



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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

August 19, 2013

Control Number: SBSE-05-0813-0031
Expiration: August 19, 2014
Impacted IRM: 5.16.1.2.1(3) and (11);
5.16.1.5(1) Exception

MEMORANDUM FOR DIRECTORS, FIELD COLLECTION AREA OPERATIONS

FROM: Scott D. Reisher */s/ Scott D. Reisher*
Director, Collection Policy

SUBJECT: Changes for Unable to Locate (UTL) and Unable to Contact (UTC)
Closures, FERDI Cases Closed Currently Not Collectible (CNC) and
for Managerial Approval on Certain IMF Cases Closed CNC as UTL,
UTC and Decedent

This Interim Guidance Memorandum is being issued to Field Collection employees to provide guidance on certain Currently Not Collectible guidelines. Requirements for research have been revised when closing cases UTL and UTC when the unpaid balance of assessments is less than # [REDACTED]#. FERDI cases may now be closed Unable to Contact. IMF Currently Not Collectible UTL, UTC and Decedent cases no longer require managerial approval when the unpaid balance of assessments is less than # [REDACTED]#. This guidance is effective immediately and will be included in the next revision of IRM 5.16.1, *Currently Not Collectible*. Please ensure this information is distributed to all affected employees within your organization.

The reason for the changes is to provide guidance to Field Collection when closing these types of cases that is consistent with the changes in the ICS Updates released in January, 2013.

ANY LINE MARKED WITH A # IS FOR OFFICIAL USE ONLY

The IRM 5.16.1 subsections below will be revised as follows:

IRM 5.16.1.2.1(3) For domestic accounts, where the aggregate unpaid balance of assessments is less than # [REDACTED]#, employees should:

- Attempt to contact the taxpayer by phone at the ICS telephone number(s).
- Address all ICS levy sources. Issue levies or confirm the taxpayer is not owed any funds from the levy sources.
- Check Accurint for a new phone number or new address.

IRM 5.16.1.2.1(11) Federal Employee/Retiree Delinquent Investigation (FERDI) cases cannot be reported as UTL. Follow procedures in [IRM 5.1.7.7](#), *Federal Employee/Retiree Initiative (FERDI)*.

A FERDI case may be closed Currently Not Collectible as Unable to Contact (closing code 12), when the taxpayer's ability to pay cannot be determined because they cannot be contacted and all asset checks required above reveal no income or assets to collect from. In addition, all levies, including levies on the taxpayer's federal salary or retirement benefit, must result in no proceeds available to pay the tax liability.

Note: This is not applicable for LLC-SMO Liable cases.

IRM 5.16.1.5(1) Exception will be revised to add "IMF cases closed as UTL, UTC or Decedent with an aggregate unpaid balance of assessment less than # [REDACTED]# do **not** require managerial approval. This does not apply for LLC-SMO liable closures."

This exception is for managerial approval only. Revenue officers must still take all actions required in IRM 5.16.1 prior to closing IMF cases under # [REDACTED]# as Currently Not Collectible UTL, UTC or Decedent.

If you have any questions, please contact me, or a member of your staff may contact Sandra J O'Shea or Frances Quintero, Program Analyst(s). Territory personnel should direct any questions, through their management staff, to the appropriate Area contact.

cc: Director, Field Collection
www.irs.gov

ANY LINE MARKED WITH A # IS FOR OFFICIAL USE ONLY