APPEALS

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Date: April 14, 2015

Control No. AP-08-0415-0003
Expiration Date: 04-14-2017
Affected IRMs: 8.22.9
8.23.4

MEMORANDUM FOR: Director, Appeals Campus Operations
Chief, Area Counsel

FROM: John V. Cardone /s/ *John V. Cardone*
DIRECTOR, POLICY, QUALITY AND CASE SUPPORT

SUBJECT: Electronic Offer in Compromise Review Pilot

Purpose: This memorandum issues guidance to participants who will submit Offers in Compromise (OIC) to Counsel for legal sufficiency review through a SharePoint site. This pilot is limited to Memphis Campus Settlement Officers designated by Area 6 management who work OICs as a collection alternative in Collection Due Process (CDP) cases and who work OICs rejected by Compliance. The impacted IRM sections are IRM 8.22.9.4.3.4 and IRM 8.23.4.2.2.

Procedural Change: OIC cases subject to legal sufficiency review that are worked by the identified Campus team will be transmitted to Nashville Area Counsel through a SharePoint site hosted by Nashville Area Counsel. Appeals Quality Measurement System (AQMS) is also included in the pilot as they review OICs and CDP cases by Campus Settlement Officers. Please distribute this information to all affected employees within your organization.

Effective Date: This interim guidance becomes effective on the date of this memorandum.

Contact: If you have any questions, please contact Appeals Senior Program Analyst Timothy J. Sample at 213-576-4855.

Attachments:

(1) Procedures
(2) Flowchart
(3) Step-by-step Instructions

cc: www.irs.gov

Attachment 1: Overview of Pilot Procedures

The purpose of this pilot is to enable Appeals employees who work OICs requiring legal sufficiency review to electronically submit cases via a SharePoint site hosted by Nashville Area Counsel. The goals of this pilot are to reduce case turnaround time, shipping costs and the opportunity for lost files.

Identify the Cases for the Pilot (non-Field Sourced Cases)

The cases included in this pilot are all Offers in Compromise subject to legal sufficiency review being worked by the Campus Settlement Officer team selected for the pilot.

Identify the Impacted Employees

Only those Campus employees assigned to this pilot should follow these pilot procedures. Other Campus employees and all Field personnel should follow procedures found in IRM 8.22.9.4.3.4 and IRM 8.23.4.2.2.

The Campus Settlement Officer Team will be determined by Campus management; impacted employees are:

Memphis Campus Appeals Technical Employees (ATE)
Memphis Campus Clerical Staff
Memphis Campus Appeals Team Managers (ATM)
Appeals Quality Measurement System
Nashville Area Counsel

Develop a Clear Step-by-Step Process

The attached exhibits provide step-by-step information and instructions for the review process.

- Attachment 2: Visio Chart of the Electronic OIC Review Process
- Attachment 3: Addendum to the Step-by-Step Visio Chart of the Future Process

Hold Conferences to Provide Details of the Pilot

TPP held conferences with the affected parties and discussed the attachments referenced above.

Obtain Approval

Approvals are to be obtained through clearance of the interim guidance.

Create a SharePoint Site

A SharePoint site to process cases submitted for electronic review between the Memphis Campus Settlement Officer team and Nashville Area Counsel has been established. NAC hosts the site.

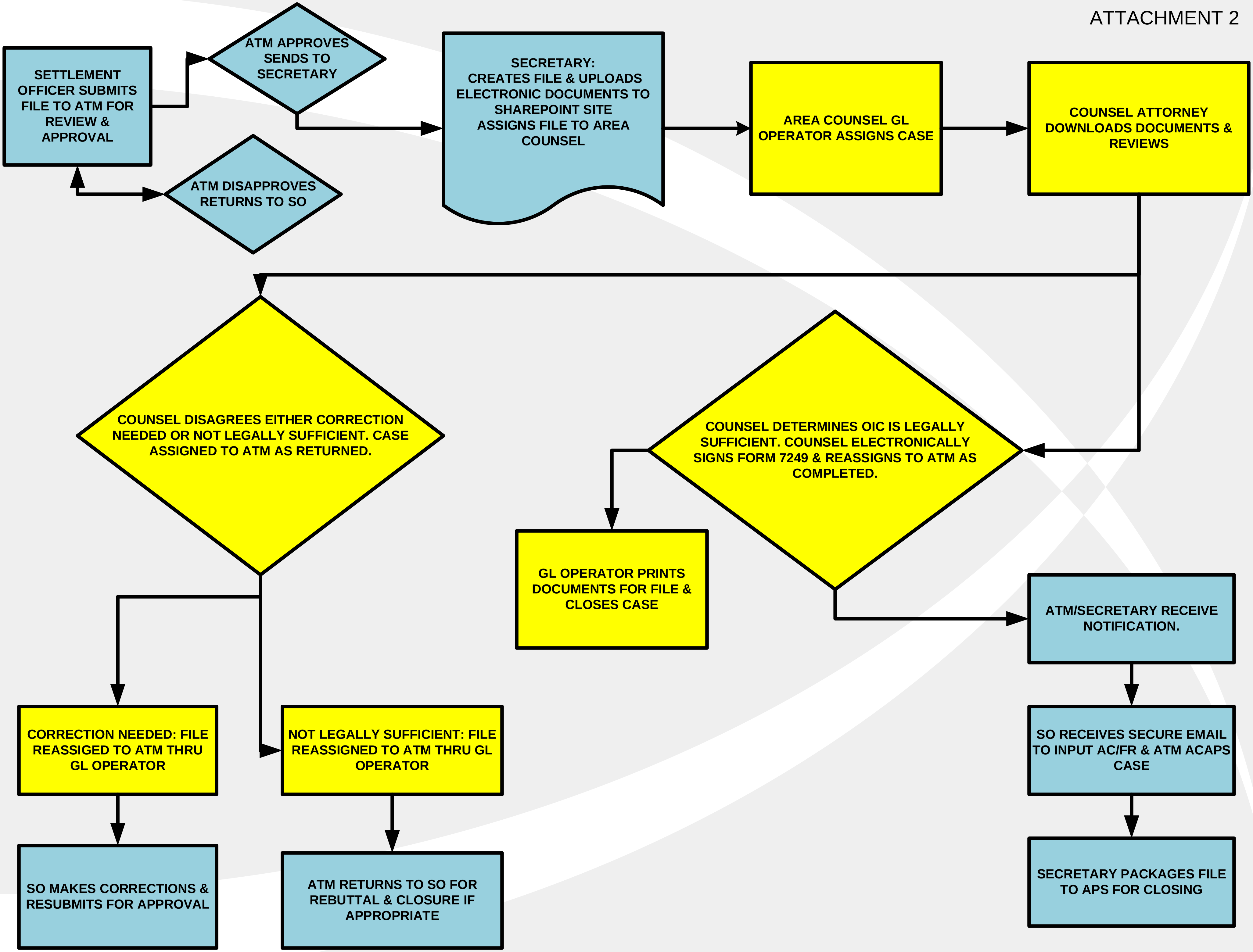
De Minimus Impact

TPP's contact with the Embedded LR Analyst with Appeals Human Capital Programs advising Labor Relations Strategy & Negotiations (LRSN) determined the procedures of the Electronic OIC Pilot to be de minimus and that a courtesy notice to NTEU is not required.

Pilot 'Kick-off' Date

The Electronic OIC review process will begin and end when indicated on the interim guidance memorandum.

ATTACHMENT 2



ELECTRONIC REVIEW OF OFFERS IN COMPROMISE BY IRS COUNSEL

1. The Appeals Technical Employee (ATE) submits the closed case file to the Appeals Team Manager (ATM) for review & approval based on existing procedures.

2. If approved, the ATM forwards the case to the Secretary. If not approved, the ATM returns the file to the ATE for any necessary actions.

3. The team secretary creates a case on the SharePoint site that includes the following:
    - Taxpayer’s Name
    - Taxpayer’s TIN
    - WUNO
    - Offer Amount
    - Total Liability
    - Appeals Identifying Team Number
    - The General Litigation (GL) Number will be added by Counsel

4. The team secretary sets the Priority:
    - Normal priority is the default
    - High priority is assigned in limited circumstances such as due to an impending TIPRA statute per ATE determination

5. The team secretary sets the initial Status. The Status identifies where the case is ‘parked’ in the workflow process such as:
    - Case Uploaded = Default Status
    - ATM Approved = ATM has approved and sent the case to Counsel
    - Counsel Completed = Counsel determines OIC is legally sufficient & has sent the case back to the ATM
    - Counsel Returned = Counsel determines OIC is not legally sufficient and the case is sent back to the ATM
    - Case Closed = ATM has closed the case on SharePoint
    - Assigned to = Identifies to whom the electronic case is assigned using Outlook Global name or e-mail address

6. Start Date – This auto-populates when the secretary creates the form.

7. Manager Approval Date – This auto-populates when the ATM sends the form to Counsel.

8. The Team Secretary receives the documents via E-efax, or hard-copy and uploads the following documents to Share Point, in the order specified below, for association with the file created in Step 2:
    - Form 7249 (unredacted)
    - Account Transcripts (unredacted)
    - Form 1271 or IRM Exhibit 5.8.4-1 from Collection, if available
    - Form 656 (including addendums & collateral agreements)
    - IMFOLI/BMFOLI
    - Acceptance Letter

- Appeals Case Memorandum (ACM)
- OIC Financial Analysis (Income/Expense Table, Asset/Equity Table)
- Case Activity Record (CAR)
- OIC case history
- Form 433A/B (not including the attachments)
- Any previous Counsel memorandums in the case file (including those not solicited by Appeals)

9. The Secretary assigns the case to Area Counsel.

10. The GL Operator receives an alert via e-mail that a case is awaiting review.

11. The GL Operator accesses the case in SharePoint, opens the case in GL and assigns it to an attorney or paralegal.

12. The paralegal or attorney receives an alert when the case is assigned, and they review the case on SharePoint.

13. The paralegal and manager take the following actions:

    - The paralegal prepares a checklist to indicate if the offer is legally sufficient. If the offer is legally sufficient, the paralegal forwards the case to the manager for review (with the digital signature of the manager attached to the Form 7249). After review and approval, the manager adds the “Counsel Completion” date, changes status to “Counsel Completed” and assigns the case to the GL Operator.
    - If the offer is not legally sufficient, or is legally sufficient but raises policy concerns, the paralegal prepares a memo to explain the issue and the case is forwarded to the manager for appropriate action (with digital signature on memo). After review, the manager changes status to “Pending Counsel Returned” and assigns the case to the GL operator.

14. The attorney takes the following actions:
    - If the offer is legally sufficient, digitally signs the Form 7249 completes the “Counsel Completion” date, changes status to “Counsel Completed” and assigns the case to the GL operator
    - If the offer is not legally sufficient, or is legally sufficient but raises policy concerns, prepares a memo (with digital signature), changes status to “Pending Counsel Returned” and forwards the case to the GL operator. If the case requires review by the manager, the case is assigned to the manager instead of the GL operator.

15. The manager takes the following actions:
    - For approval of legally sufficient cases assigned to paralegals, the manager ensures that the form 7249 is signed, and changes the case status to “Counsel Completed”, adds the “Counsel Completed” date, and assigns the case to the GL operator.
    - For cases that are not legally sufficient, (memo attached), after approval, the manager assigns the case to the GL operator (making sure the status is changed to “Pending Counsel Returned”).

16. The GL operator receives an alert when the status of the case is changed. The GL operator files the forms provided and closes the GL case.

17. Upon assignment of the case to the ATM, the ATM takes the following actions based on the case status determined by Counsel:

- If corrections are needed <u>or</u> the offer is considered not to be legally sufficient, the ATM forwards the file to the ATE to address the issues raised by Counsel, and for resubmission to the ATM per IRM 8.23.4.2.2
- The case will not be returned to Counsel unless the terms of the offer are changed.
- If the case is determined to be legally sufficient, the secretary will send a secure e-mail to the ATE advising them to input CARATS Action Code “AC-FR”
- The ATM then inputs the ACAPDATE
- The secretary then prints the electronically signed Form 7249 and prepares the complete administrative file to transmit to APS for closing