



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

SMALL BUSINESS / SELF-EMPLOYED DIVISION

June 17, 2014

Control No.: SBSE-05-0614-0051  
Expiration Date: January 1, 2015  
Impacted: IRM 5.14.5.4, IRM 5.15.1,  
IRM 1.4.50

MEMORANDUM FOR DIRECTORS, FIELD COLLECTION AREA OPERATIONS

FROM: Rocco A. Steco */s/ Rocco A. Steco*  
Acting Director, Collection Policy

SUBJECT: Tax Examiner Deviation Authority to Work Collection  
Field Function Corporate Inventory

The purpose of this memorandum is to re-issue interim guidance memorandum dated June 27, 2013 with control number SBSE-05-0613-0042 titled, *Tax Examiner Deviation Authority to Work Collection Field Function Corporate Inventory*. The guidance is based on the results of case reviews, focus group interviews, and analysis of inventory assigned to the Tax Examiners (TEs).

These cases may be located either within or outside of your area. Casework will be assigned to maximize the engagement and contribution of these employees and to have a direct, compliance focused impact on business results.

TEs will not conduct field visits. All casework will be done in the office, using the telephone, mail, and online services. For specific guidelines on working Collection cases, refer to procedures found throughout Part 5 of the IRM.

Cases to be Worked

Cases assigned to TEs should meet the following criteria:

- Grade 09 cases
- Individual Master File (IMF) with an Unpaid Balance of Assessments (UBA) below \$25,000

- Non-trust fund Business Master File (BMF) cases with an UBA below \$25,000
- BMF cases involving a sole proprietorship with an UBA below \$25,000
- Stand alone IMF DEL RETS and non-trust fund BMF DEL RETS
- Stand alone BMF DEL RETS on sole proprietorships
- Cases with Low or Medium Risk Codes
- No cases involving trust fund recovery penalties (TFRPs), Limited Liability Companies (LLCs), or with a PDT or CAU indicator

All assigned cases should be sub coded as 655 (DEL RET) or 656 (BAL DUE) on the Integrated Collection System (ICS).

Deviations Applicable to Tax Examiners Working Corporate Inventory

**Nonfiler Cases**

The regulations in the following IRM section specify that a field contact will be made in order to secure returns or secure information to determine liability for a return:

**Taxpayer Contact**

A deviation is granted to the extent that a field visit to the taxpayer or representative will not be required as a means of contact on these return delinquency cases per [IRM 5.1.11.2\(4\)](#).

If an appropriate liability determination cannot be made based on internal or external data obtained online, by phone, through the mail, or by conducting an interview with the taxpayer in the office, the case may be returned to the queue.

**Currently Not Collectible (CNC)**

Tax examiners in Field Collection are not subject to limitations under [IRM 5.16.1.1\(10\)](#), which restricts conditions under which TEs may report cases Currently Not Collectible (CNC).

-----  
-----#

**Financial Analysis**

Financial statements will be secured through telephone or personal interviews with taxpayers or representatives. In the event the taxpayer cannot be reached by telephone, the information can be secured through the mail. Ability to pay determinations will be made through investigation via mail, phone and online resources for verification of assets and income. Requirements in [IRM 5.15.1.19\(4\)](#) for field visit, [IRM 5.15.1.1\(5\)](#) for in person contact, and [IRM 5.15.1.3\(2\)](#) for observation of business property, layout, equipment, etc., are waived under this deviation authority.

-----  
-----#

Courtesy investigations should not be issued to secure online research information. If inability to pay cannot be verified through available online resources, telephone, or correspondence, the case will be returned to the queue.

### **In-Business Trust Fund (IBTF) Express Installment Agreements**

Tax examiners may grant IBTF Express installment agreements for sole proprietors where the UBA (SUMRY balance) is \$25,000 or less. The dollar threshold for these types of agreements is found in [IRM 5.14.5](#). No field call is required. Lien determination guidelines in IRM 5.12 will be followed when granting these agreements.

## Pertinent Guidance on Working Collection Cases as Found Throughout Part 5 of the IRM

### **Initial Contacts**

[IRM 5.1.10.3.2](#) provides guidance for making an effective initial contact. A deviation is granted to the extent that a field visit to the taxpayer or representative will not be required. (See the Note in [IRM 5.1.10.3](#).) The first method of contact will be a telephone call. If contact is not made through a telephone call, follow procedures in [IRM 5.1.10.5](#) for use of pre-printed letters to correspond with the taxpayer.

### **Issuance of Letter 1058**

[IRM 5.11.1.2.1\(3\)](#) provides guidance for issuing the L1058 when the first contact is not in person. The letter can be sent to the taxpayer's last known address by certified mail after an attempted phone contact.

### **Collection Due Process (CDP)**

When a taxpayer requests a CDP hearing, follow procedures in [IRM 5.1.9](#) before sending the case to Appeals. The case will then be sent to the Appeals Office coinciding with the state/zip code of the taxpayer. The Appeals Office addresses can be found at [Appeals Case Routing by State and Zip Code](#).

### **Lien Notice Filing**

Lien Notice determinations should be made following guidelines in [IRM 5.12](#). Programming changes have been made to allow Field Collection TEs grade 7 and above to request lien notice filings through the Integrated Collection System (ICS).

### **Taxpayer Request for Case Transfer**

Taxpayers may request that their case be transferred to another IRS office as outlined in [IRM 5.1.8.1.1](#) and [IRM 5.1.10.7.3\(5\)](#). TEs that receive this type of request should follow the procedures in [IRM 5.1.10.3\(3\)](#).

**Note:** Case addresses should only be updated in accordance with Rev. Proc. 2010-16 from:

- Most recently filed return
- Address obtained from USPS National Change of Address database

**ANY LINE MARKED WITH A # IS FOR OFFICIAL USE ONLY**

- Written notification from the taxpayer
- Clear and concise oral notification from the taxpayer

### **Cases Requiring Managerial Review Prior to Being Returned to the Queue**

Depending on the facts of the case and the extent of taxpayer contact, the group manager covering the taxpayer's location may be consulted to determine if the group manager wants the case assigned to a revenue officer. The following cases may be returned to the queue:

- Business Master File (BMF) – BMF cases that cannot be fully resolved and have no indications of continuing operations or employees may be returned to the queue. If the TE has confirmed via telephone call or correspondence that the taxpayer continues to operate and has employees, and an IBTF Express installment has not been granted, the case should be transferred to the group manager covering the taxpayer's location.
- Collection Statute Expiration Date (CSED)/Assessment Statute Expiration Date (ASED) – any case with an imminent statute (expiring within twelve months). **Note:** Cases with less than six months remaining on the CSED cannot be transferred to the queue.
- Seizures - any case requiring a seizure.
- Summons - any case where a summons would be anticipated.
- Any complex case where the group manager agrees that the resolution is outside the scope of the TE's abilities.

This deviation authority will remain in effect for one year from the date of issuance of this memorandum. These deviations will only apply to cases being worked by tax examiners assigned case inventory under the guidelines set forth in this memorandum. When utilizing these deviations, tax examiners should document their case histories with a reference to this memorandum.

If you have any questions, please contact me, or a member of your staff may contact David Beach (IBTF Express Installment Agreements), Lynn Greer (Financial Analysis), Sandra O'Shea (CNC), Maureen Rattie (Taxpayer Contact) and Michael Smith (Initial Contacts). Field personnel should elevate their questions through the appropriate management chain.

cc: Director, Campus Compliance Services  
 Director, Advisory and Insolvency  
 Director, Field Collection  
 Director, Enterprise Collection Strategy

**ANY LINE MARKED WITH A # IS FOR OFFICIAL USE ONLY`**