



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

July 2, 2013

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Affected IRM: 8.24.1, *Collection Appeals Program*

MEMORANDUM FOR Director, Appeals Campus Operations
Director, SB/SE, Collection Policy
Director, Wage and Investment, Compliance

FROM: Susan L. Latham /s/ *Susan L. Latham*
Director, Policy, Quality and Case Support

SUBJECT: Paperless Collection Appeals Program (CAP) Pilot

This memorandum issues guidance to the Paperless CAP Pilot participants who will work CAP cases through exclusive electronic means. This pilot includes non-Field Collection CAPs that are received from Automated Collection System (ACS), Compliance Services Collection Operations (CSCO) and Accounts Management (AM). The CAPs are efaxed to the Memphis Appeals Campus where they are carded in and assigned to one of the four Memphis Appeals teams. Appeals Quality Measurement System (AQMS) is also included in the pilot as they review closed non-Field Collection CAPs.

Please distribute this information to all affected employees within your organization.

Effective Date: This interim guidance becomes effective on the date of this memorandum.

Contact: If you have any questions, please contact Appeals Senior Program Analyst John Gonzalez at 415-281-7837.

Distribution:

Director, Policy, Quality and Case Support, TPP Collection & Processing
Director, Policy, Quality and Case Support, AQMS
Director, Policy, Quality and Case Support, Account and Processing Support
SB/SE, Enterprise Collection Strategy, Collection Policy
Wage & Investment Compliance
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Attachment

- (1) Addendum – Procedures
- (2) Flowchart
- (3) Flowchart Step-by-step Text Version

Addendum - Procedures

1. Overview of Pilot Procedures

The goals of this pilot are to enable Appeals employees to work CAP cases in an electronic environment and provide decisions on CAP cases to stakeholders within 5-days. The specific processes in preparing for the implementation of the 100% Paperless CAP Pilot are:

- Step 1: Identify the CAP cases for the pilot (non-Field sourced cases)
- Step 2: Identify the impacted employees
- Step 3: Develop a clear, step-by-step process for the pilot
- Step 4: Hold conferences to provide details of the pilot
- Step 5: Obtain approval
- Step 6: Create a Paperless CAP Pilot SharePoint Site

Only those employees who work or handle non-Field sourced CAPs should follow these pilot procedures. Field Sourced CAPs should continue to be worked according to the procedures found in [IRM 8.24.1, *Collection Appeals Rights \(CAP\)*](#).

2. Identify the CAP cases for the pilot

A decision to conduct the pilot on non-Field sourced CAPs was made based on the centralization of the four Campus Appeals Teams in Memphis. These CAPs originate from ACS, CSCO and AM and are efaxed to Memphis via CAP Coordinators.

3. Identify the impacted employees

The implementation of the Paperless CAP Pilot on non-Field sourced CAPs will affect the following employees:

- CAP Coordinators for ACS, CSCO and AM
- Memphis Campus Appeals, Account & Processing Support
- Memphis Campus Appeals Teams
- Appeals Quality Measurement System

4. Develop a Clear Step-by-Step Process

The attached exhibits provide step-by-step information and instructions on the future state of the CAP process:

- Exhibit 1: Visio Chart of the Future Process of the CAP Program Procedures
- Exhibit 2: Addendum to the Step-by-Step Visio Chart of the Future Process

5. Conferences Held prior to the Pilot

Tax Policy and Procedure held conferences with all affected organizations and discussed Exhibits 1 and 2 above.

6. Electronic Signatures

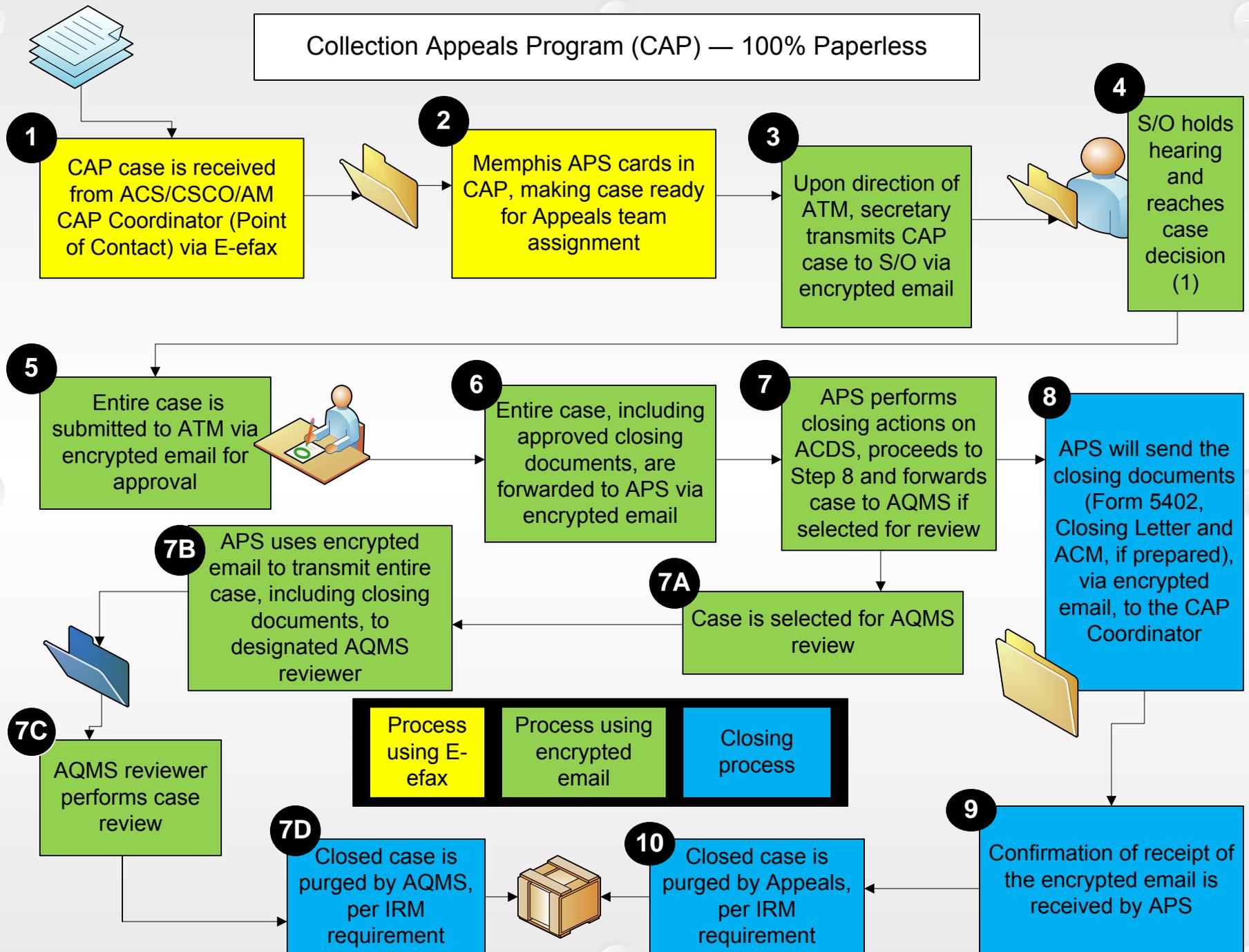
On 9/10/2012, Tax Policy and Procedure secured approval and official guidance from the Office of Chief Counsel; Procedure & Administration citing digital electronic signatures by ATMs on CAP Decision Letters are effective to show they are properly authorized.

7. De minimus Impact

On 4/26/2013, Tax Policy and Procedure received a response from the Embedded LR Analyst with Appeals Human Capital Programs advising Labor Relations Strategy & Negotiations (LRSN) determined the procedures of the Paperless CAP Pilot to be de minimus and that a courtesy notice to NTEU is not required.

8. Pilot 'kick-off' date

The CAP Paperless Pilot will begin on July 15, 2013 and end on September 30, 2013.



(1) Should the S/O receive any additional documents during the hearing, they will be scanned by the S/O or secretary and incorporated into the case file.

**100% Paperless Collection Appeals Program (CAP)
Addendum to Step-by-Step Visio Chart**

Step	Description	Notes/Information
1	CAP case is received from ACS/CSCO/AM CAP Coordinator (Point of Contact) via E-eFax	The originating functions (Automated Collection System, Compliance Services Collection Operations and Accounts Management) use E-eFax (855-214-7525) to transmit CAPs to Appeals.
2	Memphis APS cards in CAP, making case ready for Appeals Teams assignment	Once CAPs are delivered via E-eFax to the Memphis APS group mailbox, they are carded in and forwarded to a Campus Appeals Team in Memphis.
3	Upon direction of ATM, secretary transmits CAP case to S/O via encrypted email	With the approval of the four Campus Appeals Team ATMs in Memphis (one group consists of employees in Memphis and Philadelphia), a secretary has a master list of all the S/O's and assigns CAP cases using an even distribution.
4	S/O holds hearing and reaches case decision	Should the S/O receive any additional documents during the hearing, they will be scanned by the S/O or secretary and incorporated into the case file.
5	Entire case is submitted to ATM via encrypted email for approval	Upon case completion, S/Os will use encrypted email to forward the CAP file, including the closing documents, to their ATM for approval. Currently, S/Os submit a paper file to their ATM. <i>Note: TPP received guidance from Counsel, through a memo on 9/10/12, authorizing electronic/digital signature use on CAP Decision Letters.</i>
6	Entire case, including approved closing documents, are forwarded to APS via encrypted email	Upon approval of the case decision, the ATM will digitally sign the appropriate documents (Closing letter and Form 5402) and forward the entire case file via encrypted email to APS.
7	APS performs closing actions on ACDS, proceeds to Step 8 and forwards case to AQMS if selected for review	APS will make the necessary inputs on ACDS upon receipt of the CAP case closures. If a case is selected for AQMS review, APS will forward the case to the designated reviewer and proceed with Step 8 of the process.
7A	Case is selected for AQMS review	If the CAP case is selected for AQMS review, a pop-up box will appear as APS inputs the closing data on ACDS.
7B	APS uses encrypted email to transmit the entire case, including closing documents, to designated AQMS reviewer	As opposed to forwarding a paper file to AQMS, APS will use encrypted email to transmit the entire case file to the designated AQMS reviewer.
7C	AQMS reviewer performs case review	The AQMS reviewer will have access to the same documents made available to the assigned S/O.
7D	Closed case is purged by AQMS, per IRM requirement	AQMS will purge the CAP file, as opposed to returning it to APS, upon the conclusion of their review.
8	APS sends the closing documents via encrypted email to CAP Coordinator	The closing documents will consist of the Form 5402, Closing Letter and Appeals Case Memo (if prepared).
9	Confirmation of receipt of the encrypted email is received by APS	APS will verify the closing documents were received by the originating function through a confirmation of receipt of the encrypted email.
10	Closed case is purged by Appeals, per IRM requirement	Upon verification that the closing documents were received, the closed case can be purged per the IRM requirement.