



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

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MEMORANDUM FOR ALL SBSE AND LB&I REVENUE AGENTS

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SUBJECT: Interim Guidance on Recording the Notice of Beginning of
Administrative Proceeding (NBAP) Issue date on ERCS

On September 26, 2014, TIGTA issued the audit report, "Improvements Are Needed to Ensure That Procedures Are Followed During Partnership Audits Subject to the Tax Equity and Fiscal Responsibility Act of 1982 (Audit 2014-30-082)." The report outlined five recommendations to improve timeliness on controls.

In response to the second recommendation in the audit report, this memorandum serves as interim guidance for first-line managers and revenue agents to populate the Examination Return Control System (ERCS) with the date the Notice of Beginning of Administrative Proceeding (NBAP) is mailed to the Tax Matters Partner (TMP). Please ensure this guidance is distributed to all revenue agents within your organization. This guidance is effective immediately and applies to all partnerships in Status Code 12 or above where the TMP NBAP has been issued.

Examination Procedures:

The TMP NBAP date represents the start of a Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) examination. When a revenue agent mails the NBAP letter to the TMP, the certified mail date will be recorded on ERCS following the procedures outlined in the next section. The NBAP date entered on ERCS will then populate the Audit

Information Management System (AIMS). By having this date reflected on ERCS/AIMS, information as to the start of the examination will be correctly documented.

Revenue Agent Procedures:

ERCS Input – NBAP Date

The TMP NBAP date for current TEFRA partnership inventory should be updated within 30 days of this memorandum. The TMP NBAP date for new TEFRA partnership inventory should be updated on the day the NBAP letter is mailed, but no later than five business days after the mailing of the certified letter.

The revenue agent (RA) will take the following steps:

1. Prepare Form 5348, AIMS/ERCS Update (Examination Update) by completing the following:
 - a. RA's Name (as Requestor), Employee Group Code (EGC) and date, which are located on top of the form.
 - b. "NBAP Ltr Date". The RA will record the certified mailing date of the TMP NBAP. Note: The RA must ensure the date on the letter is the same as the certified mailing date.
 - c. TEFRA Code. Check "Y=TEFRA", if not previously entered.
2. Submit completed Form 5348 to the group manager for approval.
3. Submit the completed and approved Form 5348 to the group secretary or other designated person for input on ERCS.

This guidance will be incorporated into IRM 4.31.2, *TEFRA Examinations - Field Office Procedures*. If you have questions or need additional information, please contact your Technical Services TEFRA Coordinator.

cc: www.irs.gov