



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

SMALL BUSINESS/SELF-EMPLOYED

May 21, 2014

Control #: SBSE-04-0514-0042

Affected IRM: 4.24.2.7.4.3

Expiration Date: October 1, 2014

MEMORANDUM FOR ALL EXCISE TERRITORY MANAGERS AND FIELD GROUP MANAGERS

FROM: Holly L. McCann /s/ Holly L. McCann
Chief, Excise Tax Program

SUBJECT: Centralization of the Form 637 Registration Bond Requirements

The purpose of this memo is to reissue and extend SBSE 04-0613-0045 dated 6-10-2014 which discussed the centralization of the Form 637 surety bond program and procedural changes to the IRM regarding Form 637 bond requirements. These changes are effective immediately. Please ensure this information is distributed to all affected employees and managers within your organization.

IRM 4.24.2.7.4.3 (6), *Procedures for Surety Bonds*, states that the excise field group manager must obtain a letter from the surety company certifying that the applicant is bonded with their company. The letter shall verify that the bond is payable to the United States Treasury and is not revocable by the registrant without prior notification by the surety company to the field group manager.

Currently the IRM states "The original surety bond remains with the field group manager. A copy of the bond will be uploaded into the registrant 637 IMS case file." Effective immediately, original Surety Bonds will now be centralized and maintained by the 637 Registration Program. To facilitate the centralization of these bonds to the 637 Registration Group, Territory Managers must take the following actions:

1. Canvass all of your managers to determine what bonds are in the field.
2. Forward the following information via secure e-mail to Felicia Walker, Acting 637 Registration Group Manager:
 - The name of the registrant
 - EIN
 - surety/bond company and
 - amount of the bond

3. Have your managers mail these bonds via UPS 2nd day mail to:

Internal Revenue Service
Attn: Felicia Walker
8701 S. Gessner Rd., Stop 5403HAL
Houston, TX 77074

Procedures for the Maintenance of the newly secured Form 637 Bonds

As of the date of this memo, when a bond is secured on a Form 637 Registration case the following procedures are required:

- a. The bond should be forwarded to the Form 637 Registration Group Manager within 5 business days.
- b. A copy of the bond must be loaded into the IMS case file.
- c. The bond must be indicated on IMS. Under the 637 Recommendation Screen, the excise examiner should select the "Bond Indicator" as a part of their recommendation. The excise examiner must also notate the amount of the bond, the bond number, and the date bond secured.
- d. Complete and forward Form 2363, *Master File Entity Change*, to Centralized Excise Operations to have the Form 637-IndB indicator updated on IDRS.

This guidance will be incorporated into IRM 4.24.2 prior to the expiration of this memo.

If you have questions, you may contact me or you may contact Michael Beker, Acting Excise Tax Policy Manager, Felicia Walker, Acting 637 Registration Group Manager, or Chris Steadham, Excise Policy Senior Program Analyst.

cc: www.irs.gov