



INDEPENDENT OFFICE
OF APPEALS

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

April 11, 2023

Control No. AP-08-0423-0005
Expiration Date: 04/11/2025
Affected IRMs: 8.20.7, 8.22.5

MEMORANDUM FOR: Director, Collection Appeals
Director, Case & Operations Support
Director, Account & Processing Support
Director, Appeals Quality Measurement System

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

SUBJECT: Electronic Collection Due Process (CDP) Case
Management for Cases from SB/SE Field Collection

This memorandum serves as interim guidance to allow for electronic (paperless) procedures on CDP cases worked by Appeals Officers (AO), Account and Processing Support (APS), Tax Examining Technicians (TE), and field Revenue Officers (RO) located nationwide. Please ensure this information is distributed to all affected employees within your organization.

Purpose: Following the guidance in this memorandum, when SB/SE Field Collection has uploaded cases electronically to Appeals, Appeals will continue to manage these new receipts electronically. The instructions in this memorandum generally refer to the management of new CDP key files. Any related work units created for issues raised in these **new** CDP cases will continue to be managed as a paper case by Appeals until such time they are received by Appeals in a digital format.

As of the effective date of this memorandum, any open CDP and related cases already in Appeals that are currently being managed as paper cases should continue to be managed as such.

Background/Source(s) of Authority: As a modernization effort, electronic case processes are being implemented on an Enterprise-wide level. Appeals has transitioned to primarily electronic processes in the CDP workstream for cases received from Automated Collection System Support (ACSS) sites, and for the CDP Timeliness Determination (CDPTD) work stream. In addition, the Collection Appeals Program (CAP) and some Examination cases are managed in processes that are exclusively or primarily electronic. Further, Appeals has also partnered with SBSE to

explore an electronic case management process for trust fund recovery penalty cases.

Since fiscal year 2015, Appeals has successfully managed an increasing number of CDP cases in the electronic environment. At present, considerably more than 50% of the total CDP inventory are received via electronic means only. The expansion of this process to field cases will further help move the management of the CDP workstream to an entirely electronic process.

Procedural Change: SB/SE Field originated CDP cases will be processed electronically to eliminate mailing, storing, and returning paper case files to and from originating functions. Electronic access to case files also helps to ensure regular case management operations can continue where circumstances may otherwise prevent access to paper case files by employees (e.g., pandemic, natural disasters, technology breakdowns, etc.), and is a requirement following Office of Management and Budget (OMB) and the National Archives and Records Administration (NARA) memorandum [M-19-21, Transition to Electronic Records](#).

Effect on Other Documents: This guidance may be incorporated into the affected IRMs.

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):

Step-by-Step Guidance

cc: www.irs.gov

Attachment AP-08-0423-0005, Electronic Collection Due Process (CDP) Case Management for Cases from SB/SE Field Collection

SB/SE will upload all CDP documents through the Electronic Case Receipts (ECR) SharePoint. Upon receipt via ECR, Appeals follows Step-by-Step Guidance below.

Step-by-Step Guidance

1	APS cards the new CDP/EH case and uploads the PDF documents from SharePoint to ACDS.	APS will create the new case receipt in ACDS, attach the electronic file received from Collection to the ACDS WUNO, and add the feature code PL .
2	Case assigned to an AO.	In ACDS, the ATM or delegate reviews the new receipts and selects an AO to be assigned the case(s).
3	The AO manages the case following current policy and converts documents received to an electronic format that is attached to ACDS.	The AO works the CDP/EH case under existing procedures. The AO should encourage the taxpayer to submit any additional information via their EEFax number <u>or other approved electronic means</u> . Any paper documents sent to or received from the taxpayer are converted to an electronic format and attached to ACDS. Documents are attached and named as indicated in the <u>IRM 8.22.4-4 Exhibit, CDP Naming Conventions for Electronic Attachments to ACDS</u> .
4	Related work units may be managed as a paper file.	For new PL cases received after the effective date of this memorandum, any CDP related WUNOs should be managed as a paper file unless the initial case information is received from Compliance digitally. For example, until OIC cases come to Appeals via a digital method, manage the case as a paper case file. When the related WUNO is managed digitally, ensure it is identified by a PL feature code.

5	<p>Destroy original documents once scanned.</p>	<p>Whether for a CDP or EH case, and consistent with existing guidance, original documents received from the taxpayer, representative, or Collection (e.g., in response to an Appeals Referral Investigation (ARI)) should be destroyed after confirming they were successfully scanned and attached to ACDS.</p> <p>Retain electronically all documents you reviewed in making your determination. Such documentation is necessary to frame the complete basis of your decision, which is critical in the event a case needs to be defended in Tax Court. See IRM 8.22.9.2, Administrative Record, for details of the administrative record.</p>
6	<p>The AO prepares all closing documents and secures the approval of the ATM, when needed*. Closing documents are attached to ACDS.</p> <p>*Certain cases do not require ATM approval.</p>	<p>At closure, the AO prepares all closing documents (generally, Form 5402 and closing letters) electronically or in paper form, depending on the signature method that is chosen. There is no single method by which documents must be prepared as long as the final, signed PDF document is attached to ACDS.</p> <p>Note: Electronic <u>signatures</u> must follow guidance in IRM 8.22.4.2.4, Use of Digital signatures.</p> <p>ATMs must also follow the file naming conventions for any documents they sign.</p>
7	<p>For ATM reviewed cases, the ATM reviews the case and signs all necessary closing documents.</p>	<p>If the ATM concurs with the case resolution, they will review the closing documents and attach the final, signed documents to ACDS as a PDF.</p>
8	<p>The ATM enters the ACAP date in ACDS and then notifies APS that the case is ready for closure.</p>	<p>When the ATM enters an ACAP date to the ACDS database, the approved case is electronically transmitted to the appropriate APS PEAS Inbox using the Direct Ship criteria.</p> <p>Note: After entering the ACAP date, when asked "Do you want Action Code SHIPPED input on ACDS," select 'No.'</p>
9	<p>APS applies the date of mailing and certified mail receipt number.</p>	<p>APS applies dates to the Form 5402 and closing letter(s). The closing letter(s) is sent certified or regular mail as required by the hearing type.</p>

10	APS includes a PDF of the closing letter with the date and certified mail receipt number and attaches it to ACDS.	APS includes a final PDF of the dated closing letter(s) issued to the taxpayer and/or the POA and attaches the letter(s) to ACDS.
11	Retain related paper files.	<p>When an NOD is issued, or when an EH Decision Letter is issued (where the timeliness of the appeal is in dispute), retain with the case any related WUNO paper files or other administrative paper files that were secured from closed files and which were used in making your determination or decision.</p> <p>Note: This typically is for when a liability issue is considered for a TFRP assessment or Examination assessment, but may include other paper administrative records.</p> <p>The documents are forwarded to APS by the ATM or ATE after ACAP is entered, following the case routing instructions in ACDS. APS will suspend these related paper files along with the electronic CDP or EH administrative file by following current guidance in IRM 8.20.6.20.2, CDP Notices of Determination (NOD).</p>
12	Cases closed with Electronic Case Closure (ECC) procedures.	For closures of field originated CDP cases where an agreement has been reached and a waiver or withdrawal has been secured, the Collection Appeals ATM will retain these files until such time that APS informs them closing actions have been processed, in accordance with ECC procedures. CDP cases where a NOD is issued do not qualify for closure via ECC procedures (IRM 8.20.7.2.4).

13	Certain Closures Returned via E-mail.	<p>Certain closures should be sent by the AO/ATM to APS at *AP APS Collection Appeals. These cases are closed using ECC procedures and include:</p> <ul style="list-style-type: none"> • Withdrawals • Premature referrals • Frivolous/Disregarded cases closed with L4381 <p>Include the original PDF file, closing documents and digital copies of any other documents submitted to Appeals. APS will forward the documents to the originator of the case in Collection*.</p> <p>*RO and GM contact information can be found on Form 14461, Transmittal of CDP/Equivalent Hearing Request, located within the original PDF upload received from Collection.</p>
14	Cases NOT closed with Electronic Case Closure (ECC) procedures.	For CDP Field cases where an NOD must be issued, Collection Appeals sends any ride-along paper file (if there is one) to APS to issue the NOD, monitor the Tax Court filing or default and close.
15	At the appropriate time, APS closes the case on ACDS. When applicable, upload the certified mailing receipt to ACDS.	After any applicable case suspense period, APS closes the case on ACDS and performs all established closing procedures following IRM 8.20.7.20.11.2, Revenue Officer Notification of CDP and EH Closures , including inputting TC 290 for -0- and NSD (no source document).
16	APS forwards to Collection the digital attachments from ACDS.	<p>Except for the PDF file Collection sent with the initial referral to Appeals, upon closing the CDP case, APS will send all other ACDS digital attachments to the RO via encrypted e-mail with a “cc” to the RO group manager. Contact information can be found on the Form 14461 that was in the PDF file sent to Appeals.</p> <p>If neither Collection recipient is available via e-mail, APS will take no further action. If the digital attachments are later needed by Collection, they will contact the Appeals AARS Customer Service Team via its Customer Service SharePoint page and choose “Submit Customer Service Request Form”.</p>
17	The electronic file resides on ACDS.	When the CDP case is entirely electronic, there will not be any administrative paper file to send to “files.” These administrative files are housed on ACDS and purged at a later time.
		For a Glossary of Appeals’ Document Naming Conventions, see IRM Exhibit 8.22.4-4, CDP Naming Conventions for Electronic Attachments to ACDS .