



## A Message from Our TE/GE Commissioners



Hello everyone,

We enter fiscal year 2021 mindful of the disruption of COVID-19 and heartened by our ability to react productively despite it. Our goal is always to provide American taxpayers with professional tax administration to the fullest extent possible. We achieved that goal in fiscal year 2020 despite the national emergency. We look forward to the new fiscal year with commitment, focus and high energy.

### Our Mission

TE/GE's mission is to provide our customers top quality service by helping them understand and comply with applicable tax laws and to protect the public interest by applying the tax law with integrity and fairness to all. That's what we're about. It's the principle that guides us and the foundation of our institutional culture of service.

### Our Focus for FY 2021

Our Program Letter takes a new form this year – a compact summary of our goals and how we plan to achieve them, in sync with the IRS's Strategic Priorities. This is a departure from recent years, when letters ran to several pages. While those letters contained more detail about plans for the fiscal year ahead and some year-end information from the year just ended, they also were static. They were issued in the fall, around the start of the new year, and left to stand for the next 12 months.

While the multi-page model has its uses, it isn't an accurate reflection of life inside TE/GE. We do inform employees and the public of our general plan for the year, but the reality is more fluid. Plans and circumstances change – the pandemic has proven that – and much of our work evolves as the months pass. Compliance strategies are approved by the Compliance Governance Board and worked by examiners as noncompliance risks and issues are identified. We receive referrals of possible noncompliance and conduct data-driven research year-round. We implement new tax laws when they arrive, not on our timetable.

In fiscal year 2021, we'll be adding updated information online as the year unfolds. We'll add summary details about compliance initiatives when they're approved and keep our external stakeholders abreast of other work as it develops. The challenges of COVID-19 during fiscal year 2020 required flexibility and patience in our workplace. Working from remote locations, mostly our homes, we were able to adapt internal policies and processes largely without interrupting service to our constituents. The pandemic, unfortunately, will be entering next year with us, but our experience in the past year tells us that we're ready and able to fulfill our mission to the very best of our ability.

Thank you for reading,

## ★ ★ ★ Serving Taxpayers

Across America, tax-exempt organizations and government entities support economic infrastructure and enrich American lives. TE/GE serves taxpayers by helping these diverse organizations and entities – retirement plan sponsors, charities, Indian tribes, federal, state and local governments – understand and comply with the applicable tax laws and reporting obligations.

To encourage compliance, while protecting the integrity of the tax system by fairly enforcing the tax laws, we:

- Examine organizations and entities using referrals and data analytics to focus on high risk issues
- Issue determination letters to qualifying organizations and retirement plans
- Offer programs to voluntarily correct mistakes and maintain technical consistency
- Educate through compliance contacts, outreach and stakeholder partnerships



*“We look forward to the new fiscal year with commitment, focus and high energy.”*

# TE/GE's Priorities for FY 2021



## Strengthen Compliance Activities

- Collaborate across IRS on existing and emerging issues, such as syndicated conservation easements and abusive charitable remainder annuity trusts
- Support tax compliance in the global high wealth arena, especially for private foundations and retirement plans of closely held businesses, such as employee stock ownership plans
- Foster voluntary compliance by using enhanced techniques to identify and develop civil and criminal fraud and promoter investigation cases, and recommend criminal prosecutions and/or civil penalties or injunctions against taxpayers or promoters who evade the assessment or payment of taxes



## Improve Operational Efficiencies

- Review systems and processes to improve efficiencies and internal controls
- Migrate into the first release of Enterprise Case Management for the IRS and support development of additional releases
- Expand assessment of TE/GE strategic risks according to IRS strategic goals and establish key risk indicators



## Maintain a Taxpayer-Focused Organization

- Assist IRS efforts in the implementation of the Taxpayer First Act to better serve taxpayers
- Expand e-filing of Forms 990-series, 8038-CP and 5500-EZ, and continue to work toward electronic determination letter applications
- Develop additional online tools and resources, such as an online interactive tax assistance tool to help taxpayers avoid making excess contributions to their 401(k) plans, and interactive courses



## Ensure Awareness and Collective Understanding

- Proactively communicate with the communities we serve to encourage compliance with tax laws through expanded outreach
- Enhance tax administration by leveraging stakeholder partnerships to identify, develop and deliver TE/GE messages to a wider audience
- Strengthen our approach to increase voluntary compliance in underserved communities through the TE/GE Small Entity Compliance Initiative
- Increase the use of cross functional teams to address business change initiatives



## Leverage Technology and Data Analytics

- Use noncompliance research and data analytics to detect emerging issues
- Expand taxpayer digital communications efforts and use robotic process automation to make processes more efficient and effective
- Collaborate with Research Applied Analytics & Statistics to improve identification of issues with a high risk for noncompliance
- Partner with Health and Human Services/Centers for Medicare and Medicaid to develop a systematic method to identify the universe of hospitals subject to Affordable Care Act review
- Continue comparative data analysis of Form 990-N and 1023-EZ filings to identify trends and emerging issues



## Develop Our Workforce

- Merge TE/GE Knowledge Management into the IRS Knowledge Management platform to encourage information sharing
- Actively assess our employees' training needs and develop methods and secure resources to meet them
- Enhance employee and manager development through training and developmental assignments, coaching and mentoring

## IRS Strategic Goals



**Protect the Integrity of the Tax System**



**Drive Efficient Operations**



**Empower Taxpayers**



**Collaborate with Partners**



**Advance Data and Analytics**



**Cultivate our Workforce**