 5.14.1.4.1, *Compliance and Installment Agreements*.
- L. If an IA has been systemically uploaded and there are delinquent returns follow 6020b processing procedures, *IRM 5.4.11.5.3, IBTF-IAT Monitoring Procedures*.
- M. If an IA has been systemically uploaded (status (ST) 60) and the account has balance dues that were not included in the IA, open an Other Investigation (OI) request to the RO for the information needed to revise the IA. For example, balance due modules should be added to the IA. If the RO fails to respond to the OI, close the OI and document the history. If the RO fails to respond timely and the IA defaults (i.e. additional modules) allow the IA to systemically default.
- N. Verify Federal Tax Deposit (FTD) requirements are addressed.
- O. An open NF-OI on ICS for monitoring the case.

**Note:**

An NF-OI is not needed on MMIA cases.

4. Input a TC 130, on sole proprietor cases, if not previously input.
5. For SMO/LLC agreements, input a history on ENMOD stating the case is a SMO/LLC IBTF-IA with the total IA payment amount and individual payment liability of the SMO and LLC.
6. Complete appropriate checklist for MMIA cases received from other functions, ACS, field assistance and CSCO.
7. MFREQ modules included in the IA, but not on IDRS, and modules where a TC 470 reversal was input, set a follow-up date for two cycles and TSIGN IDRS, except MMIA cases.

**Note:**

Pre-assessed modules require a follow-up date to reverse the pre-assessed indicator.

8. If the case is closed incorrectly, cannot be monitored or is missing information and not in ST 60, reject the case. See *IRM 5.4.11.3.2, Returning Cases to Collection Field Function*.
9. If the case is closed as an IBTF, and is in ST 60:
- A. transfer the OI to the PPIA team if the case should be a PPIA.
  - B. If the case should be an MMIA, default the IA and suppress the default notice, input CC STAUP 2200, change the sub code to 901 and transfer the case to the MMIA team. The MMIA team will close the OI when all modules are in ST 26.
10. If the case is closed as a routine/DDIA PPIA, is in ST 60, and the taxpayer is:
- A. in business and the account will be full paid within the CSED, close PPIA OI and transfer to the IBTF group.
  - B. out of business and the account will be full paid within the CSED close PPIA OI.
  - C. in business, and the account will NOT be full paid within the CSED, change the sub code to 900, open an IBTF OI, update IDRS TSIGN.

11. Cases meeting "mirroring" criteria below must be forwarded to CSCO.

- IA established with secondary taxpayer.
- Primary taxpayer is currently not collectable, unable to locate, etc. (ST 53), deceased, in notice status, ST 26 or paying under separate IA.

**Note:**

If the name control is not the same as INOLE, or the TIN assigned to either entity is temporary, or contains international entities, the case cannot be mirrored and must be manually monitored.

12. See Exhibit 1-6 in IRM 5.19, *Liability Collection*, for IDRS input of IAs that were not systemically uploaded..

**Note:**

Direct Debit Installment Agreements (DDIA) will be input by CSCO PSC. Wait 60 days from the Group Manager (GM) approval date for the DDIA unit to input the IA. If CCP determines a DDIA case needs to be rejected back to the originator, input the following in the AMS history: "This DDIA is being rejected back to the originating RO. DO NOT update the case to ST 60." See IRM 5.4.11.3.2, *Returning Cases to Collection Field Function*. If AMS indicates CSCO rejected the DDIA, reject the case back to the originator immediately. See IRM 5.4.11.3.2, *Returning Cases to Collection Field Function*.

13. Verify the correct ALN. See IRM 5.14.1-2, *Installment Agreement Locator Numbers*.

14. When inputting a PPIA agreement, use Review Suppress Indicator (RSI) five (5) for IMF and RSI six (6) for BMF with a review cycle 2 years from the IA acceptance date. Form 900, *Tax Collection Waiver*, may accompany PPIA agreements. Ensure the extension dates are the same on the Form 900 and IDRS. File the Form 900 in accessible files in CCP for 3 years beyond the dates to which the CSEDs were extended. Waivers must be available for research and accountability.

15. The tax examiner will compute balances for each tax period included in the IA to the due date of the next payment. This amount will be used to complete and mail Letter 3856, *Monthly Reminder for Installment Agreement Payment*, or Letter 3856A, *Monthly Reminder for Installment Agreement Payment for Joint Liabilities*. Include a pre-addressed envelope with the MMIA Lockbox address to the taxpayer for the next payment on MMIA cases. Do not include any cross-reference balance dues on the letter. Reminder notices for IBTF cases are sent systemically through IDRS.

**Note:**

A Letter 3856 will not be sent on continuous wage levies.

16. Cases not meeting systemic IAT criteria, see below, will require monthly manual monitoring with a scheduled follow-up date, seven (7) days after the payment due date.

- IAs where the taxpayer makes payments a few times a year or at different intervals.
- Irregular payment amounts.
- Payroll Deduction cases.
- Spouse(s) with multiple SSN's.

**Example:**

Taxpayer has filed jointly with different spouses.

- Invalid SSN's.
- Non-Masterfile assessments (NMF).
- IBTF agreement which include MFT 74 & 76 modules.

**Note:**

If an IA request is received from an RO that includes a module(s) with MFT 74 or 76, **DO NOT REJECT** the IA. The IA should be input excluding the MFT 74 and/or MFT 76 modules. Monitor the IA per IRM 5.4.11.4, *Monitoring MMIA and IBTF Installment Agreements*. Ensure the correct type of IA (IBTF, Routine, etc.) is selected.

- SMO/LLC agreements.

17. If a case meets IAT monitoring requirements, provide the IAT administrator with the following information and document ICS case history "IAT monitoring, No monitoring histories, follow-up dates of reviews will not be documented unless necessary." :

- A. TIN of IA account and any cross reference TINs.
- B. Terms of agreement, including payment amount , due date and any future changes.
- C. Employee assignment number, name and phone number.

**Note:**

On MMIA cases correct invalid ENMOD histories before submitting information to IAT administrator.

18. Input a follow-up date on ICS and case history if case cannot be monitored by IAT and requires manual monitoring.

**5.4.11.3.2 (04-17-2013)**

**Returning Cases to Collection Field Function**

1. CCP will return a case back to the RO in the following instances:

- A. If a case is received for manually monitoring and there are no reasons preventing the input of ST 60, or full compliance has not been addressed by the RO, CCP will annotate the ICS case history with the reasons for the return of the IA, and transfer the case back to the originating RO through ICS. CCP must also ensure that the TC 030 has posted before transferring the case to the RO on ICS. Return the paper case file back to the originator.

**Note:**

IAs received from the field should include all balance due modules. CCP will reject IA's back to the originator if the agreement does not include all balance due modules. When rejecting the case reference IRM 5.14.1.4.1(2), *Compliance and Installment Agreements*, and document ICS with the reason for rejection. The exceptions to this IRM requirement are IAs listed in IRM 5.14.7.3.2, *Installment Agreements when Owner (SMO) and LLC are Liable for Assessments in the LLC Name*. CWL's are not IAs and the IA request may not include accounts in ST 53 and systemically uploaded IA's.

- B. If a case is received as an In-Business Trust Fund Installment Agreement (IBTF-IA) for monitoring and there are reasons preventing the input of ST 60 such as, open delinquent returns, ASED issues and/or balance dues that have not been addressed by the RO, CCP will annotate the ICS case history with the reasons for the return of the IA. Monitor for posting of the TC 030. After the TC 030 is posted send a secured E-mail to IQA to "re-open" the IA. After the IQA performs the Undo IA (TC 972), CCP will close all OI follow-ups on ICS and close the NF-OI. Transfer balance dues to the originator. Return the paper case file to the originating RO.
- C. If CCP receives a case for monitoring that is erroneously closed as a MMIA and the case should be a IBTF-IA, CCP will annotate the ICS case history with reason(s) how case was determined as IBTF-IA rather than a MMIA. DO NOT input into ST 60 on IDRS. Wait until the TC 030 has posted on IDRS before transferring the case back to the originating RO for proper IBTF-IA closure to generate the NF-OI for monitoring. The paper case file will not be returned to the RO.

**Note:**

The "undo" process should be followed for all IAs rejected back to the originator.

2. Return sub code to the original case sub code (national) or 000.

**5.4.11.3.3 (04-17-2013)**

**Inventory Management**

1. Check for ICS notifications daily and take appropriate action:
  - A. Newly assigned cases or reassigned cases
  - B. Expired follow-up dates
  - C. Re-opened cases
  - D. New histories on a case file
2. Delete unnecessary ICS notifications.
3. Provide any necessary information to the IAT administrator. *IRM 5.4.11.3.1, Initial Analysis of MMIA - IBTF - PPIA Cases.*
4. Use all available generated reports to monitor inventory and ensure case has the appropriate TSIGN.
5. Annotate ICS/AMS case history, with all actions taken.

**Note:**

History entries will contain enough information so any person subsequently reading the history can easily determine what decisions were made, why those decisions were made, what actions were taken and what further actions are required to resolve issues.

**5.4.11.4 (01-01-2015)**

**Monitoring MMIA and IBTF Installment Agreements**

1. Manually Monitored Installment Agreements (MMIA) and In-Business Trust Fund Installment Agreements (IBTF) will be monitored for payment and compliance by CCP every thirty days, either manually or by IAT (Integrated Automation Technology).

**Note:**

Use ANMF to obtain information for Non-Masterfile accounts.

2. To monitor accounts manually:
  - A. Verify payment was made and posted as required in the terms of the IA.

**Note:**

SMO/LLC agreements may require payments to be split and applied to the individual payment liability of the SMO and LLC as directed in the agreement.

- B. If payment is missed and a skip has been used, follow default procedures. *IRM 5.4.11.7, Default and Termination Procedures.*
- C. If account is full paid, input history to ICS/AMS, close case (NF-OI), and send Letter 4222, *Field Collection Case Resolution*, via ICS to the taxpayer and send case file to Closed Case function, if applicable.

**Note:**

If MMIA, and spouse portion is full paid, and a continuous wage levy is on the primary TIN, put account into ST 60 using ALN 0208 and TSIGN the case to Area Office (AO000000).

- D. Verify user fee has been paid. See *IRM 5.19.1.5.5.5, Installment Agreement Payment Methods and User Fees Overview.*
- E. If case conditions have changed and the account can be monitored by IDRS or IAT, follow procedures for IDRS monitoring. *IRM 5.4.11.2, Processing Guaranteed, Streamline and In-Business Express Installment Agreements*, or IAT monitoring, *IRM 5.4.11.3.1, Initial Analysis of MMIA - IBTF - PPIA Cases.* If the case can be monitored by IDRS close case (NF-OI).

**Note:**

If IBTF taxpayer is out of business, TFRP has been addressed, and taxpayer is in compliance with all terms of the agreement, close appropriate filing requirements, change the ALN to 0209 or 0212 for PPIA's and close the case to allow systemic monitoring.

- F. Verify account for compliance, using BMFOL/IMFOL on IDRS.

**Note:**

If an open del ret on BMFOL/IMFOL is greater than 16 months from the date the case was closed by FC and the module is not on SUMRY, the taxpayer is in compliance.

- G. If an account has a new balance due and taxpayer has not responded within 45 days of the balance due notice, follow default procedures. *IRM 5.4.11.7, Default and Termination Procedures for MMIA/IBTF.*
- H. If the taxpayer has an existing/agreed IA (status or ST 60 - existing IA) the SRP is considered a standalone that can be included in the IA and will not default the IA. If the taxpayer does not want the SRP added to the existing IA, then the SRP will be moved to recess (TC530 cc 35). This will take place at the campus and the case will not be assigned to ACS or Field Collection. The case will be subject to refund offset if the taxpayer does not request to have the MFT 35 included in the Installment Agreement. A subsequent MFT 35 **WOULD NOT** cause a default on existing installment agreements
- I. If account has an open TDI (ST 02 or 03) and it has been 10 weeks since the TDI notice was issued to the taxpayer, initiate 6020b processing for BMF returns. See *IRM 5.4.10.5, IRC 6020(b)*. Prepare a FORT referral for Form 1120, *U.S. Corporation Income Tax Return*, and IMF returns. Continue monitoring account.
- J. The tax examiner will compute balance dues for each tax period included in the IA to the due date of the next payment. This amount will be used to complete and mail Letter 3856, *Monthly Reminder for Installment Agreement Payment*, or Letter 3856A, *Monthly Reminder for Installment Agreement Payment for Joint Liabilities*. Include a pre-addressed envelope with the MMIA Lockbox address to the taxpayer for the next payment on MMIA cases. Reminder notices for IBTF cases are sent systemically through IDRS.

**Note:**

A Letter 3856 will not be sent on continuous levies, Payroll Deduction Installment Agreements (PDIA), and cases with a -O freeze (disaster cases).

**Note:**

If a Letter 3856 is returned as undeliverable, update ICS/AMS case history.

- K. For PPIAs where the statute has expired on the last module, notify the taxpayer that payment should no longer be sent. Review the account to confirm the CSED is expiring on the final module of the PPIA. Send Letter 4222 via ICS, informing the taxpayer the CSED is about to expire, and they are not required to make payments, but they may make voluntary payments.
- L. If Appeals is conducting an investigation and or hearing on an unrelated issue, CCP will hold the case until Appeals makes a determination regarding an appeal of the installment agreement termination. See IRM 5.14.11.7, *Appeals of Defaulted and Terminated Agreements*.
- M. Annotate ICS/AMS case history of all action taken.
- N. Schedule a follow-up date on ICS seven (7) calendar days after the payment due date.

**Note:**

If resolution cannot be completed within CCP, forward the case to the appropriate FC group pursuant to the zip code and grade level of the case listed in the parameter tables located in ICS. If there is currently an OI assigned to FC, transfer the case to the proper employee.

**5.4.11.4.1 (04-17-2013)**

**Monitoring Continuous Wage Levies**

- 1. Continuous Wage Levies are not installment agreements. Continuous Wage Levies will be monitored for payment and compliance by CCP. Some Continuous Wage Levies are monitored in ST 60 on IDRS. See IRM 5.11.5.6.2, *Systemic Monitoring of Continuous Levy Payments*.

**Note:**

Federal Payment Levy Program (FPLP) levies are not eligible to be closed as Continuous Wage Levies (CWL). See IRM 5.11.5.6.3, *Manual Monitoring of Continuous Levy Payments*. FPLP cases can be identified with a FPLP-3 indicator on the ICS Balance Due Module Summary screen or an unreversed TC 971 AC 060 on IDRS. See IRM 5.11.7.2.3, *FPLP Systemic Processes and Indicators*.

- 2. For initial CWL cases, research and document ICS for the following:

- A. Reasons for manual monitoring
- B. Levy Sources and terms

**Note:**

Add levy source to IDRS using command code LEVY(X) and ICS if not present.

- C. Last payments received
- D. TC 971 AC 063 is present

**Note:**

If TC 971 AC 063 is present on any modules for monitoring use CC REQ77 and the input the reversal TC 972 AC 063 using the date of the original TC 971.

- E. Lien indicators on IDRS. If not present contact the originator.
- F. CSED extensions (TC 300, 186 etc.) on each module and note in ICS history.
- G. Input follow-up based on the terms of the agreement at a minimum of 30 days after the payment due date.

**Note:**

If the terms of the agreement indicate irregular payments will be made, set the follow-up for 30 days. If no payments are received after 90 days, see *IRM 5.4.11.4.1(4), Monitoring MMIA and IBTF Installment Agreements*.

- 3. Verify payment was made and posted as required in the terms of the levy.
- 4. If payment is missed, follow up with the payer.

**Note:**

If subsequent payments have been received, continue monitoring the case. Set the next follow-up based on the terms of the levy.

- 5. If the reason for non-payment was temporary, secure the date payments will resume and set a follow-up for seven business days from the date provided.
- 6. If the payment stopped for any reasons listed below:
  - A. taxpayer is no longer employed,
  - B. taxpayer is no longer affiliated with payer,
  - C. taxpayer is no longer entitled to payments, or
  - D. payer refuses to send payments

Return case to field for further collection activity or determination. If the CSED will expire in less than eight months see IRM 5.1.8.1.2, *Additional Criteria for Transfer of Domestic Accounts*, and set a 14 day follow-up.

**Note:**

When contacted by a taxpayer/authorized representative claiming hardship due to a CWL assigned to CCP, advise the taxpayer/authorized representative to contact the originating RO and be prepared to provide financial information. Leave an ICS history and continue to monitor the CWL. If the taxpayers asks to be referred to the Taxpayer Advocate Service (TAS), or the taxpayer meets TAS criteria and the taxpayer's issue cannot be resolved the "same day " (within 24 hours), complete Form 911, *Request for Taxpayer Advocate Service Assistance (and Application for Taxpayer Assistance Order)*, and refer the taxpayer to TAS. See IRM 13.1.7, *Taxpayer Advocate Service (TAS) Case Criteria*, for more information. If you are able to resolve and close the TAS issue on the same day as the TAS contact, do not refer the inquiry to TAS.

7. If CCP processing cannot resolve issues on these cases, transfer to the field for follow-up action. Document the reason for the transfer in the ICS history.
8. Determine if the continuous wage levy can be monitored by IDRS. Levies that result in regular remittances, may be monitored systemically if the earliest CSED is further than 18 months into the future. If the account can be monitored systemically, put account into ST 60 using ALN 0208 with terms including the name, address and telephone number of the payer office, suppress reminder notice and TSIGN the case to Area Office (AO000000). Input ICS/AMS case history of actions taken and close case. See IRM 5.11.5.6.2, *Systemic Monitoring of Continuous Levy Payment*.

**Note:**

FPLP CWL's may not be systemically monitored. See IRM 5.19.9.3.5.1, *FPLP Levy vs ACS Paper Levy*

9. The following actions must be taken when monitoring CSEDs:
  - A. If one or more CSEDs expire, but the remaining balance due periods included on the levy are within the statutory period for collection, do not release the levy.
  - B. Monitor levy payments until all balance due periods included on levies are paid or the last CSED is about to expire (whichever is first).
  - C. If some balance due periods are fully paid, or the CSEDs expired and, as a result, the case now qualifies for systemic monitoring, follow the procedures in (4) above, See IRM 5.11.5.6.2, *Systemic Monitoring of Continuous Levy Payments*. Input ICS history indicating "The following period(s) have expired CSED(s)" then list the appropriate balance due periods.
  - D. For wage levies that will be released when the CSED expires, input a TC 971, AC 687, misc. 002 for each module included in the continuous wage levy.
  - E. For other continuous levies that reach a taxpayer's right to future payment and will not be released when the CSED expires, input a TC 971, AC 687, misc. 001 for each module included in the continuous levy.

**Note:**

If the levy form is available, record this information on the levy. Ensure it includes a list of the tax periods that have expired CSED(s).

10. Verify account for compliance using BMFOL/IMFOL on IDRS.

**Note:**

If open on BMFOL/IMFOL is greater than 16 months from the date the case was closed by FC and the module is not on SUMRY, the taxpayer is in compliance.

11. If account has a new balance due, prepare a FORT referral. Schedule a follow-up date on ICS for 75 calendar days from the date the case is referred to the FORT.
12. If the account has an open TDI (ST 02 or 03), initiate 6020b processing for Form 940, *Employer's Annual Federal Unemployment Tax Return*, and Form 941, *Employer's Quarterly Federal Tax Return*, returns. See IRM 5.4.10.5, *IRC 6020(b)*. Prepare a FORT referral for all other BMF and IMF returns.
13. If the account will be paid in full within six (6) weeks prepare a notice of levy release. The notice of levy release must be sent to the payer 30 days prior to the account being full paid, advising the payor of the amount required to satisfy the levy. A Form 668-D, *Release of Levy/Release of Property from Levy*, will not be issued until:
  - A. all liabilities are full paid.
  - B. the last CSED is about to expire, so the wage levy is released far enough in advance that no payments are received after the expiration of the CSED.
  - C. one of the criteria in IRM 5.11.2.2, *Releasing Levies*, exists.

#### **5.4.11.5 (04-17-2013)**

##### **Installment Agreements Monitored by Integrated Automation Technologies (IAT)**

1. The IAT (formerly known as IDRS Decision Assisting Program (IDAP)), systemically monitors Manually-Monitored Installment Agreements (MMIA), In-Business Trust Fund Installment Agreements (IBTF) and Partial Payment Installment Agreements (PIIA) for payments and compliance.
2. Cases not meeting systemic parameters of the IAT monitoring process will be generated on a Manual Action List (MAL).
3. IAT administrators update and/or make changes to cases monitored by IAT.
4. IAT generates monthly reminder notices (Letter 3856, *Monthly Reminder for Installment Agreement Payment*), and notice of default (Letter 2975, *Notice of Intent to Levy under IRC section 6221(d)*) on manually monitored IAs not included on the Manual Action List.

#### **5.4.11.5.1 (04-17-2013)**

##### **IAT Administrator Responsibilities**

1. The IAT Administrator runs the MMIA/IBTF-IA batch process daily. Batch reports include:
  - A. Manual Action List
  - B. Information Only List
  - C. Prints of IDRS letters; *Letter 2975 Notice of Intent to Levy under IRC section 6221(d)* and *Letter 3856, Monthly Reminder for Installment Agreement Payment*.
2. Distribute reports and letters, to the assigned tax examiner by TSIGN.
3. Update the following changes to the IAT list daily:
  - A. Add TINs of new cases.
  - B. Remove TINs of closed cases.
  - C. Revisions of TINS for other changes.
  - D. TINs of reinstated IA's.
4. Generate the ASED report by the 7th of each month and distribute to the assigned tax examiner by TSIGN. Verify the report is completed by the 28th of each month.

#### **5.4.11.5.2 (04-17-2013)**

##### **MMIA - IAT Monitoring Procedures**

1. Work the Manual Action List (MAL) upon receipt. Refer to the "Reason Box" to determine appropriate procedures.
2. Annotate ICS/AMS case history, of all action taken.

**Note:**

History entries will contain enough information so any person subsequently reading the history can easily determine what decisions were made, why those decisions were made, what actions were taken and what further actions are required to resolve issues.

If the reason box states:	And ...	Then ...
Balance Due Modules NOT Found on Primary TIN	primary account is full paid	<ul style="list-style-type: none"> <li>• Close modules on ICS</li> </ul> <p><b>Note:</b></p> <p>If balance due remains for secondary taxpayer input to ST 60.</p> <ul style="list-style-type: none"> <li>• Send Letter 4222 via ICS to taxpayer.</li> <li>• Send field cases to Closed Case function. All others are classified waste.</li> <li>• Provide updated information to IAT administrator.</li> </ul> <p><b>Note:</b></p> <p>If MMIA spouse portion is full paid and a continuous wage levy is on the primary TIN, put account into ST 60 using ALN 0208 and TSIGN the case to Area Office (AO000000).</p>
No FS2 BD Mods for Primary/Secondary	account is full paid	<ul style="list-style-type: none"> <li>• Verify TIN is correct on IAT file.</li> <li>• Send Letter 4222 via ICS to taxpayer.</li> <li>• Close modules on ICS</li> <li>• Provide updated information to IAT administrator.</li> </ul>
No FS2 BD Mods for Primary/Secondary	account is not full paid	<ul style="list-style-type: none"> <li>• Verify TIN and cross references are correct on IAT file.</li> <li>• Provide updated information to IAT administrator.</li> </ul> <p>• If account is in ST 53, input follow-up date and monitor account manually.</p>
No Data Found on TIF for Primary SSN	Check IMFOL for balance due.	<ul style="list-style-type: none"> <li>• Advise IAT administrator to delete TIN.</li> </ul> <p><b>Note:</b></p> <p>Input ENMOD history on MFREQ'd modules.</p>
IA Payment Found on Secondary SSN Only and Includes Tax Year	payment located	<ul style="list-style-type: none"> <li>• Transfer credit to correct module.</li> <li>• Provide updated information to IAT administrator and request 3856 voucher letter.</li> </ul> <p>• Assign to FORT to process return.</p> <p>• Input 14 day follow up for FORT referral.</p>
Non Comp TDI: XX/XXXX	condition exists	<ul style="list-style-type: none"> <li>• Advise IAT administrator to remove IMF TDI indicator.</li> </ul> <p><b>Note:</b></p> <p>Do Not send default notice.</p>
Default Ltr Sent Previously, 90 Day Period Expired	IA is defaulted	<ul style="list-style-type: none"> <li>• Follow Default procedures. <i>IRM 5.4.11.7, Default and Termination Procedures</i></li> <li>• Provide updated information to IAT administrator.</li> </ul>
Address Not on ENMOD/INOLES for Voucher Preparation	no data on TIF	<ul style="list-style-type: none"> <li>• Manually issue 3856 voucher letter to address on record.</li> <li>• Advise IAT administrator to delete TIN.</li> </ul> <p>• Re-input/update ENMOD history. (Primary TP IA, MMIATFCCP input on ENMOD. Secondary TP IA, MMIATFCCP and MMIA4SSSN input to ENMOD.)</p>
Hist MMIATFCCP Not Found on ENMOD Primary SSN		<p><b>Note:</b></p> <p>Check account for ST 53.</p> <ul style="list-style-type: none"> <li>• Provide updated information to IAT administrator and request 3856 voucher letter, if appropriate.</li> </ul>
Computation Hold on INTEREST/FTP		<ul style="list-style-type: none"> <li>• Compute INTEREST/FTP.</li> <li>• Manually issue 3856 voucher letter with computed INTEREST/FTP.</li> </ul>
Primary SSN is Not in Correct IMF Format		<ul style="list-style-type: none"> <li>• Send 3856 voucher letter, if appropriate.</li> <li>• Provide updated information to IAT administrator.</li> </ul>



Account is Not on Master File		<ul style="list-style-type: none"> <li>• Verify SSN on IAT.</li> <li>• Research IMFOL for account.</li> <li>• Provide updated information to IAT administrator and request 3856 voucher letter, if appropriate.</li> </ul>
INTST Balance Shows all Mods Full Paid	account is full paid	<ul style="list-style-type: none"> <li>• Close modules on ICS</li> <li>• Provide updated information to IAT administrator.</li> </ul>
No Data-Reverse Validity for Primary SSN		<ul style="list-style-type: none"> <li>• Send 3856 voucher letter</li> <li>• Provide updated information to IAT administrator to remove case from IAT.</li> </ul>
Innocent Spouse	a TC 971 065 is posted to taxpayer on the IA	<ul style="list-style-type: none"> <li>• Close modules on ICS.</li> <li>• Provide updated information to IAT administrator.</li> </ul>
Innocent Spouse	a TC 971 065 is posted to taxpayer <b>not</b> on the IA	<ul style="list-style-type: none"> <li>• Take no action.</li> </ul>
Bankruptcy	the taxpayer on the IA is in bankruptcy	<ul style="list-style-type: none"> <li>• Close modules on ICS.</li> </ul> <p><b>Note:</b> Post petition bankruptcy IAs are monitored.</p>
Bankruptcy	the taxpayer not on the IA is in bankruptcy	<ul style="list-style-type: none"> <li>• Take no action.</li> <li>• If two payments have been missed, close case.</li> </ul>
Combat Zone and Military Deferment	the account has a -C freeze	<p><b>Note:</b> Do not send 2975 default letter.</p> <ul style="list-style-type: none"> <li>• Provide updated information to IAT administrator.</li> </ul>
OIC	the taxpayer on the IA has an Offer In Compromise (OIC).	<ul style="list-style-type: none"> <li>• Close case (NF-OI).</li> <li>• Provide updated information to IAT administrator.</li> </ul>
OIC	the taxpayer not on the IA has an Offer In Compromise (OIC).	<ul style="list-style-type: none"> <li>• Take no action.</li> </ul>
-O/S Freeze- Disaster Cases		No action is necessary, unless taxpayer requests voucher letter. Monitoring resumes once release date appears on ENMOD.

**5.4.11.5.3 (04-17-2013)**  
**IBTF - IAT Monitoring Procedures**

1. Work the Manual Action List upon receipt. Refer to the "Reason Box" to determine appropriate procedures.
2. Annotate ICS case history, of all action taken.

**Note:**

History entries will contain enough information so any person subsequently reading the history can easily determine what decisions were made, why those decisions were made, what actions were taken and what further actions are required to resolve issues.

**If the reason box states: And**

**Then ...**

CP523 Sent 90 Day Default Period Expired	the condition exists	<ul style="list-style-type: none"> <li>• Ensure the paper case file has been secured.</li> <li>• Complete ICS Default checklist and place copy in case file.</li> <li>• Input TC 971 AC 163 on all modules included in the IA.</li> <li>• Change sub code to 900 and delete ICS follow-ups.</li> <li>• Transfer case on ICS, close NF-OI and send case file to the appropriate Territory Manager.</li> </ul> <p><b>Note:</b> No action is necessary on modules not included in the IA. All modules will upload automatically to the RO's case file.</p> <ul style="list-style-type: none"> <li>• Advise IAT administrator to delete TIN.</li> </ul>
CP523 Sent 90 Day Default Period Expired	does not exist	<ul style="list-style-type: none"> <li>• Advise IAT administrator to reinstate or re-set CP 523 date.</li> </ul>
Account Not on Master File	the condition exists	<ul style="list-style-type: none"> <li>• Advise IAT administrator to delete incorrect TIN or update TIN.</li> <li>• Close NF OI and input history to ICS</li> </ul>

No Balance Due Tax Periods on BMFOLI for TIN	the condition exists	<ul style="list-style-type: none"> <li>Send Letter 4222 via ICS to taxpayer if the full paid letter has not been generated by IDRS.</li> <li>Request case file and send to closed case</li> <li>Advise IAT administrator to remove TIN from inventory.</li> </ul>
Business Closed Date Present on BMFOLE	IDRS research indicates taxpayer is out of business	<ul style="list-style-type: none"> <li>Verify TFRP has been addressed</li> <li>Verify taxpayer is in compliance with all terms of the agreement</li> <li>Close appropriate filing requirements</li> <li>Change the ALN to 0209 .</li> <li>Close the NF-OI to allow systemic monitoring.</li> <li>Request case file and send to closed case</li> <li>Advise IAT administrator to remove TIN from inventory.</li> </ul>
Business Closed Date Present on BMFOLE	IDRS research indicates taxpayer is still in business	<ul style="list-style-type: none"> <li>Ensure taxpayer's filing requirements are open</li> <li>Update business closed date on ENMOD</li> <li>Verify IA is in ST 60</li> </ul>
CP523 Sent XX/XX/XXXX 90 Day Default Period	case meets default criteria	<ul style="list-style-type: none"> <li>Input sub code 926</li> <li>Request case file, set 60 day follow-up from the default date to ensure case file is received.</li> </ul>
CP523 Sent XX/XX/XXXX 90 Day Default Period	does not meet default criteria	<ul style="list-style-type: none"> <li>Notify IAT administrator to reinstate IA.</li> <li>Verify 10 weeks have passed since CP 259 was sent.</li> </ul>
BMF TDI 10 Week Suspense Period Expired	return has not been filed	<ul style="list-style-type: none"> <li>Prepare 6020b and send Letter 1085 or a Letter 1616 for Forms 1065, <i>U.S. Return of Partnership Income</i>. Follow 6020b procedures. See IRM 5.4.10.5, <i>IRC 6020(b)</i>. Prepare a FORT referral for IMF and Form 1120 , <i>U.S. Corporation Income Tax Return</i>, TDI's.</li> <li>Advise IAT administrator of 6020b mail date.</li> </ul>
BMF TDI 10 Week Suspense Period Expired	return is filed.	<ul style="list-style-type: none"> <li>Advise IAT administrator to remove BMF TDI indicator.</li> </ul>
IMF TDI 10 Week Suspense Period Expired.	return has not been filed.	<ul style="list-style-type: none"> <li>Assign to FORT to process return.</li> <li>Input follow 14 day follow up for FORT referral.</li> <li>Advise IAT administrator to remove IMF TDI indicator.</li> </ul>
<b>Note:</b> For sole proprietors, partnerships and Single Member Only (SMO) LLC (Disregarded Entities).	<b>Note:</b> Check cross-reference TINs	
IMF TDI 10 Week Suspense Period Expired.	return is filed.	<ul style="list-style-type: none"> <li>Advise IAT administrator to remove IMF TDI indicator.</li> </ul>
<b>Note:</b> For sole proprietors, partnerships and Single Member Only (SMO) LLC (Disregarded Entities).		
BMF 6020b Letter 45 Day Suspense Period Expired	return has not been filed.	<ul style="list-style-type: none"> <li>Input TC 599-63 on IDRS.</li> <li>Code return and send returns for processing. See IRM 5.4.10.5 <i>Default and Termination Procedures</i>.</li> <li>Advise IAT administrator to remove BMF TDI indicator.</li> </ul>
BMF 6020b Letter 45 Day Suspense Period Expired	return filed	<ul style="list-style-type: none"> <li>Advise IAT administrator to remove BMF TDI indicator.</li> </ul>
Payment Not Found Credit Reversal on Account	if research indicates the payment was misapplied	<ul style="list-style-type: none"> <li>Apply payment to earliest CSED</li> </ul>
Payment Not Found Credit Reversal on Account	if research indicates payment was missed	<ul style="list-style-type: none"> <li>allow "skip"</li> </ul>
	if condition exist	<ul style="list-style-type: none"> <li>Default to ST 64 BMF and IMF accounts.</li> </ul>
<b>Note:</b>		
New Bal Due on X-Ref TIN	IBTF Corp/LLC accounts (1120 filer) with TFRP assessments on the x-ref should not have 1040 assessments. If the x-ref defaults for 1040 liability do not	<ul style="list-style-type: none"> <li>Input sub code 926.</li> <li>Request case file</li> </ul>

default the Corp/LLC agreement.

- Advise IAT administrator of CP 523 date.

New Bal Due on X-Ref TIN does not exist

- Provide updated information to IAT administrator.

Bankruptcy: ST 72 condition exist

- Close the NF-OI.
- Request case file and send to closed case
- Advise IAT administrator to remove TIN from inventory.

IA Review date expired, not review case 2-YR

- Update IADIS with next review cycle in 3 years from current review cycle.

Suspended IA, ST 61 condition exists

- Input sub code 926.
- Request case file
- See *IRM 5.4.11.7, Default and Termination Procedures*.
- Provide IAT administrator default date.

Suspended IA, ST 61 condition does not exist

- Reinstate the agreement.
- Notify IAT administrator to reinstate IA.

Origination Fee error

- Check user fee on IADIS.
- Make necessary adjustments to user fee.

the taxpayer on the IA has an Offer In Compromise (OIC).

OIC: ST 71

**Note:**  
TC 480 posted.

- Close case (NF-OI).
- Request case file and send to closed case
- Provide updated information to IAT administrator.

#### 5.4.11.5.4 (04-17-2013) PPIA - IAT Monitoring Procedures

1. Work the Manual Action List upon receipt. Refer to the "Reason Box" to determine appropriate procedures.

**Note:**

When working PPIA-IAT Manual Action List use procedures above in addition to specific reason codes for PPIA cases listed below.

2. Annotate ICS and AMS case history, of all action taken.

**Note:**

History entries will contain enough information so any person subsequently reading the history can easily determine what decisions were made, why those decisions were made, what actions were taken and what further actions are required to resolve issues.

**If the reason box states:**

**And ...**  
taxpayer is not in full compliance with IA

**Then ...**

Two-year review cases - CP 522P printed

**Note:**  
Delinquent returns do not effect the compliance of an IA.

- Do not mail CP 522P to taxpayer.
- See *IRM 5.4.11.7., Default and Termination Procedures*.
- Provide updated information to IAT administrator.

Two-year review cases - CP 522P printed

taxpayer is in full compliance with IA.

- Mail CP 522P to taxpayer.
- Provide updated information to IAT administrator.

CP 522P sent, 37 day suspense period expired

taxpayer did not respond to CP 522P.

- See *IRM 5.4.11.7, Default and Termination Procedures*.
- Provide updated information to IAT administrator.

CP 522P sent, 37 day suspense period expired

taxpayer responds with completed financial information.

- Analyze financial information. See *IRM 5.19, Liability Collection*, and *IRM 5.15.1, Financial Analysis Handbook*.
- Revise 2 year review cycle on IDRS.
- Provide updated information to IAT administrator.

Business Closed Date Present on BMFOLE

IDRS research indicates taxpayer is out of business

- Verify TFRP has been addressed
- Taxpayer is in compliance with all terms of the agreement
- Close appropriate filing requirements
- Provide updated information to IAT administrator.

Business Closed Date Present on BMFOLE IDRS research indicates taxpayer is still in business

- Ensure taxpayers filing requirements are open
- Update business closed date on ENMOD
- Verify IA is in ST 60
- Provide updated information to IAT administrator.

#### 5.4.11.6 (01-01-2015)

#### Taxpayer Inquiries to Default Notices or Proposals to Change Installment Agreements

1. Proposal to change IAs may result from letters or phone contact from the taxpayer. Do not solicit E-mails or respond to taxpayers by E-mail. E-mail responses violate IRS Security Policy.
2. Follow disclosure procedures in IRM 5.4.13.1, *Taxpayer Authenticity*, and IRM 5.4.13.2, *Clerical Procedures*.

**Note:**

Beginning on January 9, 2012, some taxpayers may inform an IRS assistant they have a four digit transfer PIN provided by the previous IRS assistant. See IRM 21.1.3.2.6, *Accepting Transferred Calls When the Taxpayer Provides a 4 Digit Transfer PIN*.

3. Check IDRS/ICS for case assignment. If the case is in ST 22, 24, or 26 and not assigned to CCP, refer to the appropriate function for resolution. ST 22 and 24 accounts will be referred to the general toll free number. Cases assigned to FC will be referred to the RO assigned to the case.

**Note:**

Check all available systems, including AMS, to ensure the taxpayer has not made other contacts to the Service.

4. If the taxpayer requests to revise/reinstate or change the current terms of the IA see IRM 5.19.1.5.5.21, *Revised/Reinstatement of Installment Agreements*. Verify the address and update levy source(s) and history on ICS/AMS with actions taken, including responses received from the taxpayer. If a taxpayer responds to a notice on a subsequent MFT 35, the service employee can add the new period into an existing installment agreement without additional fees. This will almost always be completed by CCP, CSCO and/or AM employees. A subsequent MFT 35 **WOULD NOT** cause a default on existing installment agreements. If no response: do not default existing IA. If the taxpayer does not want the new SRP module added to the existing IA, then the SRP will be moved to recess (TC530 cc 35). This will happen systemically if no action is taken, and the case will not be assigned to ACS or Field Collection. The case will continue to be subject to refund offset if the taxpayer does not request to have the MFT 35 included in the IA. A subsequent MFT 35 **WOULD NOT** cause a default on the existing IA. If IA defaults for another reason i.e. failure to pay, it would only be reinstated if all modules, including any subsequent MFT 35 modules, were included
5. If the taxpayer is requesting a lien payoff in writing and the case is in ST 26 and assigned to CCP, complete Letter 1038, *Inquires about Release of NFTL*. For general balance due requests, prepare Letter 3221 or Letter 3221A (joint accounts), *Respond to Bal Due Inquiry*, with current payoff information and mail to the taxpayer's last known address or representative. Both letters are available on ICS; however, amounts must be verified with IDRS (INTST) before issuing the letters.
6. Provide taxpayers with specific deadlines and Warnings of Enforcement (WEOA). WEOA is required when the taxpayer is required to take some type of action. The warning should be appropriate to the facts of the case. Ensure taxpayers understand if they fail to perform the task as agreed, their noncompliance carries certain consequences.

**Example:**

Make payment/file by a certain date.

Document and specify the WEOA.

**Exception:**

If a taxpayer contacts CCP after a WEOA is given and there is no new commitment made by the taxpayer, there is no requirement for WEOA again.

**Example:**

A taxpayer promises to submit a financial statement substantiation by a specific date, then calls back only to confirm the address to which the substantiation must be mailed. No WEOA is required as there has been no change to the taxpayer's commitment.

Warn the taxpayer in a non-threatening manner the IRS may take enforced collection action if an agreement cannot be reached; the warning should be as specific as possible. It is not sufficient to state, "We will take enforcement action if you do not meet the terms of this agreement." Specifically state the next action IRS may take. See IRM 5.19.1.8, *Warning of Enforcement Action and Enforced Collection*, for next actions.

**Example:**

If you do not make the payment(s) as agreed, we may file a Notice of Federal Tax Lien and/or take the next step to levy your bank account and your wages.

**If taxpayer's IA has not defaulted and taxpayer makes a**

**And ...**

**Then ...**

request to change the payment due date

taxpayer is in compliance with IA

- Allow change.
- Update IDRS and ICS/AMS with the new payment due date.
- Provide updated information to IAT administrator, if necessary.

requests to change the IA amount

request is to increase payment amount

- Allow increased payment amount.
- Do not make any changes to IDRS or ICS.
- Continue to monitor the case according to procedures.

the IA will be paid in full with the lowered payments prior to three months of the CSED(s) or six months of any unsatisfied ASSED and the taxpayer is compliant with filing and payment requirements.

- Prepare a Form 4844, *Request for Terminal Action*, to obtain managerial approval. Manager will document ICS/AMS.

requests to decrease the payments less than or equal to 20% of the current payment amount

**Note:**

- Allow the decreased payment amount.
- Notify the taxpayer of the change to the IA.

If the taxpayer is not in compliance with filing and payment requirements, a request to decrease payments cannot be considered.

- Update IDRS/AMS and ICS with the new payment amount.
- Provide updated information to IAT administrator.

requests to decrease the payments less than or equal to 20% of the current payment amount

the IA will be **not** be paid in full with the lowered payments prior to three months of the CSED(s) or six months of any unsatisfied ASED **and** the taxpayer is compliant with filing and payment requirements.

**Note:**

If the taxpayer is not in compliance with filing and payment requirements, a request to decrease payments cannot be considered.

- For IMF accounts, complete financial screen within AMS if the taxpayer has the necessary information available. If the taxpayer does not have the necessary information request a CIS (Form 433F, *Collection/Information Statement*) to be completed within 14 days.
- For BMF accounts or self employed taxpayers request a Form 433-A, *Collection Information Statement for Wage Earners and Self-Employed Individuals*, or Form 433-B, *Collection Information Statement for Businesses*, from the taxpayer and prepare a FORT referral when received.
- Advise the taxpayer to continue making the monthly payment until the CIS has been approved or denied.
- Analyze CIS for IMF taxpayers per IRM 5.19.1.6, *Securing Financial Information*, and IRM 5.15.1, *Financial Analysis*.
- If the CIS indicates the taxpayer has the ability to make the scheduled payment amount, notify the taxpayer to continue making the scheduled payment.
- If the CIS indicates the taxpayer does not have the ability to make the scheduled payment refer to the FORT.

requests to decrease the payments for more than 20% of the current payment amount

the IA is for an IMF account

- Complete financial screen within AMS, if taxpayer has the necessary information available. If taxpayer does not have necessary information request a CIS to be completed within 14 days.
- Advise the taxpayer to continue making the monthly payment until the CIS has been approved or denied.
- Analyze CIS per IRM 5.19.1.6, *Securing Financial Information*, and IRM 5.15.1, *Financial Analysis Handbook*.
- If the CIS indicates the taxpayer has the ability to make the scheduled payment amount, notify the taxpayer to continue making the scheduled payment.
- If the CIS indicates the taxpayer does not have the ability to make the scheduled payment refer to the FORT.

requests to decrease the payments for more than 20% of the current payment amount

the IA is for a BMF account

- Request a Form 433 A/B from the taxpayer to be completed within 14 days.
- Advise the taxpayer to continue making the monthly payment until the CIS has been approved or denied.
- Refer the case to the FORT when the Form 433 is received.

is unable to make a scheduled payment

and the skip(s) has been used

- Advise the taxpayer to make payments as they can for as much as they can to reduce penalty and interest,
- Advise the taxpayer that the account will default if the full payment is missed and they will receive a default notice (2975 Ltr/CP 523) providing appeal rights.
- Advise the taxpayer the case will be assigned back to an RO who will contact them.
- Continue to monitor the case according to procedures.

and the skip(s) have **not** been used. See IRM 5.19.1.5.5.20, *Payment Skips (Missed Payments)*.

is unable to make a scheduled payment

**Note:**

For IMF accounts a second skip is allowed when hardship criteria is met.

- Allow "skip." Inform the taxpayer you are allowing the missed payment and they must make the next month's payment on schedule.

has an erroneous levy

taxpayer has a valid MMIA

- Request a copy of the Notice of Levy from the taxpayer.
- Prepare a FORT referral and expedite to FORT for Levy release.
- If erroneous levy payments have been received, prepare a FORT referral for resolution.

concerning not being able to make payments due to a disaster

the IA is an MMIA

- See IRM 25.16.1.13, *Disclosure Provisions When Providing Emergency Relief*

**If taxpayer's IA has defaulted and taxpayer**      **And ...**

**Then ...**

- Give the taxpayer seven days to send in missed payment. Advise the taxpayer of the reinstatement user fee.

is able to make up missed payment was caused by a one-time event

- Advise taxpayer that failure to make up missed payment will result in the case being returned to the RO.
- Give WOE
- Set 21 day follow-up on ICS for receipt of payment.
- If payment is received, revise IA.
- Advise IAT administrator to reinstate IA.

**Note:**

Do Not suppress User Fee.

is unable to make up missed payment

- Advise the taxpayer to make payments as they can for as much as they can to reduce penalty and interest,
- Advise taxpayer the case will be assigned back to an RO who will contact them.
- Follow default procedures, *IRM 5.4.11.7, Default and Termination Procedures*, if case has not yet been returned to an RO.

If the IA was defaulted because of the taxpayer will full pay the new liability within 14 days an additional liability

- Provide the taxpayer with balance due using INTST adding 10 days to the taxpayers requested pay off date, if the payment is being mailed and to the date the taxpayer plans to authorize the payment if paying by credit card.
- Set a 21 day follow-up to monitor for full payment of new liability.
- If the new liability is full paid: Reinstate the agreement. and provide updated information to IAT administrator.
- If the new liability is not full paid continue with default procedures, see *IRM 5.4.11.7, Default and Termination Procedures*.

If the IA was the new liability (ICOMP) will result in no more than two defaulted because of additional monthly payments and the agreement will not an additional liability extend beyond the imminent ASSED/CSED.

- Reinstate the agreement.
- Assess the appropriate reinstatement/ revised user fee.
- Notify the taxpayer a lien may be filed.
- Prepare a FORT referral for a lien determination

If the IA was the new liability (ICOMP) will result in more than two defaulted because of additional monthly payments or the agreement will extend an additional liability beyond the imminent ASSED/CSED.

- Advise the taxpayer to make payments as they can for as much as they can to reduce penalty and interest,
- Advise taxpayer the case will be assigned back to an RO who will contact them.
- Follow default procedures, *IRM 5.4.11.7, Default and Termination Procedures*, if case has not yet been returned to RO.

#### **5.4.11.7 (04-17-2013) Default and Termination Procedures**

1. When taxpayers do not meet the terms of their IA, the agreement will be terminated. Taxpayers may appeal proposed terminations.
2. Complete ICS Default checklist, document AMS when appropriate.
3. Change 926 sub codes to original case sub code.
4. Secure the paper case file, transfer the case back via ICS, and mail the paper case file to the appropriate Group Manager. Copy and paste the "Default Checklist" in an E-mail to the Territory Manager when the case is transferred to the FC function.

**Note:**

IBTF cases will systemically be assigned to the Group Manger's hold file upon default.

#### **5.4.11.7.1 (04-17-2013) MMIA Default Procedures**

1. When an agreement defaults, taxpayers with IDRS-monitored agreements receive CP 523, *Default Installment Agreement-Notice of Intent to Levy*. In the case of taxpayers with manually monitored agreements, Letter 2975, *Notice of Intent to Levy under IRC section 6221(d)*, will be issued when an agreement defaults. Like the CP 523, Letter 2975 gives the taxpayer 30 days to comply with the terms of the agreement before an IA is terminated. Letter 2975 must be issued no less than 30 days before the date of termination in all non-jeopardy situations.
2. Issue Letter 2975 as follows:
  - A. complete the identification information on the top of the letter;
  - B. provide the reason the agreement defaulted, see *IRM 5.14.11.3, Reasons for Proposing Termination (Defaulting) of Installment Agreements*.
  - C. compute penalty and interest to 30 days from the date of the letter;
  - D. include Publication 594, *The IRS Collection Process*, and a non-postage-paid return envelope with the letter;
  - E. include Publication 1660, *Collection Appeal Rights*, see *IRM 5.14.9.8, Collection Appeals Program*; and
  - F. send the letter by certified or registered mail, return receipt requested.

**Note:**

For SMO/LLC IBTF-IA, separate 2975 letters must be issued to the SMO and the LLC.

3. After 90 days from the issuance of the default letter if
  - A. the IA has not been reinstated;
  - B. a new IA has not been placed into effect and/or will not be entered into soon;
  - C. the taxpayer has not requested a Collection Appeals Program hearing for the default or termination of the IA; or
  - D. the taxpayer has not requested a Collection Due Process hearing;

input TC 971 AC 163 on all appropriate periods and transfer the case to the appropriate group pursuant to zip code and grade level using the ICS parameter tables. See IRM 5.1.9.3.6.1, *Transaction Code TC 520 and TC 521 CC 76 or 77*.

**Note:**

In addition to checking the case history, check IDRS for TC 520 CC 76 or 77 to determine if there is an active CDP Appeal. A TC 971 AC 275 indicates a CDP Appeal request has been received, but not yet opened as a case. If Appeals determines an IA is not the proper case resolution, or if the resolution cannot be completed within CCP, forward the case to the appropriate FC group pursuant to the zip code and grade level of the case listed in the parameter tables located in ICS. If there is currently an OI assigned to FC, transfer the case to the proper employee.

**Note:**

If an Other Investigation (OI) is currently assigned to a field employee, transfer the case to that employee.

**5.4.11.7.2 (04-17-2013)  
IBTF Default Procedures**

1. When an IBTF defaults for failure to pay additional liabilities when due or failure to make installment payments, a CP 523, *Default Installment Agreement-Notice of Intent to Levy*, should be issued from IDRS.

**Note:**

Because IBTF's are monitored in ST 60, they will default if taxpayers do not make payments or if new accounts are assessed. If an IBTF includes liabilities assessed in the name and EIN of an LLC when the SMO is identified as the liable taxpayer, the IBTF should not be defaulted if new accounts are assessed for employment tax periods beginning on or after January 1, 2009, when the LLC is the liable taxpayer. See IRM 5.1.21, *Collecting from Limited Liability Companies* and IRM 5.14.7.3.1, *Installment Agreements When Owner is Liable for Assessments in LLC Name*, and IRM 5.14.2, *Partial Payment Installment Agreements and the Collection Statute Expiration Date*, for procedures pertaining to these instances. Since the LLC may be liable for new tax periods assessed in the name and EIN of the LLC, issue an OI to the originator to address new liabilities and continue to monitor the SMO portion of the IA.

2. Verify the CP 523, *Default Installment Agreement-Notice of Intent to Levy*, was issued.

**Note:**

For SMO/LLC IBTF-IA agreements, no CP 523 will be issued. Verify separate Letters 2975, *Notice of Intent to Levy under IRC section 6221(d)*, were sent to the SMO and LLC.

3. If the CP 523 not was not sent, input command code IADFL. This will cause:
  - A. the account to update to ST 64; and
  - B. issuance of the default notice CP 523.
4. If payment was received from the taxpayer, notate the case history and verify the case was reinstated to ST 60.
5. If, after receipt of payment, the case was not reinstated to ST 60, verify there is no other reason for the default condition, and reinstate to ST 60.
6. If the IA has not been reinstated after 90 days see *IRM 5.4.11.7.1(3), MMIA Default Procedures*.

**Note:**

Defaulted IAs will automatically upload to the group manager approximately 70 days after the default notice is sent. Route the paper case file to the Group Manager after the 90th day. Copy and paste the "Default Checklist" in an E-mail to the Territory Manager when the paper case is mailed to FC. Ensure any associated balance due is assigned to the appropriate group. Do not review for a cure of the default or contact the RO if the case has automatically uploaded to the field.

7. If the TFRP has not been assessed forward the TFRP file to the FORT.

**5.4.11.8 (04-17-2013)  
PPIA Two Year Financial Review**

1. After approval of the MMIA/IBTF Partial Payment Installment Agreement (PPIA) by the field group manager, a systemic Other Investigation (OI), "101 - PPIA Monitor" will be generated on ICS and assigned to CCP for the two year review.
2. When notification of the two year review is received generate the CP522P letter using ICS and mail to the taxpayer.
3. ICS will systemically generate a 30 day follow-up from the date of the letter. The ICS history will indicate "Follow-up PPIA Review Letter."
4. When notification of the PPIA review letter follow-up is received, and no response has been received from the taxpayer, follow default procedures. See *IRM 5.4.11.7, Default and Termination Procedures*.

**5.4.11.8.1 (04-17-2013)  
PPIA Review Letter (CP522P) Responses**

1. Annotate ICS/AMS case history with actions taken.

**Note:**

History entries will contain enough information so any person subsequently reading the history can easily determine what decisions were made, why those decisions were made, what actions were taken and what further actions are required to resolve issues.

2. Managerial approval is needed on all (newly completed) two year financial reviews.
  - Document AMS that the financial review was completed and forwarded to manager for approval.

- Provide a copy of AMS financial print to the manager.
  - Managers will review the financial print and approve or disapprove the financial analysis.
  - Manager will document AMS with "FINAPP" when the analysis of the financial statement is completed and approved.
  - Financial statements not approved will be documented in AMS with the reason why the financial was not approved and returned to the originating employee for follow-up.
3. When conducting a two-year review, consider the taxpayer's income, expenses, assets and equity to determine if:
- A. the liability can be full paid, or;
  - B. an adjustment to the payment amount is necessary, or;
  - C. the agreement should continue without change, or;
  - D. the taxpayer is unable to pay.

**Note:**

If at anytime during the process the taxpayer qualifies for and agrees to an SIA, input of the financial information is not necessary. Input the IA as agreed to, document AMS with SIA information, input levy sources, if present, and destroy the Form 433. See IRM 5.19.1-7, *CC IAREV*.

4. Use IRM 5.4.13.1, *Disclosure to Persons with a Material Interest*.

**Note:**

The Service may work directly with a taxpayer who has a POA to resolve an issue on the taxpayer's account. If the taxpayer initiates the contact expressing a specific desire to resolve the issue without the involvement of the POA, advise the taxpayer of the current representative (per Centralized Authorization File (CAF)) for that tax period and form. Resolution of the issue must be properly documented on AMS.

Third party designees (check box authority) and unauthorized third parties do not have the authority to enter the taxpayer into an extension or a formal IA. Always check the authority level of a valid POA, per CC RFINK and CFINQ, before granting an extension or an IA.

5. When contacted by the taxpayer or their authorized representative, CCP will conduct a two-year financial review using AMS, for IMF accounts. See IRM 5.15.1, *Financial Analysis Handbook*, for two-year financial review criteria.

**Note:**

If the taxpayer needs additional time to provide the financial information, allow no more than 14 additional days or the date the review cycle expires, which ever is earliest.

6. If it is a business taxpayer request a completed Form 433 A/B from the taxpayer. Set 14 day follow-up. Update the review cycle if necessary to prevent the account from defaulting. Prepare a FORT referral after financial information is secured and update review cycle for four cycles.

**Note:**

The CP522P refers BMF taxpayers to the FORT for financial analysis.

**Note:**

If the account has already defaulted, do not revise the agreement until the financial analysis is completed.

7. If the taxpayer states they have a court ordered payment such as alimony, child support, state and other court order payments, or, based on a taxpayer's individual facts and circumstances, it may be appropriate to deviate from the standard amount when failure to do so will cause the taxpayer economic hardship. Payments for other expenses such as state or local tax payments and student loans may also be allowed in certain circumstances. See IRM 5.19.1.6.2.6, *Other Necessary Expenses*. The taxpayer must provide reasonable substantiation of all expenses claimed that exceed the standard amount, CCP must:
- A. Request a copy of the agreement, court order or substantiations for expenses by fax or mail. If the taxpayer does not have access to a fax machine allow 14 days for mailing.
  - B. Complete 2-year financial review.
  - C. Document case history with all action taken.
  - D. Prepare a FORT referral after securing the documentation.
  - E. Update IADIS for 4 cycles to prevent the case from defaulting.

**Note:**

Attempt to secure all available financial information during the initial contact.

8. If the taxpayer now has the ability to full pay, demand will be made for full payment.
9. If the taxpayer has ability to borrow, per the "financial statement" on AMS summary page, and can apply the amount to the liability in full or in part, the taxpayer will be required to utilize the equity before a new PPIA will be allowed on the remaining liability. Request loan approval/denial from the taxpayer be submitted within 30 days and update IADIS for four cycles to prevent the case from defaulting. Prepare a FORT referral after securing documentation.
10. If the financial review indicates the taxpayer's ability to pay an amount that is different from the existing agreement and the payment amount needs to be increased, (more than 20% of the established IA amount), notify the taxpayer accordingly, verbally on the phone or in writing, and revise the IA.
11. If there is no significant change to the taxpayer's financial situation (payment increase of 20% or less than the established IA amount), or if the review indicates a reduced ability to pay, the agreement will continue as originally established. The taxpayer will be notified that there is no change in the agreement. If the taxpayer requests the current payment to be reduced, allow a 20% reduction.
12. If the taxpayer is required to take some type of action, provide the taxpayer with specific deadlines and WOEAs. The warning should be appropriate to the facts of the case. Ensure the taxpayer understands that if they fail to perform the task as agreed their noncompliance carries certain consequences.

**Example:**

Make payment/file by a certain date.

Document and specify the WOEAs.

**Exception:**



If a taxpayer contacts CCP after a WOEa is given and there is no new commitment made by the taxpayer, there is no requirement for WOEa again.

**Example:**

A taxpayer promises to submit a financial statement substantiation by a specific date, then calls back only to confirm the address to which the substantiation must be mailed. No WOEa is required as there has been no change to the taxpayer's commitment.

Warn the taxpayer in a non-threatening manner the IRS may take enforced collection action if an agreement cannot be reached; the warning should be as specific as possible. It is not sufficient to state, "We will take enforcement action if you do not meet the terms of this agreement." Specifically state the next action IRS may take. See IRM 5.19.1.8, *Warning of Enforcement Actions and Enforced Collection*, for next actions.

**Example:**

If you do not make the payment(s) as agreed, we may file a Notice of Federal Tax Lien and/or take the next step to levy your bank account and your wages.

13. If CCP is unable to revise the agreement or take other action necessary to resolve the case, i.e. taxpayer refuses the new proposal, the agreement will be allowed to default.
14. Update levy source on LEVYS.
15. Update the two-year review cycle by updating the Agreement Review Date on IAGRE and input the new review cycle to ICS if there is a PPIA OI.

**Note:**

If the agreement no longer qualifies as a PPIA, update the PPIA indicator.

**5.4.11.9 (04-17-2013)**

**Installment Agreement Account Listings (IAAL)**

1. Do not work the Installment Agreement Account Listings (IAAL) generated for CCP. All categories are now included on the IAT Manual Action Lists (MAL) generated daily.

[More Internal Revenue Manual](#)



## Part 5. Collecting Process

### Chapter 4. Case Processing

#### Section 12. Field Office Resource Team

##### 5.4.12 Field Office Resource Team

- 5.4.12.1 [Overview](#)
- 5.4.12.2 [Responsibilities](#)

##### Manual Transmittal

January 17, 2013

##### Purpose

(1) This transmits IRM 5.4.12, Field Office Resource Team (FORT), updated section of IRM 5.4 for use by Centralized Case Processing (CCP) FORT in the Philadelphia Campus.

##### Material Changes

- (1) This section of the IRM specifically designed for the Field Office Resource Team (FORT) in Centralized Case Processing.
- (2) Time frames for processing were added.
- (3) Case controlling requirement added.
- (4) Procedures were updated and clarified.
- (5) References were corrected.
- (6) Restructuring of IRM content.
- (7) Restricted Interest procedures added.

##### Effect on Other Documents

This material supersedes IRM 5.4.12, dated 03-20-2012.

##### Audience

The target audience is the Centralized Case Processing FORT team in Philadelphia Campus.

##### Effective Date

(01-17-2013)

Cheryl Cordero  
Director, Filing & Payment Compliance  
Small Business/Self-Employed

##### 5.4.12.1 (01-17-2013)

##### Overview

1. The Field Office Resource Team (FORT) was created to provide a link between Centralized Case Processing (CCP) and Field Collection function (FCf) for the resolution of workflow issues, technical assistance, and answering general and procedural questions. The FORT will also provide support to CCP, process cases, and perform data analysis for continuous process improvements in CCP and FCf.
2. The primary purpose and responsibilities of the FORT in CCP is to provide:
  - A. Liaison services for IRS agencies.
  - B. Case Processing Support for internal customers.
  - C. Data Analysis for CCP.
  - D. Customer Service to SBSE field, taxpayers, and CCP.

##### 5.4.12.2 (01-17-2013)

##### Responsibilities

1. This section describes the type of work the FORT will perform.

##### 5.4.12.2.1 (01-17-2013)

##### FORT Referrals

1. General Case Processing (GCP) and Manually Monitored Installment Agreement (MMIA) departments will prepare a referral to the FORT for issues beyond their scope. Local procedures and IRM 5.4 will determine the method and forms used to make the referrals.

##### Note:

If the FORT referral does not meet IRM 5.4 criteria reject the referral back to the originator.

2. The FORT will assign and open a control base on IDRS.

**Note:**

All FORT referrals require the Integrated Collection System (ICS)/Accounts Management System (AMS) or the paper case to be documented.

3. The FORT has 14 days from receipt of the case to take necessary action.

**5.4.12.2.1.1 (01-17-2013)**

**Manually Monitored Installment Agreement FORT Referrals**

1. The following issues may be referred to the FORT by the Manually Monitored Installment Agreement (MMIA) team:
2. Lien determinations for new balance dues added to existing IA's where the Unpaid Balance of Assessment (UBA) exceeds \$10,000.00.
3. Assessment Statute Expiration Date (ASED) issues relating to the Trust Fund Recovery Penalty (TFRP). See IRM 5.7.4.8.1.
4. Collection Statute Expiration Date (CSED) issues. See IRM 5.14.2.
5. Levy Release Requests. See IRM 5.11.2.
6. Two Year Financial Reviews for BMF Partial Payment Installment Agreement (PPIA) cases. See IRM 5.4.11.8
7. Complex IMF Partial Payment Installment Agreements financial reviews.
8. Bankruptcy Questions. See IRM 5.9.4.18.
9. Corporate Income Tax (1120) Non Filers and 6020(b) request for all returns except Forms 94X, Employee Federal Tax Returns. See IRM 5.18.2.
10. Continuous Wage Levy Issues for:
  - A. New balance dues that need to be added to existing wage levies..
  - B. Levy releases for full paid accounts.
  - C. See IRM 5.11.2.
11. MMIA revisions to existing Installment Agreements (IA)s for taxpayers who:
  - A. Want to reduce their IA payment by more than 20% of the current amount.
  - B. Have new balance dues that need to be added to the IA that would add more than 6 months to the payment schedule. The full payment must be made with at least 6 months remaining on any ASED and 3 months remaining on any CSED.
  - C. Accounts with delinquent Form 1120, US Corporate Income Tax Return and Form 2290, Heavy Highway Use Tax Return.
12. Appeals requests from taxpayers including:
  - A. Collection Due Process (CDP).
  - B. Equivalent Hearing (EH).
  - C. Collection Appeals Request (CAP).
  - D. See IRM 5.1.9.

**Note:**

When requesting a CDP or EH hearing request be added to the CDP tracking system, use location code 0600 to identify hearing requests originating from CCP.

**5.4.12.2.1.2 (01-17-2013)**

**General Case Processing Referrals**

1. General Case Processing (GCP) will refer any complex or unusual issue to the FORT for resolution. FORT will provide feedback and recommend training on identified issues based on referrals received. See IRM 5.4.10. The following requests must be referred to the FORT:
  - A. Interest abatements. These must be approved by Area Interest Abatement coordinators. See IRM 20.2.7.
  - B. Manual refund requests.
  - C. TAS adjustments. See IRM 13.1.7.
  - D. Imminent Statute cases. See IRM 25.6.1.
  - E. Prompt, Quick, and Jeopardy Assessments. See IRM 5.1.4 and IRM 25.6.1.9.9.1
  - F. Department of Justice (DOJ) cases. These cases must be worked within 48 hours from receipt in the FORT. Process per the request.
  - G. Military Deferment Requests. See IRM 5.1.7.12.

**5.4.12.2.2 (01-17-2013)**

**Taxpayer Advocate Service (TAS)**

1. The Taxpayer Advocate Service (TAS) is an independent organization within the IRS whose employees assist taxpayers who are experiencing economic harm, who are seeking help in resolving tax problems that have not been resolved through normal channels, or who believe that an IRS system or procedure is not working as it should. Taxpayers may be eligible for assistance if they:
  - A. Are experiencing economic harm or significant cost (including fees for professional representation),

**Note:**

If the taxpayer is not represented, keep in mind that he or she may be eligible for assistance from a Low Income Taxpayer Clinic (LITC). LITCs assist low income individuals in resolving federal tax problems such as audits, appeals, litigation, and tax collection disputes. Some LITCs also provide services to taxpayers who speak English as a second language, including education about taxpayer rights and responsibilities, and consultations on individual tax issues. LITC services must

be free or cost only a nominal fee. LITCs receive funding from the IRS and the program receives oversight from the National Taxpayer Advocate, but the clinics are wholly independent of the IRS. Although there is at least one LTC in each state, Puerto Rico and the District of Columbia, not every clinic offers a complete range of services. For a complete list of LITCs services offered, and contact information, see IRS Pub 4134, Low Income Taxpayer Clinic List. If appropriate, you can refer taxpayers to Pub 4134, but you cannot direct taxpayers to a specific LTC.

- B. Have experienced a delay of more than 30 days to resolve a tax issue, or
- C. Have not received a response or resolution to the problem by the date promised by the IRS.

2. TAS has now clarified its existing criteria to include equitable treatment and taxpayer rights, specifically an area for "best interest of the taxpayer" and "Public Policy." Public Policy cases will be brought in the program as determined solely by the National Taxpayer Advocate (NTA). While TAS is required by statute to assist taxpayers in circumstances where Significant Hardship exists, it is also responsible for assisting taxpayers who have unresolved problems with the IRS. See IRM 13.1.7 if additional information is required. Taxpayers can contact the Taxpayer Advocate Service by calling their toll-free case intake line. To learn more about the Taxpayer Advocate Service, go to <http://www.irs.gov/advocate/>.
3. The FORT is responsible to work all Taxpayer Advocate Service (TAS) cases identified in the Service Level Agreement or assigned to Field Collection function (FCf). See IRM 13.1.17. TAS requests will be received via Form 12412 an Operations Assistance Request (OAR). The assigned tax examiner will log the TAMIS number into the TAS logbook.
4. If OAR was sent to CCP in error, the assigned tax examiner will reject the OAR back to the originator by fax with the first two pages of the OAR.
5. Upon receipt of the OAR, contact the TAS employee to acknowledge receipt of the OAR.
6. All requests should be completed by the requested completion date on the OAR.

**Note:**

If unable to meet the requested completion date contact the TAS employee to negotiate a new date.

7. For MMIA issues, take necessary action and document ICS.
8. When the recommended actions in Section IV of the OAR have been completed, complete Section VI on page 2 of the OAR and fax to the TAS originator. Include prints of any modules adjusted. Write "closed" on the OAR and suspend the file for 60 days.
9. Purge the suspense file after 60 days.

**5.4.12.2.3 (01-17-2013)**

**Military Deferment**

1. The Servicemembers Civil Relief Act, 50 U.S.C. app. Section 570, provides for deferment of payment of taxes by individuals whose ability to pay has been "materially affected" by the individuals military service. The deferment applies to the period of qualified military service plus a maximum of 180 days after the service period ends.
2. IRM 5.1.7.12 and IRM 5.19.1.4.9 define the criteria for taxpayers to qualify for military deferment. The FORT is responsible to monitor all military deferment cases. Combat Zone cases are a category of military deferment and are NOT monitored in Centralized Case Processing. The cases are to be maintained until the military deferment period has expired. Upon receipt of a military deferment case check IDRS for the following:

- A. Posting of Status 44.
- B. Posting of TC 500 CC 50 (prior to Jan. 2004) and CC 51 (after Jan. 2004) on all balance due modules. If not posted, do the input, making sure to put the liability indicator P for Primary, S for Spouse, or B for Both.
- C. The tax examiner is to verify that the military deferment expiration date is computed correctly. Military Deferment expiration equals taxpayer's requested period of deferment during qualified military service plus 180 days.

**Note:**

An officer may receive deferment only for the first two (2) years of qualified military service plus 180 days.

See IRM 5.1.7.12 and IRM 5.19.1.4.9 for a description of the periods of military service that qualify for deferment. If the military deferment expiration date is not correct, establish the correct date and use the corrected date throughout the procedures.

- D. Check IDRS (SUMRY and IMFOLI) to confirm all tax returns have been filed. If the taxpayer is not in filing compliance (all income tax returns filed), ask the taxpayer to submit the unfiled returns. Failure to submit unfiled returns does not prevent a taxpayer from being eligible for military deferment.
- E. Confirm that the taxpayer's adjusted gross income (AGI) has decreased from the prior year compared to the start date of the military deferment. This should be indicated on the Letter 1175C, Collection Postponed During Initial Period of Active Military Service, or equivalent statement. If it has not decreased then the taxpayer is generally not eligible for military deferment.

**Note:**

Current monthly expenses incurred by the taxpayer as a result of military service should be deducted if current monthly earned income is more than monthly earned income immediately prior to military service.

See IRM 5.1.7.12 and IRM 5.19.1.4.9 for detailed instructions for determining eligibility for military deferment.

- F. Documentation as outlined in IRM 5.19.1.4.9 must be in the case file.

3. If the taxpayer does not qualify for military deferment reject the case to the originator. See IRM 5.1.7.12.2(3) to determine if the taxpayer qualifies for the reduced interest rate.
4. After verifying that the taxpayer qualifies for military deferment and confirming the above information, take the following actions to monitor the case:
  - A. Create the case on ICS.
  - B. Document ICS with receipt of case and actions taken, as well as the calculated deferment date.
  - C. Establish follow-up date. Determine this date by subtracting 30 days from the deferment date.
5. Review the case when the scheduled follow-up date arrives (via ICS notification); review IDRS to determine current status of case. If case status has changed, such as full payment received or status has changed to 60 (installment agreement), no action is needed. Check IDRS IMFOLE/BMFOLE to see if the enter and exit dates are located on this command code prior to sending the Letter 535, Military Deferment Expiration letter.. If still in deferment, issue Letter 535 and schedule 30 day follow-up on ICS.

**Note:**

Because accruals were suspended per the TC 500 it may be necessary to manually compute interest and FTP penalty prior to sending the Letter 535. See IRM 20.2.7.7.1 for interest and IRM 20.1.2.1.2.1 for FTP penalty instructions.

6. Take the following actions 30 days after issuance of the Letter 535:
  - A. Input TC 502.
  - B. Input TC 550 with new CSED date. See IRM 2.4.19.
  - C. If taxpayer has not responded to Letter 535, schedule next follow-up for 90 days after the date of the TC 502. No collection activity may occur for 90 days after input of TC 502.
  - D. Ensure that the taxpayer is blocked from Federal Payment Levy Program (FPLP) during this 90 day period. See IRM 5.19.9.3.
7. If taxpayer has not responded to Letter 535 by end of the 90 day suspense period, transfer the case and forward the paper case file to the appropriate collection function.
8. If taxpayer responds to Letter 535 take the following actions:
  - A. If the taxpayer responds with full payment and is in full compliance, forward case to closed case files and close ICS control.
  - B. If taxpayer requests an installment agreement, input a TC 971 AC 043.
  - C. If the taxpayer's response indicates an inability to full pay, but the taxpayer wants to explore other payment options, determine if taxpayer qualifies for guaranteed or streamlined IA. Follow procedures in IRM 5.14.5.
  - D. If the taxpayer's response indicates inability to pay, secure a Collection Information Statement (CIS) and determine if the account meets criteria for Currently Not Collectable (CNC) Hardship. If they do not meet CNC criteria contact taxpayer for appropriate case resolution.

#### **5.4.12.2.3.1 (01-17-2013) Military Deferment Transcripts**

1. Military Deferment Transcripts are generated by MITS during the month of January each year and sent to the FORT for review.
2. If the taxpayer is no longer eligible for military deferment, input TC 502, contact the taxpayer and pursue case resolution. If collection activity does not resolve liability and filing compliance and:
  - A. Distainable assets are identified or taxpayer requests field contact, transfer case to appropriate revenue officer field group.
  - B. If distainable assets are not identified and case cannot be resolved by FORT, close case as appropriate.

#### **5.4.12.2.4 (01-17-2013) Government Accountability Office**

1. The FORT will process all Government Accountability Office (GAO) audit requests received from the Chief Financial Office (CFO) and contact appropriate areas/coordinators as needed.

#### **5.4.12.2.5 (01-17-2013) Two Year Financial Reviews for BMF Partial Payment Installment Agreements**

1. The FORT will receive and process calls from BMF taxpayers who receive a CP 522 letter requesting a mandatory two year review of their financial condition. Calls will be received on the FORT toll free line.
2. When conducting a two-year review, consider the taxpayer's income, expenses, assets and equity to determine if:
  - A. The balance due can be full paid, or;
  - B. an adjustment to the payment amount is necessary, or;
  - C. the agreement should continue without change, or;
  - D. the taxpayer is unable to pay.
3. Use IRM 11.3.2 and IRM 11.3.3, Disclosure to Persons with a Material Interest.
4. When contacted by the BMF taxpayer or their authorized representative, The FORT will conduct a two-year financial review based on Form 433-A or 433-B. The business income and expenses should be updated using the Collection Information Statement on ICS. Equity in assets must be addressed in the case history. See IRM 5.15.1 to complete the financial review. If it is an in-business taxpayer or above criteria in IRM 5.19.1.5.5, and financial information is secured the FORT will conduct the two-year financial review within four (4) cycles.
5. The FORT will receive a referral if the taxpayer states they have a court ordered payment such as alimony, child support, state and other court order payments, and documentation is not received. Prior to preparing the FORT referral CCP will:
  1. Request a copy of the agreement or court order by fax or mail, if the taxpayer does not have access to a fax machine allow 14 days for mailing.
  2. Complete 2-year financial review.
  3. Document case history with all action taken.
  4. Allow expenses if documentation is provided.
  5. Update IADIS for 4 cycles to prevent the case from defaulting.

#### **Note:**

Attempt to secure all available financial information during the initial contact.

6. If there are increases to either the taxpayer's income or equity in assets, and the taxpayer now has the ability to full pay, demand will be made for full payment.
7. If the taxpayer has newly acquired assets or increased equity in assets which can be applied to the liability in part, the taxpayer will be required to utilize the equity before a new PPIA will be allowed on the remaining liability.
8. If the financial review indicates the taxpayer's ability to pay an amount that is different from the existing agreement and the payment amount needs to be increased, these changes will be conveyed to the taxpayer; verbally on the phone; or in writing.
9. If there is no significant change to the taxpayer's financial situation, the agreement will continue. The taxpayer will be notified that there is no change in the agreement.

10. If CCP is unable to revise the agreement or take other action necessary to resolve the case, i.e. taxpayer refuses new proposal, the agreement will be forwarded as follows:

- A. ACS (0012) cases will be returned to ACS.
- B. Campus (0012) cases will be issued to ACS.
- C. Field (0012) no equity cases will be forwarded to ACS.
- D. Field asset cases will be forwarded to the field.

**Note:**

Only PPIA's that originated in the field as asset cases may be returned to the field.

11. Update levy source on LEVYS.

12. Update the two-year review cycle by updating the Agreement Review Date on IAGRE and input the new review cycle to ICS if there is a PPIA OI.

**5.4.12.2.6 (01-17-2013)**

**Lockbox**

- 1. Lockbox requests are taxpayer payments on current installment agreements or other balance dues. When the taxpayer sends the payment to the IRS lockbox without a payment voucher or there is insufficient information for the vendor to determine the correct posting of the payment, the vendor will fax these requests to the FORT daily. FORT TE's will research IDRS to determine correct posting of the remittance. Lockbox requests must be completed and returned to the vendor via fax within 4 hours of receipt. Completed requests will be held in a suspense file for one week and then should be purged.

**5.4.12.2.7 (01-17-2013)**

**Adjustments, Credit Transfers, Payment Tracers, and Interest Abatements**

1. The FORT will work adjustments, credit transfers, payment tracers, and interest abatements received in the FORT via:

- A. GCP Referrals.
- B. MMIA referrals.
- C. Restricted Interest and NMF balance due cases assigned to Cff. See IRM 21.7.12 Non-Master File (NMF) Adjustments and IRM 20.2.8 Restricted Interest.
- D. TAS requests.

**Note:**

The FORT generally should not receive referrals from other areas of the service unless the case meets CCP criteria. Requests received erroneously should be returned to the originator.

2. Follow IRM 5.4.10 General Case Processing.

**5.4.12.2.8 (01-17-2013)**

**Restricted Interest Computation**

1. When restricted interest is present on a module the Fort will receive a secure e-mail from the revenue officer.

**Note:**

The FORT only completes restricted Interest computation for Field Collection function.

2. The request will contain the subject line "Request for Restricted Interest Calculation."

3. The body of the e-mail will contain:

- A. Taxpayer Name
- B. Taxpayer Identification Number (TIN)
- C. Tax Period
- D. Date of payoff
- E. A copy of a current transcript (TXMOD) to provide additional information such as the "2% date" for Large Corporate Underpayments.

**Note:**

If CCP is not able to ascertain the correct calculations, the requestor may be required to provide required documents.

4. Use the Commercial off the Shelf (COTS) software program called InterestNet, to secure the accrued interest computation.

5. See IRM 20.2.8, Restricted Interest.

6. Request should be processed within 14 days of receipt.

**Note:**

Computations are subject to confirmation and quality review via the Office of Service Wide Interest.

[More Internal Revenue Manual](#)



## Part 5. Collecting Process

### Chapter 4. Case Processing

#### Section 13. CCP General Procedures

##### 5.4.13 CCP General Procedures

- 5.4.13.1 [Taxpayer Authenticity](#)
- 5.4.13.2 [Clerical Procedures](#)
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- 5.4.13.4 [ASGNI/ASGNB \(Formerly TSIGN\) of Bal Due/Del Ret](#)
- 5.4.13.5 [Input of Entity Changes](#)
- 5.4.13.6 [ASED/CSED Indicator](#)
- 5.4.13.7 [Inputting Transaction Codes](#)
- 5.4.13.8 [Processing Forms 668H and 668J](#)
- 5.4.13.9 [Closed Case Processing](#)
- 5.4.13.10 [Mandated Use of Integrated Automation Technologies \(IAT\)](#)
- 5.4.13.11 [CCP Federal Tax Deposit \(FTD\) Soft Notice Response Procedures](#)
- Exhibit 5.4.13-1 [Closed Case Data Bases](#)
- Exhibit 5.4.13-2 [Federal Records Center Area Map](#)

##### Manual Transmittal

June 03, 2014

##### Purpose

(1) This transmits revised IRM 5.4.13, Case Processing, General CCP Procedures. .

##### Material Changes

- (1) IRM 5.4.13, Revised and reorganized.
- (2) IRM 5.4.13.1, Incorporated IPU 11059 dated 3/14/2011. Removed reference to Form 10848, which is now obsolete and updated inadvertent disclosure. reporting procedures. Also added information about mandatory use of IAT tools.
- (3) IRM 5.4.13.1.1, Revised to provide further clarification of disclosure authentication probes.
- (4) IRM 5.4.13.1.2, Revised to include instructions that the CAF Unit will not process Form 2848 with a revision date prior to October 2011.
- (5) IRM 5.4.13.2, Revised to include clerical instructions for paper and electronic work receipts.
- (6) IRM 5.4.13.2.1, Revised to include miscellaneous actions and IRC 6020(b) categories for sorting.
- (7) IRM 5.4.13.2.2, Revised for clarification. Revised instructions for assigning and controlling inventory. Revised examples of category codes applicable to CCP.
- (8) IRM 5.4.13.3, Revised and rewritten.
- (9) IRM 5.4.13.3.1, Revised for clarification. Instructions added for use of Form 10498-C for ASED protection and Form 10498-D for CSED protection.
- (10) IRM 5.4.13.3.1.1, *Cases with Imminent Statutes*, Procedures added.
- (11) IRM 5.4.13.3.2, Revised for clarification. Instructions added for statute protection.
- (12) IRM 5.4.13.3.3, Incorporated Official Use Only (OUO) information. Revised for clarification and to include instructions that revenue officers should not close new bal due modules with TC 530 cc 12 (Unable to Contact) nor TC 530 cc 03 (Unable to Locate.)
- (13) IRM 5.4.13.3.4, *Abusive Tax Avoidance Transaction (ATAT) Cases*, Instructions added.
- (14) IRM 5.4.13.4, *Clerical Mail and Case File Processing*, Instructions added.
- (15) IRM 5.4.13.4.1, *Processing White Mail*, Instructions added.
- (16) IRM 5.4.13.4.2, *Incoming Mail*, Instructions added.
- (17) IRM 5.4.13.4.3, *Outgoing Mail*, Instructions added.
- (18) IRM 5.4.13.4.4, *CCP Internal Mail*, Instructions added.
- (19) IRM 5.4.13.4.5, *Defaulted Case Files*, Instructions added.
- (20) IRM 5.4.13.4.6, *CCP Monitored Files*, Instructions added.
- (21) Retitled IRM 5.4.13.4, *TSIGN of Bal Due/Del Ret as ASGNI/ASGNB (Formerly TSIGN) of Bal Due/Del Ret*, Revised and rewritten.
- (22) IRM 5.4.13.5, Revised and rewritten. Included instructions that requests for entity changes on cases within ICS should be made through ICS by the originator. Also added instructions that filing requirements changes from Form 941 to Form 944 and vice versa, can only be input between January 1 and April 1.
- (23) IRM 5.4.13.6, Revised and changed reference to 100 percent penalty to Trust Fund Recovery Penalty. Added ASED indicators 1 and 5. Added instructions for IDRS input of ASED if command code MFREQ input on module.

(24) IRM 5.4.13.7, Revised.

(25) IRM 5.4.13.8, Removed procedures for input of Form 668H and Form 668J. Instructions added that all requests should be rejected back to the originator. All actions should be taken by the Centralized Lien Unit (CLU).

(26) IRM 5.4.13.9, Revised.

(27) IRM 5.4.13.9.1, Revised to include instructions to reroute CNC with Mandatory Follow-up and TC 914 cases to CCP GCP function.

(28) IRM 5.4.13.9.2, *Junior System*, Instructions added.

(29) IRM 5.4.13.9.2.1, *Input to Junior System*, Instructions added.

(30) IRM 5.4.13.9.3, Revised.

(31) IRM 5.4.13.9.4, Revised.

(32) IRM 5.4.13.9.5, Retitled *Centralized Quality Management System (CQMS)* to *National Quality Review System (NQRS)*, Revised.

(33) IRM 5.4.13.10, *Mandated Use of Integrated Automation Technologies (IAT)*, Instructions added to included the mandatory use of IAT tools when applicable.

(34) IRM 5.4.13.11, *CCP Federal Tax Deposit (FTD) Soft Notice Response Procedures* New section added.

## Effect on Other Documents

IRM 5.4.13 dated July 16, 2008 is superseded. This IRM also incorporates IPU 110519 issued March 4, 2011.

## Audience

The target audience is clerks and tax examining technicians in SB/SE Collections Centralized Case Processing at the Philadelphia Campus.

## Effective Date

(06-03-2014)

Dretha Barham  
Director, Collection Policy  
Small Business/Self-Employed

### 5.4.13.1 (06-03-2014) Taxpayer Authenticity

1. In order to identify and to prevent unauthorized disclosures of personal identifiable information (PII) you must know with whom you are speaking and the purpose of the call/contact. It may be necessary to ask the caller if he or she is an individual (Individual Master File - IMF) taxpayer (primary, or secondary), a business (Business Master File - BMF) taxpayer (sole proprietor, partner, or corporate officer), or an authorized third party (Power of Attorney (POA)/Tax Information Authorization (TIA)/Estate Tax Return-F706).

**CAUTION:** Inadequate authentication of the identity of a caller could result in an "unauthorized disclosure" of return information. If an IRS employee makes a knowing or negligent unauthorized disclosure (see IRM 21.1.3.2, *General Disclosure Guidelines*, the United States may be liable for damages in a civil cause of action. If an IRS employee makes a voluntary, intentional disclosure, the employee may be subject to criminal penalties including a fine, imprisonment, and loss of employment. See IRC 7213, 7213A, and 7431.

#### Note:

Inadvertent improper disclosures, while still unauthorized, are those disclosures where no willfulness of intent is involved. Unlike willful unauthorized disclosures, which must be reported to TIGTA, inadvertent disclosures must be reported within one hour to your manager and the Computer Security Incident Response Center (CSIRC) at 866-216-4809. You may also report the disclosure online by completing the CSIRC incident reporting form which can be accessed at the following link, Incident Report Form,

2. CCP employees who have access to the Integrated Automation Technology (IAT) Disclosure tool are required to use the tool when performing disclosure verification. For additional IAT information, refer to the IAT website IAT website. This tool provides the user with general information to begin disclosure verification and track covered steps necessary for disclosure verification process
3. If you can assist the caller/taxpayer/revenue officer and the IAT tool is unavailable, follow the authentication probes shown as per caller below: If the caller is an authorized third party, go to IRM 21.1.3.3, *Third Party (POA/TIA/F706) Authentication*.

#### Note:

Do not proceed with authentication probes if the caller is an unauthorized third party. If the caller has information to provide on the taxpayer's behalf, accept the information according to IRM 21.1.3.4, *Other Third Party Inquiries*.

4. If taxpayer requests tax account information to be mailed to him/her at the address of record and no account information is provided verbally, required taxpayer authentication is still necessary. See also IRM 21.1.3.9, *Mailing and Faxing Tax Account Information*.

### 5.4.13.1.1 (06-03-2014) Authentication Probes

1. The IAT Disclosure Tool assists the user in verifying the identity of a caller and determining if the caller is authorized to receive confidential tax information or represent the taxpayer. The Disclosure Tool is accessed from the IAT Task Manager (ITM) toolbar.
2. If the caller is a revenue officer (RO) - Request RO's name and ID number. Request the following from the revenue officer about the taxpayer:
  - A. Tax Identification Number (TIN) --- (Social Security Number (SSN), Individual Tax Identification Number (ITIN), or Employer Identification Number (EIN).
  - B. Name – as it appears on the tax return for the tax period(s) in question.
3. If the caller is a taxpayer – Repeat Callers for Manually Monitor Installment Agreement (MMIA)/In-Business Trust Fund (IBTF)/Part Pay Installment Agreement (PPIA) (Non-Mandatory 2-year follow-up review) – IMF, request the following information:
  - A. TIN - SSN, ITIN, or EIN – If the taxpayer is inquiring about an IMF jointly filed return, only one TIN is necessary, preferably the primary number.
  - B. Secondary TIN may be required if the primary is unavailable, or for use as an additional authentication check.



- C. Name as it appears on the tax return for the tax period(s) in question, including spouse's name for joint IMF, or Doing Business As (DBA) for BMF Sole Proprietor/Partnership.

**Note:**

If the caller is unable to provide "a" or "b", and "c" above, advise the caller that we are unable to disclose the information and terminate the call.

- D. Current Address including zip code – If taxpayer fails to provide the correct address of record, but correctly responds to all of the other items (IMF – name, SSN), you may request additional taxpayer authentication pursuant to IRM 21.1.3.2.4, Additional Taxpayer Authentication. If you are unable to verify address on IDRS, request address as it appears on the last tax return or as modified by IRS records.

**Note:**

If you are in doubt of the validity of the caller, conduct full disclosure; refer to IRM 21.1.3.2.3 (Taxpayer Authentication) and IRM 21.1.3.2.4, *Additional Taxpayer Authentication*.

4. If the taxpayer calls for PPIA (Mandatory 2-year follow-up review), request the following:

- A. TIN - SSN, ITIN, or EIN – If the taxpayer is inquiring about an IMF jointly filed return, only one TIN is necessary, preferably the primary number.
- B. Secondary TIN may be required if the primary is unavailable, or for use as an additional authentication check.
- C. Name – as it appears on the tax return for the tax period(s) in question, including spouse's name for joint IMF, or Doing Business As (DBA) for BMF Sole Proprietor/Partnership.

**Note:**

If the caller is unable to provide "a" or "b", and "c" above, advise the caller that we are unable to disclose the information and terminate the call.

- D. Current Address including zip code – If taxpayer fails to provide the correct address of record, but correctly responds to all of the other items (IMF – name, SSN, filing status and date of birth), you may request additional taxpayer authentication pursuant to IRM 21.1.3.2.4, Additional Taxpayer Authentication.
- E. Date of Birth (DOB) of primary or secondary taxpayer (IMF)—If the taxpayer fails the DOB probe, but correctly responds to all other items above (name, SSN, address and filing status), you may request additional taxpayer authentication pursuant to IRM 21.1.3.2.4, Additional Taxpayer Authentication.

**Note:**

If there is a discrepancy with the DOB on IRS records (CC INOLE) but you are confident (taxpayer has passed authentication requirements) you are speaking with the taxpayer, advise the taxpayer to contact the Social Security Administration (SSA) at 1-800-772-1213 to correct the error.

5. The Service may work directly with a taxpayer with a POA to resolve an issue on the taxpayer's account. If the taxpayer initiates the contact expressing a specific desire to resolve the issue without the involvement of the power of attorney, advise the taxpayer of the current representations. The taxpayer's decision not to use their representative (per Centralized Authorization File (CAF) for that tax period and form) to resolve the issue must be properly documented on AMS.

- Third party designees (check box authority) and unauthorized third parties do not have the authority to enter the taxpayer into an extension or a formal installment agreement.
- Always check the authority level of a valid Power of Attorney, per CC RFINK and CFINQ, before granting an extension or an installment agreement.

6. For required BMF Taxpayer Authentication, see IRM 21.1.3.2.3, *Required Taxpayer Authentication*, and obtain the following information:

- A. TIN - EIN, SSN, ITIN

**Note:**

If the customer is unable to provide the TIN but correctly responds to the name probe, request additional authentication. See IRM 21.1.3.2.4, *Additional Taxpayer Authentication*. For example, a previously issued EIN that has not been recently used or an EIN that was recently assigned.

- B. Name of Company – Full Name on Return (including DBA or Limited Liability Corporation (LLC)). See IRM 11.3.2.4, *Persons Who May Have Access to Returns and Return Information Pursuant to IRC 6103(e)*.

**Caution:**

If the caller is inquiring about multiple tax periods and MFT's you must be certain that the individual is authorized to receive information on each tax period and MFT.

- C. Current address including Zip Code - If taxpayer fails to provide the correct address of record, you may request additional taxpayer authentication pursuant to IRM 21.1.3.2.4, *Additional Taxpayer Authentication*.

- D. The caller's position with Company.

**Note:**

For further BMF Taxpayer Authentication probes use the Technical Communication Document (TCD) 0143 in SERP. This shows you the authorization to disclose information to different entities e.g. Sole proprietor, Partnership, Corporations/S Corporations, etc.

- E. Are you legally binding, for the Company? Are you able to sign the return?

**Note:**

TP must respond "yes" to both questions. If TP is unable to respond "yes" then let him/her know, you are unable to disclose information to him/her.

#### 5.4.13.1.2 (06-03-2014) Third Party Authentication Probes

1. When responding to a third party (anyone other than the taxpayer), who indicates he/she has a third party authorization on file, complete the appropriate search. For POA and TIA, research the Centralized Authorization File (CAF) using CC CFINK before providing any tax account information. See IRM 21.1.3.3, Third Party (POA/TIA/F706) Authentication - and IRM 21.1.3.3.2, *Oral Disclosure Consent/Oral TIA (Paperless F8821)*.

**CAUTION:** If the third party caller or your research indicates that the taxpayer is deceased, the third party authorizations (POAs, TIAs) are nullified. If the caller was previously authorized before the taxpayer's date of death, do not disclose the information. However, determine if the caller is authorized to receive information after the taxpayer's date of death. See IRM 11.3.2.4.11, *Deceased Individuals*, for more information.

**Note:**

You can accept a completed "unprocessed" paper or "faxed" copy of a third party authorization as valid and provide immediate assistance. However, you will perform the same caller authentication for a faxed authorization as you would for an authorization already recorded on the CAF. Forward the original unprocessed paper or faxed copy of the Form 2848 or Form 8821 to the appropriate CAF Unit for processing. As of March 2, 2012, the CAF function will not process Form 2848 submitted using a version older than the October 2011 revision. See IRM 21.1.3.3, *Third Party (POA/TIA/F706) Authentication*. Also refer to IRM 21.3.7.5.1, *Essential Elements for Form 2848 and Form 8821*, for the essential elements needed on the form(s).

When Part II of the Form 2848 contains a Level H or Level I designation, see IRM 21.3.7.5.6, *Unenrolled Return Preparer (Level H) and Registered Tax Return Preparer (Level I) Representative Research, Rejections and Processing*, for research requirements.

2. To verify that the caller is an authorized third party of the taxpayer, research the CAF. In order to research the CAF, you need the following information:
  - A. Taxpayer's Name
  - B. Taxpayer's TIN
  - C. Third Party's Name
  - D. Third Party's Number (also know as: Rep #, CAF #)
  - E. Tax Period(s) in Question
  - F. Tax Form(s) in Question
3. If the caller does not have his/her CAF number available, request his/her name and address and use this information to verify that the caller is CAF authorized to receive the requested information.
4. Do not provide the CAF number shown on RPINK or CFINK to the caller if you are unable to authenticate the caller. Advise him/her that you will mail the CAF number to the POA address of record. Use the IAT Letter tool to send Letter 1727C, "Power of Attorney Representative Number."
5. If the caller states that his/her CAF number is lost, advise him/her that you will mail the CAF number to the third party address of record.
6. See IRM 21.3.7, *Processing Third Party Authorizations onto the Centralized Authorization File CAF*, to research:
  - A. CAF
  - B. Form 2848 - Power of Attorney and Declaration of Representative (POA)
  - C. Form 8821 - Tax Information Authorization (TIA)
  - D. Oral Form 8821- (Oral TIA)
  - E. Form 706 - Estate Tax Return (Processed as POA)
  - F. Limited or one time authority POA (Specific Use Authorization)
  - G. Civil Penalty authorizations see paragraph (7) below.
7. Civil Penalty and Trust Fund Recovery Penalty (TFRP) authorizations are posted into the CAF and can be researched as follows:
  - A. IMF -- Master File Transaction - MFT 55
  - B. BMF -- MFT 13
  - C. NMF -- MFT 51
  - D. TFRP -- MFT 55

For additional CAF authentication information on Civil Penalties ( Form 8278, Assessment and Abatement of Miscellaneous Civil Penalties), and TFRP ( Form 2749, Request for Trust Fund Recovery Penalty Assessment(s)), see IRM 21.3.7.8.2, *Civil Penalty Authorizations*.

8. For additional authentication information on Form 8821, see IRM 11.3.3, *Disclosure to Designees and Practitioners*.
9. For authenticating an Oral Disclosure Consent (ODC) designee, research TXMOD history items. You need to know the form and tax period in question, along with the following:
  - A. Taxpayer's name
  - B. Taxpayer's TIN
  - C. Third party name
  - D. Third party phone number

**5.4.13.2 (06-03-2014)  
Clerical Procedures**

1. Work is received from Field Collection (FC) by ground mail, e-fax and e-mail. The clerical function classifies and sorts incoming work for Centralized Case Processing (CCP) using electronic and paper procedures.
2. The paper procedures for incoming work requests are as follows:
  - A. Determine the appropriate area responsible for working the case.
  - B. Classify and sort receipts into appropriate programs.
  - C. Determine if the receipt was mis-routed and reroute to the appropriate functions. See IRM 5.4.10.1.1, *Identification of Misrouted Cases*, and IRM 5.4.10.2.4, *Types of Requests Requiring Referral*.
  - D. Batch receipts into work batches.
  - E. Maintain receive date integrity.
  - F. Control and deliver work batches to the appropriate team.

- G. Identify problems or issues that may arise from incoming work.
3. The electronic procedures for incoming work requests are as follows:
- A. Determine the appropriate team responsible for working the case
  - B. Classify and sort receipts into appropriate programs.
  - C. Assign electronic batch numbers using the Log Spreadsheet.
  - D. Control and forward work batches to the appropriate team's electronic folder.
  - E. Identify problems or issues that may arise from incoming work and alert the team manager.

**5.4.13.2.1 (06-03-2014)**  
**Batching and Sorting**

1. Stamp incoming paper receipts with the date received. A Form 3210 (Document Transmittal) should be attached to the new receipts. Stamp the transmittal with the received date, verify and sign that the work was received on the Form 3210 and mail the acknowledgment copy back to the originator within 7 business days.
2. Maintain copy of Form 3210.
3. Follow procedures in IRM 21.7.7.4.27, *Discovered Remittance Guidelines*, and IRM 3.8.46.1, *Discovered Remittances*, for any discovered remittance.
4. Sort work into the following categories:
  - A. IMF Cases – the TIN will be a Social Security Number (SSN).
  - B. BMF Cases – the TIN will be an Employer Identification Number (EIN).
  - C. Insolvency Cases – These cases can be either IMF or BMF. They will all have to do with bankruptcy. They may say Insolvency or, Bankruptcy, or Chapter 7, Chapter 11, Chapter 13, or have a Docket Number.
  - D. CNC Cases – These cases are received on a Form 53.
  - E. Installment Agreements – These are received on a Form 433D or Form 2159.
  - F. Priority Programs – These cases are CDP Tracking Sheets, Form 12153-A, requests for updating the CDP Tracking system. These requests must be input within 24 hour of receipt. This also includes input of TC 971 action code 043 requests.
  - G. Credit Transfers – These requests are received on a Form 2424.
  - H. Miscellaneous Actions - These requests are received on Form 4844.
  - I. IRC 6020(b) - These are received on Form 5604, Section 6020B Action Sheet.
5. The batch slip must identify the type of work in the folder, the volume, the received date, and the initials of the clerk who batched it.

**5.4.13.2.2 (06-03-2014)**  
**Assigning Inventory/Controlling**

1. Enter the batches on the inventory spreadsheet according to the category and use the next available batch number.
2. To control cases on a specific account using CC ACTON, you must determine:
  - A. Status Code, for example, "A" , "C" , "M" . See Document 6209, Sec ,14-8 *Case History Status Codes*.
  - B. Control Category Codes, for example, IRRQ, SPC1, OTHE, SIXD, SPC3, and SPC4. See Document 6209, Sec. 14-9, *Category Codes*.
  - C. Unit profile number.
3. Control each case to the assigned unit profile number on IDRS using ACTON. See IRM 2.3.12 , *Command Code ACTON*.
4. Enter the correct IRS Receive Date when controlling the case. See IRM 21.5.1.4.2.4, *Receive Date - Determination*.
5. Case assignment is usually on specific TXMODs. However, the following Forms should be controlled on ENMOD:
  - A. Installment Agreements - Form 433D, Form 2159, or Form 4844, if request is for IA revision or Continuous Wage Levy (CWL.)
  - B. TC 130 requests
  - C. Address changes (Form 2363 or Form 3177.
  - D. Name changes (Form 2363 or Form 3177.

**Note:**

If the tax period identified is not on SUMRY control the case on ENMOD. Control one tax period per form. If there is no data on SUMRY or ENMOD, notate "No Data."

**5.4.13.2.3 (06-03-2014)**  
**Completed Work**

1. All work completed electronically will be received as classified waste and source documents. Only classified waste (CW) should be forwarded to Program Analysis System (PAS).
2. Re-routes and Employee Source Document Folders are considered completed work.
3. Employee Source Document Folders will be routed to files with a Form 3210.
4. Cases with a statute transmittal will be hand carried to the Statutes unit; secure signature of the recipient.
5. Cases to be routed outside the Campus will be routed using a Form 3210 and a Form 9814. All interoffice re-routes should be distributed using a local routing slip.
6. Monitor suspense files to ensure acknowledgement is received per IRM 3.13.62.7.2. If no reply is received within 20 work days contact the receiving office and notate the follow-up on the form. Additional information in preparing the form can be found in IRM 3.13.62.7.1, *Form 3210 Document Transmittal*.

#### 5.4.13.2.4 (06-03-2014)

##### Clerical Mail and Case File Processing

1. The following guidance addresses various clerical procedures related to mail and case file research and processing.

#### 5.4.13.2.4.1 (06-03-2014)

##### Processing White Mail

1. Case files arrive each morning in boxes on mail cages. The case files have either a Form 3210, *Document Transmittal*, or Form 795B, *Closure / Document Transmittal*, attached, which indicate where the file should be routed.
2. The general building locator numbers (BLN's) for CCP are:
  - Closed Cases 5-E08.115
  - CCP Clerical 5-E08.114
  - MMIA 5-E08.117
  - FORT 5-E08.116
3. Mail addressed to Closed Cases should be placed in an empty cage for night shift along with Forms 3870, 4844, etc. with an attached Form 3210 marked "closed." **Do not put on the Closed Cases Carts.** Generally, if anything is sent to Closed Cases which is not closed, it will be sent back in a US Mail tub called the "1040 box".
4. Any mail addressed to CCP Clerical should be placed in boxes.
5. Any mail addressed to MMIA should also be placed on a cart with the received date. The work should be taken to MMIA daily.
6. The table by the freight elevators has mail on it to be sent out. The outgoing/mis-routed mail should be taken down to Campus Support in the morning.
7. Re-routes are to be picked up from the units daily and should have signed Forms 9814, *Request for Mail/Shipping Service*, attached with the correct address on the front of the forms. If there is no PAS Quality Review sheet in front, **do not** pick up mail because it had not been reviewed.
  - A. Remove the Form 9814 and put the mail in confidential double grey bags. ADDRESS the outside grey bag and tape the Form 9814 to the front.
  - B. Place the mail in the bins near the freight elevator.
  - C. Gather all of the envelopes and place in a US Mail bin on the table by the freight elevator to be taken down to Campus Support as previously mentioned

#### 5.4.13.2.4.2 (06-03-2014)

##### Incoming Mail

1. All incoming and Inter-Office mail must be date stamped with current date.
2. Check IDRS/ICS to determine case assignment number and label the case with the tax examiner's name and team number. Give the case to the team lead or place on the work table.
3. If Integrated Collection System (ICS) is accessed, leave a brief history. For example, "Case accessed to determine assignment number."
4. Date stamp and sign the Form 3210, *Document Transmittal*. Retain the "Recipient Copy" and mail the "Acknowledgement Copy" to the originator in a double-stuffed envelope in the event the first envelope gets damaged.

#### 5.4.13.2.4.3 (06-03-2014)

##### Outgoing Mail

1. Correspondence and letters to taxpayers should be mailed as regular mail.
2. Re-routes with the Philadelphia Campus and 600 Arch Street, Philadelphia should be placed in inter-office envelopes with drop points notated.

##### Note:

A carrier will pick up mail for 600 Arch Street each day.

3. Mail to other campuses should be sent via Form 9814, *Request for Mail/Shipping Service*.

#### 5.4.13.2.4.4 (06-03-2014)

##### CCP Internal Mail

1. Take the Daily Monitoring Sheets for all teams to PAS daily or place in the bin labelled "PAS." The monitoring sheets are used by PAS for statistical sampling and review. See IRM 21.10.1, *Embedded Quality (EQ) Program for Accounts Management, Campus Compliance Services, Field Assistance, Tax Exempt/Government Entities, Return Integrity and Correspondence Services (RICS) – Integrity & Verification Operations, and Electronic Products and Services Support*, for more information.
2. Collect Field Office Resource Team (FORT) referrals from each team daily and take to the FORT unit.
3. Collect completed FORT referrals from the FORT unit and distributed to the appropriate team.
4. Sort, research and distribute all inter-office mail received to the appropriate team.
5. Give all unidentified mail to the lead for further research or place in the designated bin.

#### 5.4.13.2.4.5 (06-03-2014)

##### Defaulted Case Files

1. Mail defaulted Manually Monitored Installment Agreement (MMIA), In-Business Trust Fund (IBTF), or Mandatory 53 case files to the Territory Manager using ICS parameter tables or to the revenue officer as requested.
2. Double wrap the package. Complete and attach Form 9814, *Request for Mail/Shipping Service*, and Form 3210, *Document Transmittal* to the package.
3. Make a copy of Form 9814 and attach one part to Form 3210 which is retained in CCP. Notate the ICS history with the date the case file was mailed and to whom the file was sent. Also notate if the case has a Trust Fund Recovery Penalty (TFRP) file attached. If there is a TFRP file with the case, it should be annotated in the ICS closing history or near the closing remarks.
4. File the Form 3210 in the Document Transmittal Book.
5. Print the next-day email receipt from UPS and attach it to the Forms 9814 and 3210.

#### 5.4.13.2.4.6 (06-03-2014)

##### CCP Monitored Files

1. After the tax examiners complete the analysis and review of MMIA or IBTF case, place the file in the white boxes for open case filing and when the box is filled, the cases are input into the "Lightening" data base. Lightening is the database used to store the open case files within CCP.
2. Put the cases into the boxes according to the area from which they originated. Compile a list as the cases are put into each box. The list must remain in the corresponding box. The assigned clerical staff will number the boxes and file by area.
3. When a tax examiner requests a case, access the Lightening data base to determine the location of the file. When the case is pulled, input the date and the requestor's name and/or employee number into the Lightening system.
4. If the case is not located in the Lightening data base, try to locate the file using the Junior data base system. *IRM 5.4.13.9.4, Case Retrieval*, below. Print a copy of the results and give to the requestor.

#### 5.4.13.3 (06-03-2014)

##### TC 914 Cases

1. When Criminal Investigation (CI) conducts an investigation on a taxpayer assigned to a revenue officer, civil enforcement action may be temporarily suspended in order to allow the CI investigation to proceed. A Transaction Code (TC) 914 is placed on these accounts. CCP will monitor balance due and delinquent return cases. A TC 914 should appear on all modules showing a delinquency before the case is transferred. The purpose of monitoring TC 914 is to:
  - A. Address and protect CSED/ASED issues.
  - B. Ensure two-year risk analysis (e.g., collectibility determination, continued noncompliance, status of CI investigation) and lien refiling is conducted as required and,
  - C. Monitor the ICS case for completion of the CI activity and reassignment to the field if required.
  - D. Address new balance due modules that need TC 914 input or parallel investigation.
2. Cases will be received from revenue officers by paper files and as ICS cases. Revenue officers are required to create a NF-OI.

##### Note:

If revenue officers need instructions on how to transfer these cases to CCP, refer them to *IRM 5.1.5.13.2, Procedures for Transferring Cases to CCP*. and *IRM 25.1.8.10, Monitoring Cases Under Criminal Investigation*.

A memorandum from CI will be in the paper file. The file copy of the document will show CI's request for input of the TC 914. This transaction code suspends the collection notice cycle on each module under CI control. This function is necessary to prohibit notices generated to the taxpayer that could potentially damage a criminal case.

3. The following cases should **not** be transferred to CCP for monitoring:
  - A. Cases in the queue (status 24)
  - B. Currently Not Collectable (status 53)
  - C. Cases in litigation (e.g., litigation, bankruptcy) (status 72 on any module.)

##### Note:

Exception: Review TXMOD. Status 72 modules with TC 520 cc 76/77 (Collection Due Process (CDP) for lien/levy) will be accepted for monitoring.

- D. Cases where the Assessment Statute Date (ASED) or Collection Statute Expiration Date (CSED) will expire within twelve (12) months
- E. Cases in Offer In Compromise (OIC) (status 71 on any module)
- F. Cases in status 12

##### Note:

If the situation arises where modules have mixed statuses, the referring RO will determine whether the status for certain modules needs to be reactivated due to open activity on the account (i.e., criminal investigation). Mixed status cases can be referred to CCP if restrictive conditions prevent modules that are in status 24 or 53 from being reactivated. If any module is in status 72 (litigation) or status 71 (OIC), the case should not be referred to CCP. Also, cases where there is an imminent statute for any period should not be referred to CCP until the issue is addressed. If the RO has concerns, refer him or her to *IRM 5.1.5.13.1, Cases with Imminent Statutes*.

#### 5.4.13.3.1 (06-03-2014)

##### Initial Analysis of TC 914 Cases

1. Check IDRS to verify 914 controls have been input, they may be in pending status (914 controls are opened on every module under a Criminal Investigation control with a -Z freeze). If there are any open modules on IDRS not included on the memorandum or that do not have a -Z freeze, reject the case back to the originator for resolution
2. If the ASED and/or CSED is within twelve (12) months and the revenue officer did not address the CI issue and/or secure a memo, reject the case back to the originating revenue officer for resolution. Form 10498-C, *Intent to Commence Civil Action - Statute Protection for Assessment of Trust Fund Recovery Penalty* or Form 10498-D, *Intent to Commence or Continue Civil Action - Collection Statute Protection* can be included in the file to address the statute issue. *IRM 5.4.13.3.1.1* below and *IRM 25.1.8.7, Coordination with Criminal Investigation*, for more information.
3. The revenue officer should have performed a collection risk analysis prior to transferring the case. If the risk analysis was not performed close the NF-OI and reject the case back to the originating revenue officer for resolution.
4. For all of the modules in status 26, (revenue officer assignment) civil enforcement is suspended and CCP must:
  - A. T-SIGN the case to the employee in CCP working the CI-914 case. This action will remove any modules from status 26, and ensure all CI cases are assigned to the appropriate CCP employee.
  - B. Change the modules to status 91 via command code STAUP.
5. If no paper case file is received from the revenue officer, create a physical file associating any paper documents received. Label the file with the taxpayers name and TIN. Document in the ICS history whether a paper case was received or not.

##### Note:

If the ASED/CSED will expire within one year, the memo in (2) above should be forwarded to CCP.

6. To ensure the case is properly prepared for monitoring:

A. Assign the NF-OI to the employee assigned to monitor the case.

B. Change the sub code to 930 on ICS.

**Note:**

If this choice is not available, select "Other" and insert "181CID Control" in the "Remarks" section.

7. Document the following information on ICS:

A. Name and phone number of the Special Agent in Charge (SAC). (The originating revenue officer may provide this information in the closing history prior to transfer to CCP.

B. For all TC 914 periods, list the CSED/ASED dates, the lien refile deadlines for all periods with a TC 914 and notate if a lien was filed.

**Note:**

Look for lien indicator "4" on SUMRY. The lien refile deadline is determined by adding 60 days to the earliest CSED on the lien.

C. The plan of action for all follow-up dates. See *IRM 5.4.13.3.1.(8)* below for determining follow-up dates.

8. Schedule follow-ups for the following issues:

A. Any follow-up in the ICS history or case file to review the previous risk analysis (civil collectibility decision). All cases must have a risk analysis every 24 months. If one has not been performed, schedule it for two years from the original input date of the TC 914 or two years from the date of transfer to CCP, whichever is later. Input the follow-up date in ICS using the Follow-up function within ICS.

B. Establish an initial follow-up date for 13 months from the date of receipt. This time frame is used to allow sufficient case activity between reviews and to monitor for new bal dues and/or del rets. CI cases controlled in CCP routinely remain open for several years while an investigation is pursued.

C. If there are any ASED's on the case requiring TFRP determination, schedule a follow-up twelve months prior to the expiration of the ASED.

D. If a CSED will expire during the investigation, schedule a follow-up for 12 months before the CSED expiration.

E. Schedule to refile a lien 60 days prior to the expiration of the CSED. (?)

F. Schedule follow-ups for any OI's issued to the field for collection and lien filing determinations. Do this only if the initial 45 day follow-up created by ICS is extended by the field revenue officer. The field revenue officer can extend the follow-up date for an additional 45 day, for a total of 90 days. If the revenue officer is not addressing the OI, close the NF-OI and send the case back to the originating revenue officer or field group manager responsible for the assigned zip code using ICS parameter tables.

**Note:**

If CCP is unable to transfer the case back to the field on ICS, contact the ICS/Entity Quality Analyst (IQA).

**5.4.13.3.1.1 (06-03-2014)**

**Cases with Imminent Statutes**

1. Cases where the ASED or CSED will expire within one year will not be transferred to CCP without documented approval from the revenue officer's group manager and managerial approval from CCP. Managerial approval from CCP can be obtained by the revenue officer's group manager either calling or emailing the FORT group manager.
2. Before a case is transferred to CCP, the ICS history must reflect the actions taken regarding any imminent ASEDs or CSEDs.
3. If the ASED for assessing the Trust Fund Recovery Penalty (TFRP) against a potentially responsible officer will expire within one year and either the employer or the potentially responsible officer is under criminal investigation, use Form 10498-C, *Intent to Commence Civil Action - Statute Protection for Assessment of Trust Fund Recovery Penalty*, to document agreement between Collection and CI regarding what, if any, actions should be taken to protect the ASED, or to acknowledge agreement that the ASED should be allowed to expire.
4. If the CSED will expire within one year and the taxpayer is under criminal investigation, use Form 10498-D, *Intent to Commence or Continue Civil Action - Collection Statute Protection*, to document agreement between Collection and CI regarding what, if any, civil collection actions should be taken to protect the CSED, or to acknowledge agreement that the CSED should be allowed to expire.
5. In order for either Form 10498-C or Form 10498-D to be effective, joint approval must be indicated by the signatures of the appropriate Field Collection (FC) Territory Manager and the CI Special Agent in Charge. Refer RO to IRM 5.1.5.3, *Resolving Conflicts Regarding Parallel Investigations*, if questions are received regarding the commencement or continuation of civil collection actions to protect the applicable statute of limitations.
6. A copy of the Form 10498-C or 10498-D, as applicable, should be in the case file and case history documented accordingly. In limited circumstances it may be possible to extend the CSED, see IRM 5.17.4.5, *Administrative Procedures for Extending Period of Limitations for Collection by Waiver*.

**5.4.13.3.2 (06-03-2014)**

**Monitoring TC 914 Cases**

1. CCP will monitor balance due and delinquent return cases. A TC 914 should appear on all modules showing a delinquency before the case is transferred.
2. ASED Monitoring - The Assessment Statute Expiration Date (ASED) is the statutory date by which the Trust Fund Recovery Penalty (TFRP) must be assessed or proposed via L1153. The TFRP ASED date is calculated by adding three (3) years to the succeeding April 15th of the due date of the return or three (3) years from the date the return is filed; whichever is later. The only accounts subject to TFRP are BMF liabilities for any trust fund taxes, Forms 720, 941, 943, and 944. and
3. CSED Monitoring - The Collection Statute Expiration Date (CSED) is the 10 year statutory period of collection that begins from the date of assessment (for example, TC 150, 240, or most recent TC 290 or 300 with a dollar amount). The CSED for each module appears on the upper left hand side of TXMOD. Modules can have more than one CSED. Check IMFOL and BMFOL, if additional transactions indicate the CSED was suspended. See IRM 25.6.1.12, *Collection Statute Expiration Date (CSED)*, for more information on determining CSED's.
4. Monitor ASED/CSED's monthly. Pull a CCP Statute Report via ICS Reports menu. If an ASED/CSED is set to expire, issue a systemic OI to the field. ICS will set an initial follow up date for 45 days for the revenue officer to respond with their preliminary research. The follow up time may change depending on the number of months until the ASED expires. Sufficient time needs to be given to the revenue officer to perform their investigation.

**Note:**

Revenue Officers cannot hold an OI for longer than 90 days. If open for more than 90 days close OI and send case back to the revenue officer for resolution.

- Two Year Risk Analysis Review - All cases must have a 24 month review by a revenue officer to make a collection risk analysis determination to continue to suspend or pursue collection activity. Schedule the two year follow-up for a risk analysis. Send an OI to the revenue officer (RO) for risk analysis determination. Refer the RO to IRM 25.1.8.7, *Coordination with Criminal Investigation*, if there are concerns.

**Note:**

If Criminal Investigation (CI) determines they will allow the ASER or CSER to expire to protect their criminal case, a memo must be prepared by CI and signed by the Field Collection Territory Manager or Field Collection Technical Services Manager. The revenue officer will secure this memo for retention in the case file. The revenue officer can also secure either Form 10498-C, *Intent to Commence Civil Action - Statute Protection for Assessment of Trust Fund Recovery Penalty* or Form 10498-D, *Intent to Commence or Continue Civil Action - Collection Statute Protection*. In order for the forms to be effective, joint approval must be indicated by the signatures of the appropriate Field Collection (FC) Territory Manager and the CI Special Agent in Charge.

- If subsequent modules open on the account with no TC 914 controls, issue a systemic OI to the last revenue officer assigned to the account or to the group manager responsible for the zip code per the ICS parameter tables, for contact with the special agent to advise them of the new module(s) not protected with the 914 control. Within 45 days of issuing an OI, the revenue officer is required to contact and resolve the additional periods or secure a memo from CI. The revenue officer can extend this time frame for an additional 45 days. If the account is not resolved within the 90 day extension period, close the NF-OI and return the case to the originating revenue officer or the group manager responsible for the zip code on the case.

**Note:**

Revenue officers should not close new balance modules with TC 530 cc 12 (unable to contact) or TC 530 cc 03 (unable to locate).

- Non Master File (NMF) Cases - CI cases with 914 controls that are NMF require a TC 470, CC 90 to move the module into ST 89 (in lieu of ST 91) for monitoring. This action is completed via a Form 3177 and is sent or faxed to the CSC campus. The ST 89 will remain on the module as long as the TC 914 control is open. The Form 3177 should include a history that can be placed on the NMF case.

**5.4.13.3.3 (06-03-2014)**

**Closing TC 914 Cases**

- Cases will be closed for the following reasons:

- CI controls are removed and -Z freeze is released.
- TC 912 is posted.
- TC 910 is posted. This indicates the account is assigned to CI.
- Case is assigned to a revenue officer.
- =====
- If CNC status (53) except closing codes 03 (Unable to Locate) or 12 (Unable to Contact). If these codes are used, continue to monitor the case until one of the other conditions listed above is met, then transfer or close as appropriate.

**Note:**

Revenue officers should not close new balance modules with TC 530 cc 12 (unable to contact) or TC 530 cc 03 (unable to locate).

- When the case meets one of the above criteria:

- Transfer the case to the field if required after the balance dues have reopened.
- Close the CCP NF OI.
- Write a closing narrative on ICS documenting your closing actions.

**5.4.13.3.4 (06-03-2014)**

**Abusive Tax Avoidance Transaction (ATAT) Cases**

- If an ATAT case is transferred to CCP for monitoring, special instructions must be provided to CCP to ensure that any OIs issued by CCP are issued to the referring ATAT revenue officer, or the appropriate Collection ATAT coordinator if the ATAT revenue officer is no longer assigned to the case. Refer to IRM 5.1.5.13.2.

**5.4.13.4 (06-03-2014)**

**ASGNI/ASGNB (Formerly TSIGN) of Bal Due/Del Ret**

- A Form 4844 may be received through the electronic mailbox, \*SBSE CCS PHILLY GCP TSIGN, requesting to change an assignment number within or between revenue officer groups. The mailbox is monitored and processed by the Field Office Resource Team (FORT).
- Input the assignment number change on account using command code ASGNI for IMF requests, or command code ASGNB for BMF requests. Input the change within five workdays after receipt of the request in Centralized Case Processing (CCP). BAL DUEs/DEL RETs will be physically transferred on the same day that ASIGN occurs.

**5.4.13.5 (06-03-2014)**

**Input of Entity Changes**

- Entity changes can be performed on all accounts established on the Taxpayer Information File (TIF). If the ENMOD is not active on IDRS, establish the module before doing the correction.
- The types of changes that can be input by Centralized Case Processing (CCP):
  - Change or correction of address (including ZIP code). When making an address change and the new address is outside the area office jurisdiction, make the address change on IDRS using command code ENREQ and also change the area office and input Document Code 50. This will update the location code for subsequent IDRS output. However, requests for address changes for cases on ICS should be input to ICS by the originating revenue officer and such requests should be given to the lead tax examiner.

**Caution:**

Address changes for ICS cases that are input on IDRS may cause systemic errors.

- Requests for name changes to IMF accounts can not be made unless it is to correct a misspelling error. See IRM 3.13.5.8, *Cases Received in IMF Entity*.
- Change in filing status or requirements.

3. If a request is received to change the filing requirement from a Form 944 to a Form 941, or vice versa, filer after the year in question, reject the request back to the originator. Requests to change the filing requirements from Form 944 to Form 941, or vice versa, can only be processed beginning **January 1** and ending **April 1**. See IRM 5.4.10.2, *Adjustments* and IRM 21.7.2.4.9.1, *Form 944 Letters/Inquiries*.
4. BMF changes in filing status between Form 1120, U.S. Corporation Income Tax Return, and Form 1120S, U.S. Income Tax Return for an S Corporation, and changes in filing status on Employee Plans/Exempt Organization returns must be sent to the Entity function for input; only deletes on these specific forms can be input locally.
5. BMF filing requirements other than in (3) above can be added or deleted for all organizations with CC BNCHG. See IRM 2.4.9, *Command Codes ENREQ, INCHG, IRCHG, BNCHG and BRCHG*.
  - A. Correction, addition or deletion of filing requirement codes.
  - B. Miscellaneous changes which do not significantly alter the basic character of the entity, including input via CC BNCHG of a proprietor's Social Security Number under the corresponding Employer Identification Number on BMF.
6. SSN's and EIN's may be added as secondary or cross reference TINs. They may also be removed if previous input was erroneous.
7. Civil penalty name lines may be added, but the entity cannot be modified in any other way. Ensure any other changes are done prior to the civil penalty name line.

#### 5.4.13.6 (06-03-2014) ASEDR/CSED Indicator

1. A request for the input of CC ASEDR and Indicator 0, 1, 2, 3, 4, or 5 will be made via the "REMARKS" section on the Form 4844 or other documents.
2. The command code ASEDR and special numerical indicator will be used to systemically prevent the issuance of ASER (CP527) Notices on cases for which Trust Fund Recover Penalty (TFRP) determinations have been made. Input of CC ASEDR and the appropriate penalty determination indicators will be requested only when specific conditions exist.
3. Determination indicators, when applicable, must be input for each module involved. When CC ASEDR is input and has a valid response, a history item will be generated for the ACTION-HIST Record. The penalty determination indicators and respective designations are as follows:

Indicator	Designation
1	TFRP Assessed and the corporate account is not being closed;
2	Unable to locate any responsible person;
3	No collection potential exists for any responsible person;
4	All trust fund amounts paid;
5	TFRP is not applicable;
0	Penalty determination has not been made.

#### Note:

If there is difficulty with the input of ASEDR on a module where CC MFREQ was input, suspend the case for 2 cycles. See IRM 2.4.39-6

4. CSEDR—This command code is used to set an indicator within a tax module to note that the CSEDs have been reviewed and are satisfied or protected. CC TXMOD must precede this request in order to reference the CSEDs to verify that the earliest module CSED has not been changed since the request. If it has been updated there is no need for CC CSEDR to be used.
5. CC CSEDR uses TIN and FILE SOURCE, MFT, TAX PERIOD, and NAME CONTROL information from CC TXMOD. Attempts to change these fields on CC CSEDR will be ignored. CSED and a CSED revenue officer review indicators are input to complete a request. (CSED revenue officer review is an optional indicator; if left blank, the indicator will be set to mark the CSEDs as reviewed). When a request results in a valid response, CC CSEDR has updated the Basic Entity record to denote activity, set the CSED Review indicator on the requested tax module, and generated a history item for the Action History record.
6. Whenever CC CSEDR is input and has a valid response, a history item will be generated for the ACTION-HIST record. This item will consist of an action date, employee number, source code denoting this command code(s) and a literal determined by the action taken (CSEDREVIEW CSCEDRERROR).

#### 5.4.13.7 (06-03-2014) Inputting Transaction Codes

1. When inputting transaction codes (TC) and closing codes (CC) on delinquent return (del ret) modules from a field request, reject to the originator using procedures in IRM 5.4.10.1.2, *CCP Rejection Procedures*, if a credit balance is on the module that has not been resolved.
2. If the system will not accept the input requested, for example,

The tax year and MFT on the request do not match TXMOD, reject back to the originator.

3. If there are no delinquent modules on IDRS, check TXMOD to verify that the requested TC and CC was previously input for this MFT and tax period. If so, no input required; complete the balance of the request.

#### 5.4.13.8 (06-03-2014) Processing Forms 668H and 668J

1. This text contains procedures for input of TC 582 with a unique Lien Filing Indicator (LFI) for liens filed under the authority of IRC 6324(B) on Form 668H and Form 668J, Notice of Federal Estate Tax Lien Under Internal Revenue Laws.
2. If Forms 668H/J or Form 4844, Request for Terminal Action, are received in CCP for the input of TC 582 along with a 2032A election indicator, reject request back to the originator. This action should be input by the Centralized Case Processing Lien Operation (CLU). See IRM 5.5.8.4.1, *IRC § 6324B Form 668-H (Advisory Actions)*.

#### 5.4.13.9 (06-03-2014) Closed Case Processing

1. Centralized Case Processing (CCP) receives Closed Case files from Field Collection (FC) with a Form 3210. Stamp the transmittal with the received date, verify and sign that the work was received on the Form 3210 and mail the acknowledgment copy back to the originator within 7 business days. Maintain receipt copies for a period of one year.
2. Date stamp and prepare a file folder for each case. The label for each folder should contain:
  - A. Tax Identification Number (TIN)
  - B. Name Control
  - C. Type of Closure



**Note:**

Research IDRS for missing information if the information is unavailable on the case summary sheet or ICS summary sheet.

- File folders are stored in Federal Records Center (FRC) boxes by type of closure. CNC closures are boxed separate from other types of closures. Boxes containing IA, TDI/Delinquent Return (Del Ret) and TDA/Balance Due (Bal Due) cases are referred to as "Mixed." Boxes are uniquely numbered and maintained in the CCP area for three months or as space permits.

**5.4.13.9.1 (06-03-2014)****Closed Case Special Procedures**

- If the following cases are received for closed case processing, reroute them to the appropriate function as follows:
  - TFRP Cases – Return to the originator.
  - IBTF, MMIA Cases – Route cases not marked "Closed" or "Completed" to the CCP MMIA function.
  - CWL (Continuous Wage Levy), DDIA (Direct Debit Installment Agreements) or Pre-Assessed IA – Route cases not marked "Closed" or "Completed" to the CCP MMIA function.
  - CNC with Mandatory Follow-up, CNC with Closing Code 13 (Section 14, Form 53), TC 914 (Criminal Investigation Cases) - Route to CCP GCP function.

**Note:**

If any Form indicates for "Input" route to the appropriate function for input.

**5.4.13.9.2 (06-03-2014)****Junior System**

- The Junior program is an inventory system designed to track closed case files for Case Processing. This database allows user to know at a glance the location and status of a closed case file, whether it is sitting in a box in the Junior unit in Philadelphia, or in a box in one of the 17 Federal Record Centers (FRC), *Exhibit 5.4.13-2*, or in the hands of another agency such as GAO.
- A closed case in Junior has basically five stages during its life in the system:
  - NEW:** When a closed case file comes to Philadelphia that has never been input into JUNIOR, this case is considered to be a NEW case to JUNIOR. The clerk has two options. First, if no customer [e.g., Government Accountability Office (GAO)] has requested the closed case file, then the case is input into JUNIOR and placed into a designated cardboard box (BOXED). Second, if a customer has requested the case, then it is shipped out without first going into a box (SHIPPED).
  - BOXED:** When a closed case is sitting in a box in Philadelphia, its fate is twofold. First, it may be requested by a customer (e.g., an RO), and shipped out (SHIPPED). Second, after three months the box in which the case is sitting is sealed and shipped to Philadelphia's FRC (STORED).
  - SHIPPED:** When a closed case file has been sent to a customer, it remains with the customer until they decide to return it to Philadelphia. Upon arriving in Philadelphia, it is returned to a new cardboard box (BOXED).
  - STORED:** At set quarterly intervals, a predetermined set of boxes are sealed and shipped to the FRC in Philadelphia for storage. The boxes, containing closed cases, remain at the FRC until a particular closed case is needed. At that time, the FRC ships out a closed case to Philadelphia, who in turn ships it out to the customer that requested it in the first place. The closed case then goes from STORED status to SHIPPED status. If the closed case sits in the FRC beyond the destroy date (usually 3 years from date of storage), then the physical case is destroyed.
  - ARCHIVED:** Once a closed case in the database, no matter its state, has exceeded four (4) years in age (from the creation date), the record data is moved to an archive table and can no longer be viewed by the user.

**5.4.13.9.2.1 (06-03-2014)****Input to Junior System**

- The Junior System tracks Closed Case files for three years from the date of input.
- Enter new closed cases into the Junior System with the "Input Menu."
- Cases are entered into the junior system and boxed into two categories, Currently Not Collectable (CNC) or Mixed. Mixed includes all other type of cases, Installment Agreements, TDI/Del Ret and TDA/Bal Due.
- Cases removed from the box for National Quality Review System (NQRS) or at the revenue officer's request, must be updated on the Junior System. Records are held in an amended state until they are returned to the box and the Junior System is updated indicating the case was returned.

**5.4.13.9.3 (06-03-2014)****Shipment of Cases to Federal Records Center (FRC)**

- Cases are shipped to the Federal Records Center when the three month holding time has expired. This process is called "accessioning" .
- CNC and Mixed boxes are shipped separately.
- Request accession numbers for each type through Facilities using a SF 135 (Standard Form).
- Enter accession numbers on each box. Example: 4 of 10.
- Place "box reports" in each individual box.
- Boxes are folded closed and placed in box number order on pallets with 50 boxes on each.
- Boxes are transported to the FRC through Facilities using "pallets."
- Accession number sheets are taped on the four corners of the outside of each pallet.
- FRC will return the SF135 through Facilities with location numbers after they have completed the accessioning process.
- Update the Junior System using the "Global Update Menu" with the FRC information.

**5.4.13.9.4 (06-03-2014)****Case Retrieval**

- Request for retrieval of closed cases from the FRC should be sent through secured e-mail or fax using a Form OF11"Request for Closed Case Form" .
- Cases closed subsequent to May 2010, are maintained in the Junior System. Research the case on the Junior System using the Search Menu. See (5) and (6) below.

3. If the case is still being stored at the Philadelphia Campus, pull the case; update the "Box Report" and the Junior System, using the Input Menu, indicating where the case was sent. See (5) and (6) below.
4. Cases closed prior to May 2010, could reside on 30 different databases. Research IDRS to determine where the case was closed, if the requestor can not provide the information.
5. Research the appropriate database to locate the requested case. See *Exhibit 5.4.13-1* and See *Exhibit 5.4.13-2*, for a listing of available databases.
6. To retrieve cases from a Federal Records Center (FRC), prepare a Form OF11 (Optional Form) and send the request to the FRC. The FRC will send the requested case to the individual requesting the case within 10 business days.
7. E-mail the status of the request to the originator using secured E-mail.

**Note:**

Use a Form 3210, Document Transmittal, and ship cases using Ground UPS, Next day or Second Day mail. **DO NOT SEND THROUGH REGULAR MAIL.**

**5.4.13.9.5 (06-03-2014)**

**National Quality Review System (NQRS)**

1. NQRS replaces the Collection Quality Management System (CQMS).
2. ICS will randomly select closed FC cases from each Area. Pull the NQRS list, weekly, from the ICS system to identify 30 cases for the review..
3. Research the Junior System using the Search Menu to locate the cases to pull.
4. Locate and pull the cases files on the list. If the same TIN indicates there are more than one case record, pull all case files. Notate the Box Number, Name Control and Month/Year on the listing.
5. Pull the cases and prepare a contents list using the Junior System, Input Menu. The Junior System will systemically update in the ship to box as "70 QAD OAK" .
6. Prepare a Form 3210 and Form 9814 for each box. Ship the cases to NQRS area analyst, listing each TIN and Name Control.
7. When cases are returned from NQRS, update the Junior System and re-file the cases in the appropriate box.

**Note:**

Do not pull cases more than 90 days old.

**5.4.13.10 (06-03-2014)**

**Mandated Use of Integrated Automation Technologies (IAT)**

1. Employees must use the Integrated Automation Technologies (IAT) tools shown below whenever possible. The use of the tools is Mandatory when applicable for use. The IAT tools simplify processing by assisting the user with IDRS research and input. The tools reduce the chance of errors and improve productivity. They are desktop productivity enhancing tools. The IAT website should be checked periodically for new tools that may assist in processing cases. Descriptions of each tool as well as job aids for each tool can be found on the IAT web site: <http://idap.web.irs.gov/iat/>.
2. If a mandated tool is not used because it was determined not to be appropriate due to specific situation, those circumstances should be documented in the case file.
3. If an IAT tool is not available, or an employee has a problem with the IAT Task Manager, the case should be processed through IDRS following established procedures. Make a note in the case file if an IAT tool is not used.
4. IAT tool users can visit the IAT Website, where you can sign up to become a subscriber to the IAT newsletter. The iNews details all ongoing IAT activity with tool requirements and rollouts
5. The following tables contain IAT tools that must be used by CCP employees when appropriate:

<b>Mandatory IAT Tools within CCP</b>	<b>Suggested Use</b>
• 6020B Backout	
• 6020B Backout Credit Return	
• Credit Transfer	
• Disclosure	
• ESTAB	• Address
• Fill Forms	• Letters
• IBTF Batch Process	• REQ77
• MMIA Batch Process	• Compliance Suite
• Payment Tracer / Tracer	
• REQ54	
• TFRP Suite	
• xClaim	

**5.4.13.11 (06-03-2014)**

**CCP Federal Tax Deposit (FTD) Soft Notice Response Procedures**

1. The taxpayers that are sent FTD Soft Letter Notices are identified by Masterfile as taxpayers who have stopped making deposits or have significantly reduced their quarterly deposits in the current quarter. The letters are sent twice a year (June and December) to inform the taxpayers that a decrease in deposits have been identified. The letter requests the taxpayer to call CCP or return Form 14143, *Reason for Decrease to Federal Tax Deposit*, correspondence to resolve the issue.
2. Proposal to change FTD requirements may result from letters or phone contact from the taxpayer.
3. Follow disclosure procedures in IRM 5.4.13.1, *Taxpayer Authenticity*. If person responding cannot bind company, do not make any IDRS changes.

4. Utilize the Federal Tax Deposit (FTD) Alert Data Collection Instrument (DCI) to determine the potential reasons for change in deposits. Attach IDRS prints for all changes made.
5. Update AMS with histories on all actions taken and a summary of the taxpayer response.
6. Use the "If and Then" chart below to determine action needed based on the FTD responses.

If	Then
Employer Out of Business	<ul style="list-style-type: none"> <li>• Date required: Month/Year: Update CC ENMOD with date business closed</li> <li>• When was the last quarter the Form 941 filed? (Input TC 591 cc 50 on the subsequent module.)</li> <li>• If the TC 150 is not present on CC TXMOD, update entity with TC 591 cc 50</li> </ul> <p><b>Note:</b></p> <p>If deposits are on module do not update with TC 591 cc 50.</p> <ul style="list-style-type: none"> <li>• Check Out of Business box on DCI only.</li> <li>• Update Entity with TC 590 cc 50 for the appropriate quarters</li> </ul> <p><b>Note:</b></p>
Employer In Business- but has no employees or wages paid	<p>Business required to file Form 941 even if spouse or family member is being paid</p> <p><b>Note:</b></p> <p>If deposits are on module do not update with TC 590 cc 50.</p>
Payroll Decreased due to	<p>Check reason for decrease on DCI:</p> <ul style="list-style-type: none"> <li>• Reduction in salary/wages</li> <li>• Fewer employees - input the number of employees decreased from previous quarter to current quarter</li> <li>• Independent contractors- ask if all employees converted</li> </ul> <p><b>Note:</b></p> <p>Include additional information on the AMS and DCI and if the taxpayer has both employees and independent contractors.</p> <ul style="list-style-type: none"> <li>• Employee leasing <ul style="list-style-type: none"> <li>◦ Name of leasing company</li> <li>◦ EIN of leasing company</li> </ul> </li> </ul>
Business is Seasonal	<p>Questions to ask:</p> <ul style="list-style-type: none"> <li>• During what months of the year does the company have the most employees?</li> <li>• Does the business operate all year or does the business close during part of the year? Update AMS and DCI with response.</li> <li>• Update ENTITY with TC 136</li> <li>• Update AMS and DCI if the business slows significantly in some parts of the year</li> </ul>
Disposition Type on DCI	<p>Check one of the following dispositions:</p> <ul style="list-style-type: none"> <li>• Not Required to Deposit</li> <li>• Seasonal</li> <li>• Sporadic</li> <li>• TP in Compliance</li> <li>• TDA/TDI present on IDRS or FTD's are insufficient</li> <li>• TP brought into Compliance (Gets current with FTDs, CNC, Express IA, or Full Pay)</li> <li>• Return Secured (input 599:69)</li> </ul>
If entity has balance due on account	<p>Ask if able to full pay and set deadline within 14 days. If balance &gt; \$10,000.00, refer taxpayer to Customer Service.</p> <p><b>Does it meet CNC &lt;= \$5,000.00?</b></p> <ul style="list-style-type: none"> <li>• Out of Business, input TC 530 cc 10</li> </ul>
Currently Not Collectible (CNC)	<ul style="list-style-type: none"> <li>• No Trust Fund Recovery Penalty (TFRP)</li> <li>• Sole Proprietors/Partnerships, input TC 530 cc 24. Ensure TC130 input on IDRS for both IMF and BMF entities.</li> <li>• Requires managerial approval</li> </ul> <p><b>Does it meet Express IA &lt;= \$10,000.00 including accruals</b></p> <ul style="list-style-type: none"> <li>• Must full pay within 24 months</li> <li>• Originator Code 80</li> </ul>

- ALN: Regular 0109
- ALN: DDIA 0315- route to CSCO
- Remind TP of user fee.
- When IA is input, complete Letter 2850 input "N" and manually send IA letters out using ICS templates

Other business reasons

Record other reasons not listed on DCI

### Exhibit 5.4.13-1 Closed Case Data Bases

Data Base	Area	Electronic	Paper	Additional Info
Boston	1	After 2004	Prior 2005	
Hartford	1	No	Yes	Connecticut
New York	2	No	Yes	Buffalo NY
New York	2	No	Yes	New York City, Brooklyn, Long Island & Other area within NY
New York	2	No	Yes	New York City, NY
Newark	3	Junior System Use "final" File No		New Jersey
Pittsburgh	3	Junior System Use "final" File No		Pennsylvania
Baltimore	4	No	Yes	Maryland & DC
Greensboro	4	No	Yes	North & South Carolina
Richmond	4	No	Yes	Virginia
Jacksonville	5	No	Yes	Northern Florida
Plantation	5	Junior System Use "final" File No		Southern & Central Florida
Cincinnati	6	Junior System Use "final" File No		Ohio & West Virginia
Louisville	6	Junior System Use "final" File No		Kentucky
Detroit	6	Junior System Use "final" File No		Michigan & Ohio
Chicago	7	Junior System Use "final" File No		Indiana & Illinois
Milwaukee	7	Junior System Use "final" File No		Wisconsin & Illinois
Atlanta	8	Junior System Use "final" File No		Georgia & Alabama Access through New Orleans data base
New Orleans	8	No	Yes	Louisiana & Mississippi
Nashville	8	No	Yes	Arkansas & Tennessee
St. Louis	9	Junior System Use "final" File No		Missouri, Nebraska & Iowa
St. Paul	9	Junior System Use "final" File No		Minnesota, Nebraska, Iowa & North and South Dakota
Austin	10	Junior System Use "final" File No		Austin & Dallas, TX
Houston	10	Junior System Use "final" File No		Southern Texas, Houston and Dallas
Dallas	10	Junior System Use "final" File No		Dallas, TX & other areas of Texas
Oklahoma City	10	Junior System Use "final" File No		Oklahoma
Denver	11	Junior System Use "final" File No		Colorado, Wyoming, Montana & Utah
Phoenix	11	Junior System Use "final" File No		Arizona, Utah, Nevada & New Mexico
Seattle	12	Junior System Use "final" File No		Washington, Idaho, Oregon, Alaska & Hawaii
Oakland	13	Junior System Use "final" File No		Northern California
Laguna Niguel	14	Junior System Use "final" File No		Southern & Mid California
District of Columbia	14	Junior System Use "final" File No		DC, Puerto Rico, America holdings Guam America Samoa & International cases

#### Note:

Review the SF 135 for the FRC location and accession number before completing the OF11 Form.

### Exhibit 5.4.13-2 Federal Records Center Area Map

State	FRC	Records For	Phone Number	Fax Number
AK	Anchorage	AK	(907)261-7820	(907)261-7813
CA	Laguna Niguel	AZ, NV, Southern CA	See Perris	See Perris
CA	Perris/Riverside	AZ, NV, Southern CA	(951)956-2020	(951)956-2029
CA	San Francisco, San Bruno	Northern & Central CA, NV, HI, Am Soma, Pacific Islands	(650)238-3500	(650)238-3507
CO	Denver	CO, MT, NM, ND, SD, UT, WY	(303)407-5769	(303)407-5761
GA	Atlanta/East Point	AL, FL, GA, KY, MS, NC, SC, TN	(404)736-2851	(404)736-2934
GA	Ellenwood	AL, FL, GA, KY, MS, NC, SC, TN	(404)736-2891	(404)736-2931
IL	Chicago	IL, IN, MI, MN, OH, WI	(773)948-9033	(312)886-7883
MD	Suitland	WV, DC, MD, VA	(301)778-1567	(301)778-1561
MA	Waltham	CT, MA, ME, NH, RI, VT	(781)663-0130	(781)663-0154
MO	Kansas City	IA, KS, MN, MO, NE, ND, SD	(816)268-8000	(816)268-8159
MO	Lee's Summit	NJ, NY, PR, USVI	(816)268-8141	(816)268-8159
OH	Dayton	IN, MI, OH	(937)425-0661/0601	(937)425-0630
PA	Suitland	PA, DE, WV, MD, VA	(215)305-2009/2016	(215)305-2038
TX	Fort Worth	AR, LA, OK, TX	(817)334-5525	(817)334-5373
WA	Seattle	ID, OR, WA	(206)336-5115	(206)336-5114

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