



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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

April 29, 2015

Control Number: SBSE-05-0415-0037
Expiration: April 29, 2016
Impacted: IRM 5.1.9

MEMORANDUM FOR DIRECTORS, COLLECTION AREA OPERATIONS

FROM: Kristin E. Bailey /s/ *Kristen E. Bailey*
Acting Director, Collection Policy

SUBJECT: Interim Guidance for Appeals Referral Investigation

This memorandum issues guidance on Appeals Referral Investigations (ARI) until published in IRM 5.1.9. Please distribute this information to all affected employees within your organization.

Purpose: This clarifies procedures regarding ARIs.

Background: Appeals may ask Collection to secure information pertaining to the taxpayer's appeal, such as verification of financial information and courthouse checks. Appeals will request this information via an ARI or Form 2209, *Courtesy Investigation*.

Procedural Change: See attached procedures in new IRM 5.1.9.3.9.2, *Appeals Referral Investigation*.

Effect on Other Documents: This guidance will be incorporated into IRM 5.1.9 not more than one year from the date of this memorandum.

Contact: If you have any questions, please feel free to contact me, or a member of your staff may contact Anastasia Agne, Senior Program Analyst.

Attachment

cc: Director, Field Collection
Chief, Appeals
www.irs.gov

Attachment

5.1.9.3.9.2

Appeals Referral Investigation (ARI)

- 1) If Appeals is unable to secure, from internal sources, information needed to determine the appropriateness of a collection alternative or CNC hardship, then Appeals may ask Collection to secure information pertaining to the taxpayer's appeal, such as verification of financial information and courthouse checks.
- 2) Appeals will request this information via an ARI on Form 10467, Appeals Division Feedback Report, or Form 2209, Courtesy Investigation. The request will state the specific information requested.

Example: "We are conducting a CDP/EH hearing and the taxpayer has raised [collection alternative] which require [specify what it is Collection should do]. Please see the attached forms and verify necessary items."

- 3) For hearing requests that originated in Field Collection, Appeals will route the ARI to the manager of the revenue officer group covering the taxpayer's zip code. When creating the Other Investigation on ICS, the receiving office will select "Other" under Action Requested and in the Remarks section, begin the remarks with "ARI" and describe the action needed.

Note: Appeals will send hearing requests originating in ACS to ACS. ACS will refer Appeals request to Field Collection if the case balance exceeds ACS authority.

- 4) Appeals will send a letter to the taxpayer notifying the taxpayer that Appeals is referring the issue to Collection. Appeals will include a copy of the letter with the ARI.

Example: "You requested Appeals consider [specify issue]. Appeals has asked Collection to review the information provided while we retain jurisdiction of your case. It may be necessary for Collection to contact you and/or third parties for information to complete the review. You will have an opportunity to respond once the results of the review are shared with you."

- 5) If Collection needs to contact the taxpayer regarding the request, the contact is on behalf of Appeals. Give the taxpayer a specific deadline to provide the necessary verification. If unable to contact the taxpayer directly, send a letter requesting the additional information setting a specific deadline by which to respond. If the taxpayer does not respond within 15 days of the deadline, note in the response to Appeals that the taxpayer did not respond and failed to provide the needed information. Contact with third parties to verify or obtain information may be necessary (see IRM 25.27, *Third Party Contacts*).
- 6) Document the results of the ARI investigation in the ICS history and close the ARI OI.
- 7) Provide a separate response to Appeals since Appeals cannot access ICS history after they have conducted the initial case analysis due to ex parte. This could be a copy of the ICS history entry documenting the results of the ARI investigation. Use secure email or mail to respond to the Appeals employee who originated the request. Appeals will share the results of the ARI with the taxpayer.
- 8) ARIs are mandatory. See IRM 5.1.8.5.1, Types of Mandatory OIs. The ARI deadline is as follows:

Attachment

- 45 days after issuance if the action address is within the United States, Puerto Rico or the Virgin Islands.
- Six months after issuance if the action address is within any other US possession or territory or located within a foreign country.

Report the action taken to the originator by the deadline. Submit a status report if the complete report will not be timely. Enter the report date in the ICS history and extend the OI due date. Submit the report on Form 2209-A, Status Report. Appeals will share the status report with the taxpayer.