



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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

December 31, 2012

Control Number: SBSE-05-1212-108
Expiration: July 1, 2013
Impacted: IRM 5.8

MEMORANDUM FOR DIRECTORS, FIELD COLLECTION AREA OPERATIONS
(SOUTH ATLANTIC, GULF STATES, CALIFORNIA)

FROM: Scott D. Reisher /s/ **Scott D. Reisher**
Director, Collection Policy

SUBJECT: Reissuance of Procedures Relating to Electronic Signature
Use on Offer in Compromise Forms and Letters

The purpose of this memorandum is to reissue the interim guidance dated January 4, 2012, with control number SBSE-05-0112-006 entitled, *Procedures Relating to Electronic Signature Use on Offer in Compromise Forms and Letters*. This memorandum provides guidance to the field area offices relative to situations where the use of an electronic signature on OIC documents may be an appropriate alternative.

Currently, employees of the field OIC program are located in numerous posts of duty within three Collection Areas. In order to expedite the processing of OIC case closing actions, upon issuance of this memorandum, certain documents may be signed via an electronic signature method.

The OIC documents on which an electronic signature may appear include:

- Form 7249, *Offer Acceptance Report*
- Form 1271, *Rejection or Withdrawal Memorandum*
- OIC Acceptance Letter
- OIC Rejection Letter
- OIC Return Letter
- OIC Termination Letter
- All Collateral Agreement Forms (2261, 2261-A, 2261-B, 2261-C)

NOTE: IRM 1.2.44.2, *To Accept, Reject, Return, Terminate, or Acknowledge Withdrawals of Offers in Compromise*, discusses the delegated authority for specific actions involving an OIC. The authorities granted in the current delegations orders are not affected by the issuance of this memorandum.

Caution: This memorandum is not an exhaustive list of all Internal Revenue Service documents that reflect approval by an electronic signature.

PROCEDURES

Current procedures in IRM 5.8, *Offer in Compromise*, provide guidance in the appropriate actions required when processing closed offer in compromise cases. Discussion of the required signatures on the appropriate forms is a necessary component of case closing actions.

Specific sections which discuss the submission and approval of required documents include:

- Returns - IRM 5.8.7.2.2.6 (f), "Attach a copy of the offer to the taxpayer's letter and submit the letter(s) for approval and required signatures.
- Withdrawals - IRM 5.8.7.4.3(3)(e), "Submit the file for approval and signature of the letter(s)."
- Terminations - IRM 5.8.7.5.1(2)(e), "Submit the package for approval and signature of the letter(s)."
- Rejections - IRM 5.8.7.7.3(1)(k), "Submit the package for managerial approval and signing of Form 1271."
- Rejections - IRM 5.8.7.7.3(1)(m), "After approval of the IAR, route the offer for signature, dating, and mailing of the letter(s)."
- Acceptance - IRM 5.8.8.3 (12), "Submit the file for approval..."
- Acceptance - IRM 5.8.8.3 (13), "Upon approval and signature, date and mail the acceptance letter(s)."

In each of these instances, upon issuance of this memorandum, the approval signature may be secured via electronic methods, in accordance with the current security and verification standards of the Internal Revenue Service. See Attachment A for specific instructions.

In all instances, a printed copy of the electronically executed document, form/letter, must be included in the offer case file.

Additionally, necessary documents for the approving official to determine the appropriateness of the closing action must be provided with the request.

SUMMARY

The guidance provided in this memorandum is meant to expedite case processing by allowing the use of an electronic signature. Approving officials may use their

discretion to determine required documentation based on the specific case and type of closing action, and when an original signature on any offer form or letter is the appropriate method of indicating their approval.

You may direct any questions regarding these procedures to Diana Estey, National Offer in Compromise Program Manager, or a member of your staff may contact Senior OIC Analyst, Thomas B. Moore.

Attachment

cc: Director, Field Collection
Office of Chief Counsel
Chief, Appeals
National Taxpayer Advocate
www.irs.gov

Electronic Signature Use on
Enforcement Forms and Offer in Compromises (OIC) Forms and Letters
Attachment A

This attachment provides specific guidance on the use of electronic means to signify approval of enforcement actions and OIC documents.

When the use of an electronic signature method is determined to be appropriate during the Levy, Seizure, Summons, and OIC review process, the following actions should be taken:

- 1) The specific forms/letters requiring approval and/or signature should be scanned and saved in .PDF format. The ICS/AOIC history must clearly indicate the documents are being submitted electronically to the approving official.
- 2) Internal use forms, including Form 13719, 4477, 7249 and Form 1271 may be signed (certified with visible signature) using the approval signature method, yet any letter being provided to the taxpayer should include a graphic signature in the signature block (see example below). Specific instructions on how to include an image of your handwritten signature in the digital signature selections are available via Adobe Acrobat Help, How to Sign, Create a Signature Appearance.

Copies of signed documents must be included in the OIC case file.

Example:

Signature of Service Representative		Digitally signed by James Masianka DN: cn=James Masianka Date: 2011.10.27 13:50:24 -0500	Title Group Manager
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