

IRM PROCEDURAL UPDATE

DATE: 02/10/2014

NUMBER: SBSE-05-0214-0289

SUBJECT: Balance Due Updates

AFFECTED IRM(s)/SUBSECTION(s): 5.19.1

CHANGE(s):

IRM 5.19.1.2.3 For All ACS Employees - Updated paragraph (9) to incorporate new Refund Inquiry instructions.

9. Use the transfer table to determine the correct transfer number.

NOTE: Inform the taxpayer they are being transferred.

NOTE: All Compliance issues should be addressed before transferring. The assistor should inform the taxpayer they are being transferred and advise caller of what topic to request after the transfer. The assistor should document AMS history with the reason for the transfer.

NOTE: Document AMS history with the reason for the transfer.

When Issue is ...	Function ...	Use the Following to Resolve the Call ...
<p>Tax Law Issues (Default Screener) – Inform taxpayer of the topic/issue they need to have addressed when transferred,</p>	<p>Accounts Management Toll-Free lines (AM)</p> <p>Hours of Operation are:</p> <ul style="list-style-type: none"> ○ 7:00 am to 7:00 pm (local time). <p>EXCEPTION:</p> <p>I f the call is received outside of the hours of</p>	<p>Transfer to extension #92001.</p> <p>NOTE: Extension #92001 directs the caller to a screening line. Advise the taxpayer that they will be transferred again. This will help direct the caller's inquiry expeditiously and to minimize the number of times they are subsequently transferred.</p>

	operation, do not transfer the call. Instead, advise taxpayer of the hours of operation and to call the appropriate AM toll-free number 1-800-829-1040.	
Account Issues – (Any account issues that do not pertain to the ACS case), EXCEPTION: Refund Inquiries (see below).	<p>AM Toll-Free lines (AM)</p> <p>Hours of Operation are:</p> <ul style="list-style-type: none"> ○ 7:00 am to 7:00 pm (local time). <p>EXCEPTION:</p> <p style="text-align: center;">I</p> <p>f the call is received outside of the hours of operation, do not transfer the call. Instead, advise taxpayer of the hours of operation and to call the appropriate AM toll-free number 1-800-829-1040.</p>	<ul style="list-style-type: none"> ○ English - Transfer to extension #92020. ○ Spanish - Transfer to extension #92021.
<p>Refund Inquiries – Taxpayer is inquiring about their refund and it has been:</p> <ul style="list-style-type: none"> ○ 21 days or less since they filed an electronic return, 	<p>AM Toll-Free lines (AM)</p> <p>Hours of Operation are:</p> <ul style="list-style-type: none"> ○ 7:00 am to 7:00 pm (local 	<ul style="list-style-type: none"> ○ English - Transfer to extension #90278. ○ Spanish - Transfer to extension #90279.

<p>or</p> <ul style="list-style-type: none"> ○ Six weeks or less since they filed a paper return, 	<p>time).</p> <p>EXCEPTION:</p> <p>I</p> <p>f the call is received outside of the hours of operation, do not transfer the call. Instead, advise taxpayer of the hours of operation and to call the appropriate Refund Hotline (Automated Service): 1-800-829-1954.</p>	
<p>Refund Inquiries – Taxpayer is inquiring about their refund and it has been:</p> <ul style="list-style-type: none"> ○ More than 21 days since they filed an electronic return, or ○ More than 6 weeks since they filed a paper return, 	<p>AM Toll-Free lines (AM)</p> <p>Hours of Operation are:</p> <ul style="list-style-type: none"> ○ 7:00 am to 7:00 pm (local time). <p>EXCEPTION:</p> <p>I</p> <p>f the call is received outside of the hours of operation, do not transfer the call. Instead, advise taxpayer of the hours of operation and to call the appropriate AM toll-free number 1-800-829-1040.</p>	<ul style="list-style-type: none"> ○ English - Transfer to extension #92020. ○ Spanish - Transfer to extension #92021.

<p>Examination Issues – Call transfer functionality to Exam is available as an alternative for routing Form 4442, <i>Inquiry Referral</i>, or e4442. Those accounts meeting the transfer criteria outlined below can be transferred:</p> <ul style="list-style-type: none"> ○ Open audit identified by an Exam Freeze Code (-L), information available on CC AMDIS, AIMS status code is between 00 and 57 AND a unreversed TC 420 or TC 424, ○ Closed audit with an open Exam control base on IDRS, indicating there is an open Audit Reconsideration case, or ○ Closed audit with no Exam control base on IDRS, but meeting the criteria in IRM 4.13.2.1, <i>Research/Initial Case Screening</i>, 	<p>Examination</p> <p>Hours of Operation are</p> <ul style="list-style-type: none"> ○ W&I - 8:00 am to 8:00 pm (local time). ○ SB/SE - 7:00 am to 7:00 pm (local time). 	<p>Follow procedures in Exhibit 21.5.10-2, <i>AIMS STATUS CODE GUIDE CORRESPONDENCE EXAM</i>.</p>
<p>AUR Issues – Accounts with an open AUR case,</p>	<p>AUR</p>	<p>Follow procedures in IRM 21.3.1.4.58, <i>Status of Underreporter Cases</i>.</p>
<p>ACS FERDI Issues – Employees can identify FERDI accounts by the following codes:</p> <ul style="list-style-type: none"> ○ AMS – "Federal 	<p>FERDI - IRM 5.19.18.2, Identifying FERDI Cases.</p>	<ul style="list-style-type: none"> ○ English/Spanish calls - Transfer to #92082. <p>NOTE: All FERDI calls</p>

<p>Employee" in the Alerts box of the Account Summary screen,</p> <ul style="list-style-type: none"> ○ ACSWEB – "FE" in the Alerts section, ○ ACS Green Screen – "FE" in the Alerts section, ○ IDRS CC ENMOD screen – "FED-EMP>F", ○ CFOL CC IMFOL E screen – "FED EMPLOY/RETIR EE", 		<p>needing Spanish translators should be transferred to the Jacksonville CallSite - #92082. They will utilize OPI Service instead of a Spanish assistor.</p>
BMF Taxpayers	SB/SE	<ul style="list-style-type: none"> ○ Transfer to extension #92085.
Z Freeze	Criminal Investigation (CI)	Follow procedures in IRM 5.19.1.2.4(3), <i>For Other Account Issues</i> .

IRM 5.19.1.4.3.1 Deceased Taxpayer- Balance Due Actions - Updated paragraph (6) to add ACS instructions for closing cases on decedent accounts.

6. **When the primary taxpayer is deceased**, regardless of the balance owed, if neither the surviving liable party nor the estate show payment ability, input of TC 530 cc 08 will generate a TC 540 systemically on the account. Managerial approval is required when the AAB due is ~~#\$xxxxxxx#~~ and should be documented on AMS.

If the account is in ST 22, send the case:

- ACS: "TOCO,05,NC08"
- ACSS: "TOS0,05,NC08"

The manager should confirm that required actions in IRM 5.19.1.4.3, *Deceased Taxpayers*, have been taken and documented in AMS, prior to approval of TC 530. Once confirmed, the manager should approve the closure by inputting "NC08,,53APP" on ACS.

NOTE: Decedent procedures apply to IMF, BMF sole proprietorship and BMF partnership accounts (only if all liable partners are deceased).

IRM 5.19.1.5 *Methods of Payment* - Updated paragraph (6)(e) to add ACS History Code for IA requests with Delinquent Returns.

6. If, during FCC it is determined an IA cannot be granted because a return is due:
 - a. Advise the taxpayer what returns are required and give a firm deadline for filing.
 - b. Update AMS with the agreement made with the taxpayer about when the returns will be filed and what tax periods are included.
 - c. Encourage the taxpayer to make voluntary payments in the interim while securing required returns.
 - d. **Do not** collect financial information for a potential IA until all returns have been secured.

REMINDER: Advise the taxpayer to attach Form 9465, *Installment Agreement Request*, when they file the return. **If it appears that they will not meet SIA criteria, advise them to also provide a completed Form 433-F, *Collection/Information Statement*.**

EXCEPTION: If the taxpayer claims to be experiencing a financial hardship, take a Collection Information Statement to confirm the hardship condition - even in situations where the taxpayer has unfiled returns. See IRM 5.19.1.7.1.3, *CNC - Unable to Pay - Hardship*.

- e. If the taxpayer has not mailed the return, advise them to attach Form 9465, *Installment Agreement Request*, with the return and send them to:
 - i. Notice Status – the appropriate CSCO site.
 - ii. ST 22 – the appropriate ACSS site. Reassign the account:
 - "TOI8, XX, CKCMTS",
 - "OADT,XX,CKCMTS" (if a levy was already issued, but not released).(where XX = deadline to file plus 30 days).

IRM 5.19.1.5.4.8 *IA Manager Approval* - Updated paragraph (2) to include PPIAs.

2. **Submit IAs for managerial review without delay.** The approval should normally be that of the recommending employee's immediate manager. Document the proposed IA or PPIA terms on AMS. See IRM 5.19.1.5.4.13(6), *Input of IA*.

If ...	Then ...
ACS,	Input history: "TOXX,05,433D" for a regular IA "TOXX,05,PPIA" for a PPIA "TOXX,05,2159" for a PDIA "TOXX,05,DDIA" for a DDIA NOTE: XX = "C0" for ACS call site employees or "S0" for ACSS employees.
All Other Functions,	Document on AMS the IA was sent to the manager for approval and the type of IA.

IRM 5.19.1.5.4.13 *Input of IA* - Updated list of required documentation in paragraph (6).

6. The following items **must** be documented on AMS for **all** IAs **not** immediately input:

EXAMPLE: A proposed PPIA sent to the manager for approval.

- Type of IA SIA, NSIA or PPIA,
- Payment method, if not a regular IA (paid through mail): PDIA or DDIA,
- Payment amount(s) and date(s), including VLSP (if applicable),
- ALN (Exhibit 5.19.1-11, *ALNs*),
- Originator Code (Exhibit 5.19.1-12, *IA Originator Codes*),
- User Fee Code (Exhibit 5.19.1-13, *IA User Fee Codes*), including RUFII Indicator (if applicable),
- PPIA Indicator: "2" for PPIA, or "0" for all others,
- If PPIA: "No Asset PPIA" or "Retained Equity PPIA", as applicable, and
- Any special conditions.

EXAMPLE: Cross reference accounts, unassessed module(s), back-up CNC, etc.

1. All PPIAs require managerial approval. See IRM 5.19.1.5.4.8, *IA Managerial Approval*.

REMINDER: In addition to new PPIAs, managerial approval is **also** required whenever PPIAs are reinstated.

2. The manager must review these cases to ensure they reflect documentation concerning:

- Thorough and complete input of the financial statement(s).

EXCEPTION: If the taxpayer had a previous PPIA and defaulted it, there are some situations where a new financial statement may not be necessary. See IRM 5.19.1.5.5.3.2(2), *Revising/Reinstating PPIAs*.

- Correct determination of Real Property equity.
- Ensure the taxpayer is in compliance with:
Filing requirements.
Withholding requirements.
Federal Tax Deposit payment requirements.
Estimated Tax payment requirements: IRM 5.19.1.3.4.3, *Balance Due Taxpayer Education (Cause and Cure)* and IRM 5.19.1.5.4.2, *IA Requirements IBTF Express Agreement*.
- Ensure the taxpayer agrees to pay all cash available as determined in the financial statement processing.
- Include all balance due accounts, including pre-assessed modules.

EXAMPLE: Taxpayer inability to borrow against or otherwise utilize an asset or equity to make payment and insufficient equity are examples of justification and rationale for a PPIA.

3. Managers must document their review and approval/disapproval on AMS or ACS; for procedures. IRM 5.19.1.5.4.8, *IA Managerial Approval*.

IRM 5.19.1.5.5.3.1 Input of PPIAs -Added new subsection consisting of paragraphs (3) and (4) removed from IRM 5.19.1.5.5.3, *Managerial Approval of PPIAs*.

1. After managerial approval, follow normal procedures for establishing the IA with the additional guidance below:
 - a. For ALN: "12", put in "YY" position of the ALN, unless IA another ALN takes precedence; for additional information regarding ALNs, see Exhibit 5.19.1-11, *ALNs*.
 - b. For BMF cases, use RSI "6".
For IMF cases; use RSI "5".

- c. For the Agreement Review Date:
- For new PPIAs or reinstated PPIAs where a new financial statement was taken, input 104 cycles from the current cycle.
 - For reinstated PPIAs where an existing financial statement was used, no entry is required **if** the current Agreement Review Date is within 104 cycles from the cycle the previous financial statement was taken.

EXCEPTION: If the current Agreement Review Date is **more** than 104 cycles from the current cycle, enter 104 cycles from the cycle the previous financial statement was taken.

- d. Inform the taxpayer the PPIA is reviewed every two years, at which time we may request new information regarding their financial situation.
- e. Campus employees input the PPIA-IND as "2" regardless of whether the case is an asset or non-asset case.

CAUTION: PPIA-IND "1" is reserved for field asset cases.

- f. Update the AMS narrative to reflect the actions taken including the TC 530 action code for back-up 53 cases or cross-referenced TINS; a back-up 53 is required when financial statement shows no ability to pay, but the taxpayer requests to make payments; for additional information: IRM 5.19.1.6, *Securing Financial Information*.
2. PPIAs may be input as PDIAAs or DDIAAs.

IRM 5.19.1.5.5.3.2 Revising/Reinstating PPIAs - Added new subsection with instructions for reinstating or revising PPIAs.

1. Managerial approval is required for **all** revisions/reinstatements of PPIAs.
2. If the previous PPIA was based on a financial statement that was taken:
 - a. One year ago **or less**, a **new** financial analysis is not required if the PPIA will be reinstated at the same terms.

EXCEPTION: A new financial statement is required (even if the previous one is less than a year old) **if** the taxpayer is requesting new terms (such as asking for a lower monthly payment), **or** if the taxpayer indicates their financial condition has changed since the previous financial statement.

- b. **More than** one year ago, a new financial analysis **is** required. See IRM 5.19.1.5.5.1, *PPIA Requirements*, IRM 5.19.1.5.5.2, *Procedures for PPIA*, and IRM 5.19.1.6, *Securing Financial Information*.

3. Document AMS to show the reason for the previous default. If no new financial statement is needed, document why the PPIA is being reinstated for the same terms.
4. Once managerial approval is secured and documented on AMS or ACS, revise/reinstate the new PPIA as instructed in IRM 5.19.1.5.5.3.1, *Input of PPIAs*.
5. If one or more new modules are added to the PPIA, make a NFTL determination and advise the taxpayer of NFTL filing when appropriate; for criteria and NFTL filing procedures, see IRM 5.19.4.5.2(2), *Lien Filing Determinations*, and IRM 5.19.4.6.1, *How to File a Lien*. If the taxpayer objects to the NFTL filing, see IRM 5.19.8.4.16, *Collection Appeals Program (CAP) Procedures*, for CAP information.

IRM 5.19.1.7.1.1 CNC Processing - Moved note from paragraph (2) to (1). Added paragraphs (2)(a)-(b) to address required actions when managerial approval is required and not required.

1. Accounts are closed CNC using TC 530, the appropriate cc and the Responsibility Unit Code (RUC) or Jurisdiction codes. See IRM 5.19.1.1.6(10), *Case Processing Authority Levels*.

NOTE: Decedent procedures **only** apply to IMF, BMF sole proprietorship and BMF partnership accounts (only if all liable partners are deceased).

2. See IRM 5.19.1.1.6(10), *Case Processing Authority Levels*, for managerial approval requirements for CNC determinations.
 - a. If managerial approval is required, follow instructions in IRM 5.19.1.7.1.9, *CNC Managerial Approval*, and IRM 5.19.1.7.1.11, *Requesting Approval and Input of Accounts to be CNCd*.
 - b. If managerial approval is **not** required, see Exhibit 5.19.1-25, *IDRS Input of CNCs, CC REQ77/FRM77*.
 - Document AMS, showing the modules to be included and the reason that account will be CNCd.
 - ACS: Input "TOCO,21,NCXX"
ACSS: Input "TOSO,21,NCXX"

XX = CNC Closing Code

IRM 5.19.1.7.1.3 CNC Unable to Pay - Hardship - Updated paragraph (10) to move Responsibility Unit Code (RUC) table to new Exhibit. Added hyperlink to new Exhibit.

10. Ensure that when using CC REQ77 /CC FRM77 to input the CNC, the correct Responsibility Unit Code (RUC) is used. See Exhibit 5.19.1-25, *IDRS Input of CNCs, CC REQ77 /FRM77*.

IRM 5.19.1.7.1.6 CNC of Multiple Accounts - New paragraphs (3), (4) and (5) were added.

3. ACS/ACSS inputs most CNC closures via ACS. If non-ST 22 modules are present on an ACS account, bring them into ST 22. If ST 23 accounts are involved on an ACS account, bring them to the TIF using CC MFREQ C, and input an AMS history or CC ENMOD, such as "CNCEXE", to include the module expedited into ST 22 for inclusion in CNC closure.
4. When you cannot reassign a module to ST 22 (such as expiring CSED or ST 21 account):
 - a. Obtain managerial approval first per IRM 5.19.1.7.1.9, *CNC Managerial Approval*, for all modules (ST 22 and Non-ST 22).
 - b. Input TC 530 on IDRS.
 - c. Document AMS (include each module closed on IDRS).
5. If warranted, managerial approval of all modules must be documented in AMS history.

Exhibit 5.19.1-8 IDRS Input of IAs, CC IAORG - Updated Agreement Review Date instructions for PPIAs.

13. AGREEMENT REVIEW DATE: Identifies the date the IA will be reviewed.

If ...	Then ...
IA,	Leave blank; the correct review cycle will be generated.
PPIA,	Enter 104 cycles from the current cycle.

Exhibit 5.19.1-9 IDRS Input of IAs, CC IAREV - Updated Agreement Review Date instructions for PPIAs.

14. AGREEMENT REVIEW DATE: Identifies the date the IA will be reviewed.

If ...	And ...	Then ...
IA,	Intentionally Left Blank	Leave blank; the correct review cycle will be generated.
PPIA,	○ New PPIA, or	Enter 104 cycles

	<ul style="list-style-type: none"> ○ Reinstated PPIA where a new financial statement was taken, 	from the current cycle.
PPIA,	Reinstated PPIA where an existing financial statement was used (and the current Agreement Review Date is within 104 cycles from the cycle the previous financial statement was taken),	No entry is required (leave existing review cycle).
PPIA,	Reinstated PPIA where an existing financial statement was used (and the current Agreement Review Date is more than 104 cycles),	Enter 104 cycles from the cycle the previous financial statement was taken.

Exhibit 5.19.1-25 IDRS Input of CNCs, CC REQ77/FRM77 - Added new Exhibit containing CC FRM77 instructions for CNC closures.

When inputting a CNC on an account on IDRS, CC REQ77 defaults to CC FRM77. Use the template and instructions below for correct input of CNCs, or refer to Exhibit 2.4.19-5, *Command Code FRM77 Input*.

FRM77 XXX-XX-XXXX MFT>XX TXPD>XXXXXX PLN-NUM>XXX NM-CTRL>XXXX

1. TC> TRANS-REGISTER-IND> PSTNG-DLAY-CD> FLC> EXTENSION-DT> TC93X-EMP-CD> 2. TRANS-DT> 3. CLOSING-CD> 4. RESP-UNIT/JURISDICTION-CD> TC148-CD> BANKRUPT-CD> DLN-CD> BL-LOC-CD> LAST-RET-AMT-CD> TC480-SC-CD> CYCLE> APP-OFF-CD> CSED-CD> BOD-CD> BOD-CLIENT-CD> SEQ-NUM> REVERSAL-DLN> SECONDARY-DT> CAF-CD> TC971/151-CD> TC550-DEFINER-CD> FEMA-NUM> ULC> FREEZE-RELEASE-AMT> ABA-NUM> TC46X-GRP-CD> TC583-DEFINER-CD> TDI-SELECT-CD> XREF-TIN> XREF-NM-CTRL>

XREF-TX-PRD> XREF-PLN-NUM> XREF-MFT> MISC> CORR-DT-IND> REFILE-LIEN-IND> 2013-IND> 5. V-----V

NOTE: ACS/ACSS inputs most CNC closures via ACS. ACS/ACSS employees should bring all Non-ST 22 modules into ST 22. These instructions should only be followed by ACS/ACSS employees if the CNC cannot be brought into ST 22 and must be input

directly to IDRS. ST 23 modules must be brought to the TIF using CC MFREQ before accelerating to ACS. See IRM 5.19.1.7.1.6, *CNC of Multiple Accounts*.

1. **TC**: Transaction Code. Input 530.
2. **TRANS-DT**: Transaction Date. Identifies the date the transaction posted to MF. Current date generates if no date is input.
3. **CLOSING-CD**: Closing Code. Indicates the reason the account was declared CNC. Input the appropriate cc. See IRM 5.19.1.1.6(9), *Case Processing Authority Levels* and IRM 5.19.1.7.1.3, *CNC Unable to Pay - Hardship*.
4. **RESP-UNIT/JURSDICTION-CD**: Responsible Unit/Jurisdiction Code. Indicates the function that closed the account CNC. Values are shown in the following table:

Value	Functional Area
1	Field Office
2	Revenue Officer
3	Campus Collection Operations (CSCO)
4	ACS and ACSS
5	Inventory Delivery System (IDS)
6	Examination
7	Appeals
8	TAS
9	Other (AM and TAC Offices)

5. Remarks. Provide a brief description of the action being taken on the account. Enter remarks per IRM 21.1.3.20.1, *Oral Statement Documentation Requirements*.