



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

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Affected IRM: IRM 8.20.7

MEMORANDUM FOR APPEALS EMPLOYEES

FROM: Steven M. Martin /s/ *Steven M. Martin*
Director, Case and Operations Support

SUBJECT: Electronic Case Closures (ECC)

This memorandum issues guidance on the ECC process and the applicable feature codes. Please distribute this information to all affected employees within your organization.

Purpose: The ECC allows for a flexible closure process which enables the closure of selected Collection Appeals, Examination Appeals and Specialized Examination Programs & Referrals (SEPR) cases without requiring the actual shipment of the physical case file to Account & Processing Support (APS).

Background: Traditional case closures require a physical case file. Once the case is ready for closure, the Appeals Technical Employee (ATE) submits the case file to the Appeals Team Manager (ATM) to approve, enter the closing code, and ACAP. After approval, the ATM sends the case to APS for completion of the case closing actions. The case is subsequently shipped from APS to Files or the originating function, depending on the workstream.

The ECC process eliminates the shipping of the physical case file between the ATM and APS. ECC is limited to the case types listed in the attachment, Case Eligibility and Required Documentation.

ACDS was modified to systemically notify APS of an ECC closure when Feature Codes PL and EC are entered. ATMs will not have to email APS to alert them of the ECC closure. Use of feature code PL in conjunction with feature code EC does **NOT** make the case a true paperless case. There will be a physical administrative file.

Procedural Change: ATEs will enter Feature Codes PL (Paperless) and EC (Electronic Closing) and upload all pertinent closing documents to ACDS. The ATM will confirm that all documents required for APS processing are uploaded into ACDS. The ATE or ATM, as appropriate, will electronically sign closing letters. The ATM will

sign and date other forms requiring the ATM's signature and ACAP the case in ACDS. The ATE/ATM will retain possession of the closed case file until shipping instructions are provided by APS. APS will perform the normal case closing actions, including any feedback loop processes. After APS has completed all closing actions;

(1) APS will prepare a Form 3210 Document Transmittal and a Form 9856, Attachment Alert, as appropriate, upload to ACDS; and

(2) Notify ATE/ATM, via email, that the closing actions are complete, attaching a copy of the Form 3210 and Form 9856 (if applicable), as well as the date to be used on the closing letter (to match the ACDS closing date).

(3) the ATE/ATM will mail the signed and dated closing letter(s) to TP/REP, placing a copy in the administrative file; and

(4) The ATE will attach Form 3210 and Form 9856 (if applicable) to the front of the closed case file and provide the file to a Case Processor for shipping. If no Case Processor is available at the ATE's location, the ATE/ATM will ensure the case file is shipped.

Effect on Other Documents: This guidance will be incorporated into affected IRMs within 2 years of the date of this memorandum.

Effective Date: This guidance is effective as of the date of this memorandum.

Contact: Appeals employees should follow existing procedures to elevate questions through their management chain and follow established procedures on [How to Contact an Analyst](#).

Attachment(s):
ECC Procedures

cc: www.irs.gov

Case Eligibility and Required Documentation

Collection Appeals

Case Type	Disposition	Required Documents
CDP EH	ALL	Form 5402, ACM, Form 433-D, Form 3870, Form 12256, appropriate closing letter
CDP	Waiver	Form 5402, Form 433-D, Form 3870, Form 12257
CDP	Withdrawal	Form 5402, ACM*, Form 12256
CDP	Premature Referral	Form 5402 Only
CDP	Frivolous	Form 5402, ACM*
OIC	Acceptance	Form 5402, ACM, Form 656 and addendum, signed acceptance letter, Form 7249
OIC	Rejection	Form 5402, ACM*, Letter 5197, Form 3040*
OIC	Withdrawal	Form 5402, ACM*, Letter 241, Form 3040*

**if necessary*

Examination Appeals/SEPR

Type Cases	Required Documents
<ul style="list-style-type: none"> AGREED, Non-Docketed Form 1040 	Form 5402, Schedule of Adjustments (SOA), ACM, Form 870, income tax change report, closing letter. <ul style="list-style-type: none"> If case includes SRP, Form 5402, 8278 & tax comp. If the case includes FICA tax, Form 5402 must include separate tax period with "F" modifier, a computation of FICA tax and penalty (RGS Form 885-T), and Form 2504 (if secured).
<ul style="list-style-type: none"> AGREED, Non-docketed Form 1120, 1120S or 1065 	Form 5402, SOA, ACM, Form 870, Income tax change report, closing letter.
<ul style="list-style-type: none"> AGREED, Non-docketed Form 940 & 941 	Form 5402, SOA, ACM, Form 2504, examination reports (Forms 4666 - 4668), Form 5403 instructions to APS, Form 906 (if applicable), closing letter.
<ul style="list-style-type: none"> AGREED, Non-Docketed Form 706 & 709 	Form 5402, Form 5403 instructions, SOA, ACM, Form 870 or Form 890, estate or gift tax changes report, closing letter.
<ul style="list-style-type: none"> AGREED, Docketed Form 1040, Form 1120 	Form 5402, SOA, ACM, Form 5278, Form 5403 instructions to APS (if on AIMS), Decision Document, closing letter, Form 1734/Counsel Memo.
<ul style="list-style-type: none"> AGREED, Docketed Form 706 & 709 	Form 5402, Form 5403 instructions (if on AIMS), SOA, ACM, estate or gift tax changes report, decision document, closing letter.
<ul style="list-style-type: none"> Claims 	Form 5402, Form 5403 instructions (if on AIMS), SOA, ACM, tax change report, closing letter.

Type Cases	Required Documents
<ul style="list-style-type: none"> • PENAPS 	Form 5402, SOA, ACM, closing letter, Form 8278, if applicable.
<ul style="list-style-type: none"> • Innocent Spouse 	Agreement Form, Final determination letter or entered decision, Form 5402, Form 5278, and Exam paperwork, Form 3870, Allocation Worksheet completed by Compliance or Appeals, if applicable.
<ul style="list-style-type: none"> • ALL types of Premature Referrals 	Form 5402, Form 10467, if applicable.

Mailing the Closing Letters

Conditions vary greatly between PODs including access to printers and postage. Follow local management instruction on how to mail the closing letters. This may include preparing a request on the SAS SharePoint site.

ATE Responsibilities

You must input the PL and EC feature codes on ACDS.
 Ensure all applicable closing documents are uploaded to ACDS (see above).
 Enter AC/FR (or AC/OD) as normal.
 Alert your manager to the case closure.
 Retain the case file – You are responsible for the case file.
 After all case closing actions are completed APS will provide you with forms to file/transmit the case file unless your manager requests the case file for a case review. Ensure the file is sent using the appropriate procedures when sending personally identifiable information.

NOTE: Do **NOT** direct ship cases without APS instructions unless requested by your manager.

ATM Responsibilities

Ensure the PL and EC Feature codes are entered on ACDS.
 Verify all applicable closing documents are attached to ACDS.
 Sign and date the closing documents and upload the signed and dated documents on ACDS.
 ACAP the case following normal procedures.
 Ensure closing letters are mailed.

APS Responsibilities

Perform closure and feedback loop procedures as normal.
 Prepare Form 3210 and/or Form 9856 (if applicable) after completion of all actions and attach the forms on ACDS and close PEAS.
 Notify the ATE/ATM, via email, the closing actions are complete, attach a copy of the Form 3210 and Form 9856 (if applicable) and notify the ATE/ATM of the date to be used on the closing letter (to match the ACDS Closing date).
 If the case is selected for AQMS review, prepare the forms following instructions in IRM 8.20.7.3.2 and related subsections. Attach **ALL** forms to ACDS and email the ATE the Form 3210 to ship the case to the AQMS Reviewer.