INDEPENDENT OFFICE OF APPEALS

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

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MEMORANDUM FOR ALL IRS INDEPENDENT OFFICE OF APPEALS EMPLOYEES

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

SUBJECT: Appeals Case Management System (ACMS) procedure update for IRM 8.4.1, Procedures for Processing and Settling Docketed Cases

This guidance provides general information for ACMS detailed in IRM 8.4.1, Procedures for Processing and Settling Docketed Cases. Please distribute this information to all impacted employees within your organization.

Purpose: This guidance provides changes in terminology and new processing functionality for the IRS Independent Office of Appeals (Appeals) new case management system, ACMS.

Background/Source(s) of Authority: Appeals Centralized Database System (ACDS), Appeals' aging legacy system, is being replaced by ACMS, a more modernized system. Appeals contracted Salesforce to create ACMS, which will provide Appeals with a new level of automation and analytics. These updates will allow for more effective collaboration within Appeals and, in the future, with other IRS business units.

Procedural Change: Release 1 of ACMS focused on Collection Appeals work. Release 2 of ACMS will focus on Examination Appeals and Specialized Examination Programs and Referrals (SEPR) work. Future releases will incorporate concepts introduced in this guidance and will be reinforced via training and applicable user guides. Procedural changes pertaining to this guidance are included in the attachment.

Additional Information: Additional information on ACMS can be found on the Appeals Exchange (ApEx) ACMS Home Page. This site contains links for helpful information with ACMS, training documents, etc.

Effect on Other Documents: Portions of this guidance may be extended, modified, or made permanent, and incorporated into the affected IRM section within two years from 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.

Distribution: FOIA Library on IRS.gov (https://www.irs.gov/privacy-disclosure/foia-library)

Attachment

cc: www.irs.gov

Attachment to AP-08-0726-0034, Appeals Case Management System (ACMS) procedure update for IRM 8.4.1, Procedures for Processing and Settling Docketed Cases

Throughout IRM 8.4.1:

- References to the Appeals Centralized Database System (ACDS) will be changed to the Appeals Case Management System (ACMS).
- Form 5402, Appeals Transmittal and Case Memo, has been replaced. The 'Printable View' feature in ACMS now captures the information formerly found on Form 5402 and is referred to as the E-5402.
- References to the Tax Litigation Counsel Automated Tracking System (TLCATS) will be changed to the Electronic Counsel Inventory Tracking Environment (eCITE).
- References to Examination will be changed to Compliance.

Specific changes to IRM 8.4.1:

IRM 8.4.1.2
Introduction to Docketed Cases
Paragraph (3) is restated as:

(3) This section covers the processing and settlement of docketed cases from the time the Appeals Technical Employee (ATE) is assigned the case until the time the case is closed to the Appeals Team Manager (ATM).

IRM 8.4.1.3.1
Designations Identifying Types of Docketed Cases
Paragraph (3) is restated as:

(3) The Office of Chief Counsel (Counsel) uses the Electronic Counsel Inventory Tracking Environment (eCITE), a nationwide computerized case tracking system for docketed cases, which tracks the entire history of a case from opening through closing.

Paragraph (4) is deleted in its entirety.

IRM 8.4.1.4.1
No-Deficiency and Overassessment Years in Docketed Case Work Units
Paragraph (2) is restated as:

(2) Appeals may consider an appeal containing both docketed and non-docketed years.

IRM 8.4.1.7
Docketed Case For Assignment and Consideration After Answer Filed
This section is restated in its entirety as:

(1) The ATM formally assigns a docketed case to an ATE using the Appeals Case Management System (ACMS), which notifies the ATE of the assignment. In ACMS, the

ATE will generally find a copy of the petition, answer, and other relevant documents in the Documents tab in the case record page.

(2) When the ATM and/or ATE receives the administrative file, they must identify any processing instructions or issues raised by Counsel, as well as conduct their own independent review, for actions needed on issues including, non-petitioning spouses (NPSs), non-petitioned years (NPYs), and premature assessments. If any of these issues are identified, the ATM or ATE must alert Account and Processing Support (APS) immediately of any corrections needed by preparing and submitting an appropriate account processing support request.

> **Caution:** Counsel may note actions needed on a Form 1734, Transmittal Memorandum, or elsewhere in the administrative file. But the ATM and ATE should also review the file themselves to determine any preliminary issues that need to be addressed. The ATM and ATE should then take prompt action to address such preliminary issues.
>
> **Reminder:** Docketed key cases that are subject to the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) or the Bipartisan Budget Act of 2015 (BBA) **must** be screened by the Appeals TEFRA/BBA Team. Upon receipt of such a case, the ATM and/or ATE must verify that this review by the Appeals TEFRA/ BBA Team has been completed. For more information about this requirement, and for actions to take in the event that this screening was not completed before the ATM received the case, see IRM 8.19.1.2.1(2), Appeals TEFRA Team (ATT), and IRM 8.19.14.2.1(2), Appeals TEFRA/BBA Team (ATT).

IRM 8.4.1.8
Preliminary Review of Assigned Docketed Case
Beginning with the Note following paragraph (1), the remainder of this IRM is restated as:

> **Note:** In conducting the preliminary review of an assigned docketed case, the ATE may find a Form 14121, No Change Certification, in the administrative file or in the documents uploaded to ACMS. These forms are generally prepared when a taxpayer sends supporting documentation to the originating function in response to the statutory notice of deficiency (SND). At times, the originating function accepts the information and "no changes" the case. In those cases, the originating function prepares Form 14121 to certify that it has reviewed the documentation provided by the taxpayer and concluded that no changes are needed to the return as filed. While the Form 14121 will generally resolve the dispute, the ATE must remember that a decision document (and perhaps a Statement of Account) is still needed to officially resolve the Tax Court case.

(2) After a petition is filed with the Tax Court, a transaction code (TC) 520 with action code (AC) 72 should post to the petitioner’s account to indicate that the taxpayer is

involved in litigation before the Tax Court. The ATE will check for the presence of this TC 520 when the case is initially received. If it is not present, the ATE will prepare and submit an account processing support request to have APS post it to the affected modules.

(3) All returns, Compliance documents, and Counsel documents (including a copy of the petition, answer, and designation of place of trial) should be available to the ATE, either in the administrative file or as Documents uploaded to ACMS and properly arranged.

(4) When the ATE receives a dummy file for consideration, the paper file, Case Action Record (CAR), and Documents tab in ACMS should collectively contain all available return and Compliance information, as well as the petition, answer, and designation of place of trial from Counsel.

> **Note:** If essential documents are missing from the dummy file, it may be necessary to request copies of documents from the taxpayer. The ATE should consult with the ATM to determine the appropriate action to take in such cases.

(5) If the ATE determines that critical data fields (CDFs) in ACMS are incorrect, they must determine if they can update the incorrect field themselves. If the ATE can make the necessary corrections, they will update the field in ACMS. If the ATE cannot make the necessary corrections, they will prepare and submit an account processing support request in ACMS.

> **Note:** APS will return all support requests for actions that can be completed by the ATE.
>
> **Caution:** Do not email any requests for ACMS updates directly to an APS employee, such as a processing team manager (PTM). Such requests will be returned unfilled.

a. APS will process the ACMS support request, and the ATE will be alerted when it is completed.
b. If the ATE does not receive confirmation that a support request has been completed within a reasonable amount of time, they will review the support request and contact the support request owner.

(6) If the ATE assigned to a docketed case requires the administrative case file for a related case that has not been transmitted with the administrative file for the docketed case, the ATE will:

a. Research the Integrated Data Retrieval System (IDRS) and any other available databases (e.g., ACMS, Issue Management System (IMS), Correspondence Examination Automation Support (CEAS), etc.) to determine the location of the related case.

b. Prepare and submit an account processing support request through ACMS to establish an ACMS record for the related case. For reference returns, the Docket Number of the Tax Court case should be entered followed by an "N" (e.g., Tax Court Docket No. XXXX-24N).
c. If the case is closed on IDRS, submit a request to the Shared Team of Administrative and Redaction Support (STARS) to order the Document Locator Number (DLN) from Files. If a paper file is received, the ATE will update the ACMS case record or submit an account processing support request through ACMS to note that the case involves a paper file.

(7) Frequent and accurate communications between the ATE and the assigned docket attorney or paralegal in Counsel are essential when working docketed cases. To encourage those communications, an ATE assigned a docketed case will send a brief encrypted email message to the relevant docket attorney or paralegal after receiving the case to advise of their assignment to the case.

(8) If the ATE is unsure of the assigned attorney or paralegal in Counsel's office for any particular case, they will first check to see who signed the answer uploaded in ACMS. If the answer has not been uploaded to ACMS, the ATE will enter the docket number in the DAWSON system on the Tax Court's website, choose "Printable Docket Record," and then search for the field titled, "Respondent Counsel Contact." If, and only if, the ATE cannot determine the assigned Counsel attorney from either of those two methods, the ATE will contact *Team TL for assistance.

IRM 8.4.1.10
Last Chance Letter Assistance from Counsel
Paragraph (4) is restated as:

(4) The steps to request that Counsel issue a "Last Chance" Letter are:

a. Ask Counsel to prepare and issue the letter by sending an encrypted email to the assigned Field Counsel attorney/paralegal, as well as a carbon copy to the assigned Field Counsel employee's supervisor.

Note: The ATE can generally determine the assigned Field Counsel attorney/paralegal by checking the Case Summary in ACMS, or by performing a Docket Search in the DAWSON system on the Tax Court's website (i.e., clicking on the "Printable Docket Record" button and reviewing the people listed as "Respondent Counsel"). The ATE can then use Outlook to determine the Field Counsel employee's supervisor.

b. Include the name of the petitioner and the docket number in your request.
c. Counsel prepares and issues the "Last Chance" Letter to the petitioner within two business days of receiving the ATE's request. The letter instructs the petitioner to

respond to the ATE by a certain date or within a certain number of days from the date of the letter.

Note: There is no standard "Last Chance" Letter format, so each Field Counsel attorney/paralegal will prepare the letter in accordance with local procedures.

d. Once issued, Counsel attaches a copy of the dated letter to an encrypted email and sends it to the requesting ATE.
e. Note the email request and Counsel response in the CAR for the case and hold the case for the period indicated. Upload a copy of the “Last Chance” Letter to ACMS.

IRM 8.4.1.11
Settlement of Docketed Cases
Paragraph (12) is restated as:

(12) If Appeals is responsible for drafting the decision document for the case, the ATE will consult the Appeals Decision Document Guidebook, as necessary, and use the ACMS Document Generator to select the necessary paragraphs, modifying and completing those paragraphs in Word so they include, among other details, the necessary tax years and amounts to effect the agreement reached in Appeals. The ATE will carefully review the decision document, make any necessary adjustments, and then upload it to ACMS. See IRM 8.4.1.11.2 (2), Stipulation/Decision Preparation. The ATE will then proceed to IRM 8.4.1.16(3), Closing Docketed Cases, to determine the proper method to be used for closing the case.

Note: The Appeals Decision Document Guidebook is located on Appeals' Docketed Cases website under the “Resources (A-Z)” heading.

IRM 8.4.1.11.1
Settlement of Related Cases
Paragraph (1) is revised by adding the following sentence at the end of the current text:

For a discussion of related cases, see IRM 8.2.3.3, Definitions of Various Related Cases.

IRM 8.4.1.11.2
Stipulation/Decision Preparation
Paragraph (2) is restated as:

(2) Appeals will prepare simple settlement documents. For these decision documents, ATEs will use the Document Generator in ACMS. Once generated by the Document Generator, the ATE will input the tax years and amounts in Word. The ATE will then review the decision document to ensure it is accurate and properly formatted. Typically, the following simple stipulation decision documents are prepared by Appeals:

- Deficiency in Income Tax (Simple Stipulation Decision)
- Deficiency in Income Tax with Penalties and/or additions to tax
- No Deficiency and No Overpayment
- Multiple petitioners
- Simple Innocent Spouse cases

Note: In all cases where Appeals prepares a decision document for the petitioner or counsel of record's signature, Appeals must review source documents, such as the petition and any orders in the file, regarding the caption. In addition, Appeals must access the DAWSON system on the Tax Court's website to ensure the proper caption is used. If there is a discrepancy between the caption shown on source documents and the caption shown on the official Tax Court website, Appeals contacts Counsel to determine the correct caption to use. The ATE will prepare the signature block for the appropriate Counsel attorney by copying information from the signature block contained on the answer uploaded to ACMS **unless** the ATE has been advised by Counsel that the case has been reassigned. If the case was reassigned, the Counsel attorney should have provided the ATE with notice of the change, along with the attorney's signature block by email.

Paragraph (4) is restated as follows, including the deletion of the Note that formerly followed it:

(4) For cases where Field Counsel is responsible for preparing the decision documents, Field Counsel will:

a. Prepare the settlement documents, and
b. Return the settlement documents to Field Appeals to secure signature from the taxpayer.

IRM 8.4.1.12
Settlement Computations on Docketed Cases
Paragraph (2) is restated as:

(2) When the ATE reaches settlement with a petitioner or counsel of record, and determines that settlement computations are needed, they will prepare and submit a technical support request for tax computation assistance in ACMS.

IRM 8.4.1.16.1
Electronic Delivery Method
Paragraphs (6) through (8) are restated, and a new paragraph (9) is added, as:

(6) The ATE will then prepare and upload the following documents in ACMS:

- The Appeals Case Memorandum (ACM);
- The Schedule of Adjustments (SOA);

- An E-5402 that contains a statement in the closing Remarks section advising whether Appeals or Counsel prepared the decision document;
- A PDF file containing the CAR of the ATE's actions on the case; and
- Any other documents needed to close the case (e.g., Form 3870, Request for Adjustment).

(7) The ATE will input ACMS action and sub-action code "AC-FR," which signifies that the case is being submitted to the ATM fully resolved. The ATE will then submit the case, including any paper files, to the ATM for review.

(8) Upon receipt of the case, the ATM will take the following actions:

- Review the case, including the settlement recommended by the ATE.
- For cases with decision documents prepared by Appeals, review the decision document prepared by the ATE to ensure it: (a) reflects the approved terms of settlement; (b) addresses all years or issues, deficiencies, additions to tax, and penalties in the SND(s) or notice(s) of determination (NOD(s)); and (c) is prepared in accordance with Tax Court Rule 23.
- Assuming the settlement terms are acceptable and accurately reflected on any Appeals-drafted decision document, approve the settlement of the case in ACMS. (If the case must be returned to the ATE for additional work or correction of errors, the ATM will advise the ATE of the additional work required and return the case to the ATE.)
- Enter the ATM approval date.

(9) The ATM will take the following actions or delegate them to the ATE:

- Route any paper files directly to Counsel.
- Mail any closing letters to the petitioner or attorney of record (AOR).
- Input a request in the Chief Counsel Portal to report that the settlement reached has been reviewed and approved so that the decision documents may be filed with the Court.

IRM 8.4.1.16.2
Letter 1220 Method
Paragraphs (8) and (10) are restated, and a new paragraph (11) is added, as:

(8) Before submitting the case to the ATM, the ATE will prepare and upload the following documents in ACMS:

- The ACM;
- The SOA;
- A PDF file containing the CAR of the ATE's actions on the case;
- An E-5402 that contains a statement in the closing Remarks section advising that Counsel prepared the decision document; and

- Any other documents needed to close the case (e.g., Form 3870).

(10) Upon receipt of the case, the ATM will take the following actions:

(11) Review the case, including the settlement recommended by the ATE;
(12) Review the decision document prepared by Counsel to ensure it: (a) reflects the approved terms of settlement, (b) addresses all years or issues, deficiencies, additions to tax, and penalties in the SND(s) or NOD(s); and (c) is prepared in accordance with Tax Court Rule 23.
(13) Assuming the settlement terms are acceptable, approve the settlement of the case in ACMS. (If the case must be returned to the ATE for additional work or correction of errors, the ATM will advise the ATE of the additional work required and return the case to the ATE.)
(14) Enter the ATM approval date.

(11) The ATM will take the following actions or delegate them to the ATE:

(12) Route any paper files, including, but not limited to, the executed paper decision documents, directly to Counsel.
(13) Mail any closing letters to the petitioner or AOR.
(14) Input a request in the Chief Counsel Portal to report that the settlement reached has been reviewed and approved so that the decision documents may be filed with the Court.

IRM 8.4.1.16.3
EZ Close
Paragraphs (3), (6), (8), and (9) are restated, while paragraph (10) is deleted in its entirety, as:

(3) The ATE will prepare the decision document in the ACMS Document Generator, input any required settlement details in the resulting Word file, and review that Word file for accuracy and format.

(6) Before submitting the case to the ATM for closure, the ATE will prepare and upload the following documents in ACMS:

- The ACM;
- The SOA;
- An E-5402 that: (1) contains a statement in the closing Remarks section advising that Appeals prepared the decision document, and (2) indicates that this is an "EZ Close – Agreed Docket Case;"
- A PDF file containing the CAR of the ATE's actions on the case; and
- Any other documents needed to close the case (e.g., Form 3870).

(7) Upon receipt of the case, the ATM will take the following actions:

- Review the case, including the settlement recommended by the ATE.
- Review the decision document prepared by the ATE to ensure it: (a) reflects the approved terms of settlement; (b) addresses all years or issues, deficiencies, additions to tax, and penalties in the SND(s) or NOD(s); and (c) is prepared in accordance with Tax Court Rule 23.
- Assuming the settlement terms are acceptable, approve the settlement of the case in ACMS. (If the case must be returned to the ATE for additional work or correction of errors, the ATM will advise the ATE of the additional work required and return the case to the ATE.)
- Verify that feature code “EZ” has been entered on the case.
- Enter the ATM approval date.
- Sign and date the transmittal letters (e.g., Letter 5534, Decision Transmittal, and Letter 937, Transmittal for Power of Attorney).
- Mail, or arrange for the ATE to mail, the transmittal letters and enclosures (including, but not limited to, decision documents).

(9) The ATM will then instruct the ATE to mail any paper files to APS to hold until Counsel gives instructions to either forward the files for trial preparation or make any necessary assessments.

IRM 8.4.1.18
Docketed Case Not Settled by Appeals – Jurisdiction Released to Counsel
Paragraphs (4) through (6) are restated, paragraph (7) is deleted in its entirety, and paragraph (8) is renumbered as (7) and restated as:

(4) The ATE will prepare the final drafts of, and upload in ACMS, the following items:

- The ACM;
- The SOA;
- An E-5402;
- A PDF file containing the CAR of the ATE’s actions on the case;
- Letter 971, Advising No Settlement Reached - Docketed Case; and
- Any other documents needed to close the case (e.g., Form 3870).

(5) The ATE will enter the AC-FR in the CAR, which will notify the ATM that the case is ready to close for trial preparation.

(6) The ATM will review the materials uploaded in ACMS, and either approve the ATE’s recommendation to release the case for trial preparation and sign the closing Letter 971, or return the case to the ATE for further work. (If the ATM returns the case to the ATE for further consideration, the ATM will advise the ATE of the additional work required.)

(7) After receiving notice from the ATM that the recommendation to release the case for trial preparation has been approved, the ATM will take the following actions as soon as possible or delegate some or all of them to the ATE:

a. If the petitioner or AOR has accepted electronic delivery of the closing letter, date the ATM-signed Letter 971 and send it to the petitioner or AOR via the agreed-to, IRS-approved electronic delivery method.
b. If the petitioner or AOR has not accepted electronic delivery of the closing letter, print the ATM-signed Letter 971, date it, and send it via U.S. Mail to the petitioner or AOR.
c. If the ATE is holding a paper administrative file for the case, ship the file directly to the assigned Counsel attorney identified in the answer in ACMS at the address identified in the answer **unless** the ATE has been advised by Counsel that the case has been reassigned. For reassigned cases, ship the paper administrative file to the office address of the newly assigned docket attorney or paralegal. (If the case was reassigned, the Counsel attorney should have provided the ATE with notice of the change.)
d. Access the Chief Counsel Portal and input a request to notify Counsel that the case is being sent “To Counsel – Trial Preparation.”

IRM 8.4.1.19.2
ACDS Tax Court Calendar Program (TAXCAL)
This section is deleted in its entirety, because ACMS does not contain the TAXCAL application.

IRM 8.4.1.20
Reconsideration Cases (Closing Code 42) - Jurisdiction Returned to Appeals by Counsel
Paragraphs (5) and (6) are restated, while paragraph (7) is deleted in its entirety:

(5) If Counsel returns the case to Appeals for reconsideration, Appeals will accept jurisdiction of the case, and the following administrative actions should be taken:

a. The receiving ATM and ATE must verify that the jurisdiction of the case has been updated in ACMS from Counsel to Appeals. If the case jurisdiction needs to be updated, the ATM or ATE will make the change in ACMS. If they cannot make that update, or reopen the appeal, one of them must prepare and submit an account processing support request to APS requesting that the jurisdiction of the case be updated from Counsel to Appeals and/or that the appeal be reopened. In addition, the ATE or ATM will prepare and submit an account processing support request to APS if any ACMS or Audit Information Management System (AIMS) databases need to be transferred to the ATE.
b. The ATE or ATM will verify that any AC/FR action and sub-action code previously entered on the case has been removed, and that ACMS reflects that the case has been returned to the ATE. If needed, the ATM may also reassign the case.

c. After reconsideration, the ATE will follow the appropriate closing instructions described above (i.e, Electronic Delivery Method, Letter 1220 Method, EZ Close, or Docketed Case Not Settled by Appeals – Jurisdiction Released to Counsel), input AC/FR, and submit the case to the ATM for review and approval.
d. The ATM will review the proposed settlement. If approved for closure, the ATM will follow the appropriate closing instructions for the case, which are described above.

(6) In all cases, Appeals:

a. Is responsible for any "reconsideration" activities, and
b. Conducts the settlement negotiations.

Note: As explained in paragraph (5)a, above, the receiving ATM and ATE must verify that the jurisdiction of the case has been updated in ACMS from Counsel to Appeals. If the case jurisdiction needs to be updated, the ATM or ATE will make the change in ACMS. If they cannot update the jurisdiction of the case, or if they need AIMS and ACMS databases transferred to the ATE, one of them will submit an account processing support request to APS for assistance

IRM 8.4.1.21.1.1
Conditional Dismissals
Paragraphs (6) through (8) are restated as:

(6) For cases that have been dismissed with finality, the ATE will close the case to the ATM, who will forward it to APS as soon as possible.

(7) For cases that have only been conditionally dismissed by the court, the ATE will hold the case for 45 days from the date the judge entered the dismissal order. At the expiration of that 45-day period, the ATE will conduct docket research to determine if the court has reinstated the case.

a. If the court has reinstated the case, ACMS should automatically update the appeal record based on the updated Public Matter record. The ATE will verify that the court decision and decision entered date fields in ACMS are blank. If these fields need to be updated, the ATE or ATM will make the necessary updates in ACMS. If they cannot make these updates, one of them will prepare and submit an account processing support request to instruct APS to update these fields. The ATE will then update the statute back to “DOCKT,” remove the statute date, and continue to work the case to resolution.
b. If the case has not been reinstated by the court, the ATE will close it to the ATM, who will send the case to APS for assessment. See IRM 8.4.1.21.1, Dismissed for Lack of Jurisdiction, and IRM 8.4.1.21.3, Dismissed for Lack of Jurisdiction for Assessment of Less than the Notice of Deficiency Amount.

(8) The ATM will approve the case closure but will not select “STIPFF” or “Trial Prep” as the APS action and will instead select APS Reason Code “Closing.” The ATM will also not enter a “SHIPPED” action as prompted.