



INDEPENDENT OFFICE
OF APPEALS

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

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8.20.7

MEMORANDUM FOR APPEALS EMPLOYEES

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

SUBJECT: Reissuance of Appeals Electronic Case Files Initiative (ECFI) for
Small Business/Self-Employed (SB/SE) Field Examination Cases Pilot

This memorandum reissues interim guidance in AP-08-0321-0010, Appeals Electronic Case Files Initiative (ECFI) for Small Business/Self-Employed (SB/SE) Field Examination Cases Pilot, issued on March 22, 2021. This guidance is for Appeals employees who are participating in the nationwide expanded pilot program to test the paperless process for unagreed cases received from SB/SE Field Examination. Specialty examination cases, and Employee Tax Compliance (ETC) cases are not included in the pilot program. Specialty examination cases involve cases under the Bank Secrecy Act program, employment tax, estate & gift tax, and excise tax. The Appeals ECFI for SB/SE Field Examination cases pilot program is a joint paperless initiative with SB/SE.

Please ensure that this information is distributed to all affected Appeals employees.

Purpose: This interim guidance provides the Appeals steps and procedures for the paperless Appeals ECFI for SB/SE Field Examination cases pilot program.

Background: Currently, SB/SE Field Examination maintains the administrative case file in paper form. Paper case files are shipped multiple times from function to function. Only the current holder of the physical file can access it. The current process is slow, costly and inflexible during emergencies such as pandemics and weather-related office closings. Further, the current process increases the risk of case file loss during shipping.

Appeals, in conjunction with SB/SE, is testing a paperless process to replace the current paper file system. Appeals is implementing this nationwide pilot program to test the paperless process for unagreed (non-docketed and docketed) cases received from approximately 19 SB/SE Field Examination groups. This will expand incrementally as more Field Examination groups are added to the pilot. Appeals will

assess and refine the paperless process during the pilot program and then moving forward, along with SB/SE, fully implement a permanent paperless process for all cases originating from SB/SE Field Examination.

Instead of preparing a paper case file, SB/SE Field Examination will scan, upload and organize all relevant documents in an accessible format to Report Generation Software (RGS)/Correspondence Examination Automation Support (CEAS). SB/SE Field Examination will submit all new receipts included in this pilot through the Appeals Electronic Case Receipts (AECR) SharePoint [site](#). The documentation, previously included in the physical case file used by Appeals, will now be accessed and viewed on RGS/Appeals CEAS View. A February 2021 update allows multiple documents to be downloaded at a time from Appeals CEAS View. Any Appeals generated documents and correspondence will be uploaded to the Appeals Centralized Database System (ACDS) by the Appeals employee. Closed cases will be stored electronically in ACDS.

The attachment below contains a step chart for Account and Processing Support (APS), Appeals Technical Employee (ATE) and Appeals Team Manager (ATM) procedures.

Effect on Other Documents: The temporary guidance is a deviation from the affected IRMs listed above, while this pilot is ongoing.

Effective Date: This guidance is effective as of the date of this memorandum and remains in effect through September 22, 2023.

Procedural Change: See Attachment.

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

Distribution:

cc: www.irs.gov

Step Chart for the Appeals ECFI for SB/SE Field Examination Cases Pilot Program includes:

- Returning case procedures to SB/SE Field Examination
- APS carding procedures and ATM case assignment
- AO working/closing procedures
- ATM closing procedures
- APS closing procedures

Returning case procedures to SB/SE Field Examination

Electronic case files received by APS with less than 365 days remaining on the assessment statute, will not be accepted by APS unless an exception applies (See [IRM 8.20.5.3.1.2\(2\)](#), Verifying Administrative File Contents). Electronic case files not meeting this criteria will be returned by APS via encrypted email to the Technical Services (TS) group manager, and alternate. See [Technical Services Directory](#).

Do not attach the entire electronic case file to the encrypted email. Instead, APS will:

- State "Short Statute Case" in the subject line and body of the email
- List electronic case file identifying information (name, TIN, MFT, tax year(s), etc.)
- Follow normal case procedures per [IRM 8.20.7.52.1](#), Jurisdiction Released on Premature or Improper Referrals. Specifically:
 - Return Audit Information Management System (AIMS) controls to originating function
 - Attach [Form 3210](#), Document Transmittal, identifying the earliest Assessment Statute Expiration Date (ASED) for each tax period being returned to originating function
- Request that the TS group manager, or alternate, sign, date and return the Form 3210 to APS

Note: Follow [IRM 10.5.1.6.8](#), Email, policy for encrypting all internal email messages that contain Sensitive But Unclassified (SBU) data (including Personally Identifiable Information (PII) and tax information) with IT-approved encryption technology including password-protected encrypted attachments.

If an ATE closes an electronic case as a premature referral, a [Form 5402](#), Appeals Transmittal and Case Memo, will be prepared by the ATE following normal procedures. Upon receipt and processing of the Form 5402, APS will send the Form 5402 via encrypted email to the TS group manager, and alternate. See [Technical Services Directory](#). The form includes all the information needed to identify the case and understand the reason(s) it was determined to be a premature referral.

- If the taxpayer provided electronic records, as uploaded to ACDS by the ATE, the

Attachment AP-08-0323-0001

ATE will include a note in the Remarks block of the Form 5402 to alert APS of these records and the names of the specific files. APS will return these by encrypted email with the Form 5402 to the TS group manager, and alternate. See [Technical Services Directory](#).

- If the taxpayer provided paper records that were not uploaded to ACDS, the ATE will include a note in the Remarks section of the Form 5402 instructing the SB/SE field examiner to contact the ATE by encrypted email with the shipping address so that the paper records can be forwarded directly to them. Upon receipt of these paper records, the SB/SE field examiner will review and digitize the relevant documents.
- TS maintains a listing of Technical Service Codes (TSCs) and the corresponding managers on the [MySB/SE website](#).

APS carding procedures and ATM case assignment

APS will follow the normal case procedures for carding cases but will access the documentation from the Appeals Electronic Case Receipts (AECR) SharePoint [site](#), instead of looking through a physical case file for the necessary information. The APS Processing Team Manager (PTM) will access the AECR SharePoint site and assign the case to an APS Tax Examiner (TE) on the AECR site.

Steps	APS Action: For protested non-docketed cases:
1	For non-docketed cases, the APS Tax Examiner (TE) will access the AECR site page and the Case Carding Check Sheet attachment to create an ACDS Work Unit Number (WUNO) (Case Card).
2	TE enters ACDS Feature Code "PL" (paperless workstream) which generates a notification in ACDS 2.0 (in Notification and Tools) to the ATM when a new paperless case is available to assign.
3	ATM will review the case in Appeals CEAS View and assign case in ACDS to the Appeals Officer (AO).
4	The AO will be notified of a new case assignment in ACDS 2.0.
	APS Action: For docketed cases:
1	For docketed cases, the TE will forward the case information required on Form 14758 , Appeals/Counsel Routing Coversheet, (orange coversheet) to Counsel through the Counsel Client Referral SharePoint site.
2	Counsel will complete their work (e.g., Answer) and respond to APS through SharePoint.
3	TE enters ACDS Feature Code "PL" (paperless workstream) which generates a notification in ACDS 2.0 (in Notification and Tools) to the appropriate ATM when a new paperless case is available for assignment to an AO.

The AO will follow IRM 8.2.1, IRM 8.2.2, and IRM 8.4.1 to work the case, but will access Appeals CEAS View to review the file documents.

AO working/closing procedures

Steps	ATE Action
1	AO will be notified of a new case in ACDS 2.0. The AO will no longer receive a paper file. The AO will access the case in Appeals CEAS View and will review the documents. The AO will verify that ACDS feature code "PL" (for paperless) was entered in ACDS. If not, the AO adds this feature code.
2	AO will access Employee User Portal (EUP), IDRS (RTVUE/TRDBV) or AMS to obtain copies of tax returns if necessary. The AO will work the case using normal case procedures.
3	AO will scan, if necessary, and upload to ACDS any Appeals generated documents and correspondence, using the ACDS existing case file naming convention. For example, an Appeals Case Memorandum (ACM) is uploaded as WUNO-XXXXXXXXXX-ACM (using the actual case WUNO in place of the X's). Other attachments that are uploaded will have a brief descriptive name following the WUNO.
4	The AO will close the case to the ATM.

After the AO uploads the required closing documents to ACDS and places the case in AC/FR status, the ATM will receive a notification in ACDS 2.0. The ATM will follow normal case closing procedures as listed below.

ATM closing procedures

Steps	ATM Actions
1	Sign and date Form 5402 and any agreement form(s) (e.g, Form 870-AD). Sign the closing letter(s) if applicable.
2	Upload the signed and dated Form 5402, the agreement form(s) and the signed closing letter to ACDS.
3	Enter ACDS ACAP date.

After the ATM enters the ACAP date, it will generate an ACDS 2.0 Paperless Notification to the APS PTM. The PTM will assign the case to a TE for final processing. Each TE will identify the ECFI paperless case using their ACDS 2.0 Paperless Notifications. The TE will follow the established closing procedures under IRM 8.20.7 including performing the Appeals feedback loop procedures along with the items below.

APS closing procedures

Steps	APS Actions
1	Appeals assessments to IDRS will have a Document Locator Number (DLN) with blocking series 77X to identify them as electronic.
2	If the case is agreed/settled and non-docketed: <ul style="list-style-type: none"> • APS will close the case in ACDS and IDRS.
3	If the case is unagreed and non-docketed: <ul style="list-style-type: none"> • The AO will prepare a Statutory Notice of Deficiency (SND) as needed. • APS will date, mail and upload the SND to ACDS. If the taxpayer doesn't petition the Tax Court: <ul style="list-style-type: none"> • APS will close the case in IDRS. If the taxpayer petitions the Tax Court: <ul style="list-style-type: none"> • APS will notify Counsel via SharePoint if the taxpayer petitions the Tax Court and will update the ACDS action code to DCJUR using the "CC 42/32 update screen". • For Appeals issued notices (e.g., SND), Counsel will complete their work on the case (e.g., settle or try the case) and submit the case back to APS via SharePoint. APS will then fully close the case in IDRS using the attorney's instructions included in the case file.
4	If the case is agreed/settled and docketed: <ul style="list-style-type: none"> • The AO will upload signed documents in ACDS following normal case procedures. Chief Counsel will continue to upload decision documents to ACDS for Docketed EZ-Close cases. • APS will notify Counsel through the Counsel SharePoint site. • Once a decision is entered with the Tax Court, Counsel will upload closing documents to ACDS and submit an intake request for closure and assessment through the portal. • APS will close the case in ACDS and IDRS following normal case procedures.
5	If the case is unagreed and docketed: <ul style="list-style-type: none"> • APS will forward the case to Counsel for trial preparation via Counsel's Client Referral SharePoint site. • The closed case will be stored electronically in ACDS.
6	If the case is selected for Appeals Quality Measurement System (AQMS): <ul style="list-style-type: none"> • APS will receive a pop-up notification advising which AQMS reviewer is assigned. • APS will email the selection sheet to the AQMS reviewer. • AQMS reviewer will access the case using Appeals CEAS View and ACDS. • APS will close case in Processing Employee Automated System (PEAS) upon confirmation of case receipt by AQMS reviewer.