INDEPENDENT OFFICE OF APPEALS

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

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Affected IRM: 8.7.7

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 8.7.7, Claim and Overassessment Cases

This guidance provides general information for ACMS detailed in IRM 8.7.7, Claim and Overassessment Cases. It also provides updated guidance for Form 907, Agreement as to Extend the Time to Bring Suit. 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(s) 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.

Attachment

cc: www.irs.gov

Attachment AP-08-0726-0042, Appeals Case Management System (ACMS) procedure updates for Claim and Overassessment Cases

Throughout 8.7.7

- References to Appeals Centralized Database System (ACDS) will be changed to Appeals Case Management System (ACMS).
- Form 5402, Appeals Transmittal and Case Memo, has been replaced. The 'Printable View' feature now captures the information found on Form 5402, and is referred to as the E-5402.
- Processing Employee Automated System (PEAS) and Appeals Generator of Letters and Forms (APGolf) are obsolete for cases processed in ACMS.
- References to Case Activity Record and Timesheet System (CARATS) are obsolete. Time entries and case actions are recorded in the Case Action Record (CAR).
- Appeals Technical Employees (ATEs) can edit various fields in ACMS. If a field cannot be edited, submit an account processing support request to Account and Processing Support (APS).
- References to Work Unit Number (WUNO) will be changed to Appeal Number in ACMS.

8.7.7.2 (MM-DD-YYYY)
Receipt of Newly Assigned Case
Revise paragraph (2)

(2) Verify the case is correctly carded in on ACMS following procedures in IRM 8.20.5, Carding New Receipts. Make any necessary changes or submit a support request to APS.

8.7.7.3.3 (MM-DD-YYYY)
Form 907, Agreement to Extend the Time to Bring Suit
Delete paragraph (2) and revise paragraph (3)

(3) The taxpayer and the IRS may extend the time for filing suit by executing Form 907, Agreement to Extend the Time to Bring Suit, as long as the parties execute Form 907 before the two-year period expires.

8.7.7.4 (MM-DD-YYYY)
New Issue Raised by Taxpayer in Appeals for Refund Claim Case
Revise paragraph (6)

(6) If Appeals returns the case to Compliance to consider the new claim issue, follow the guidance in IRM 8.6.1.7.7, Jurisdiction Released. In the remarks section of the E-5402, include information about the refund statute for the new issue.

8.7.7.5 (MM-DD-YYYY)
Closing Refund Claim Cases (No Additional Tax)
Revise paragraph (1)

(1) This section provides information on documents needed for closing refund claim cases. An Appeals Case Memorandum (ACM) and E-5402 are required for each appeal. For key and related cases, prepare consolidated ACMs to avoid duplication of information. The ACM must adequately explain and support the basis of the settlement. See IRM 8.6.2, Appeals Case Memo Procedures, and IRM 8.6.4, Reaching Settlement and Securing an Appeals Agreement Form. Sometimes, all ACM comments and rationale about the case could fit in the "Remarks" section of the E-5402. In these instances, the E-5402 serves as the entire ACM. See IRM 8.6.2.3.2, Using Form 5402 as the Appeals Case Memo (ACM).

8.7.7.5.1.1 (MM-DD-YYYY)
Claim Disallowance Not Sustained
Revise paragraphs (1), (2), and (3)

(1) Prepare the following closing documents:

a. E-5402
b. ACM, unless the E-5402 is used as the ACM

(2) The following are some of the entries required at closing in ACMS:

a. Appeal Amount Allowed
b. Appeal Amount Disallowed
c. Closing Code 15 - Compliance not Sustained/Fully Abated

(3) Also, consider the following guidance:

- IRM 8.20.7.17.4, Claim Cases - Campus Source
- IRM 8.20.7.17.5, Claim Cases - Field Source

8.7.7.5.1.2 (MM-DD-YYYY)
Claim Disallowance Partially Sustained (2-Year Period Previously Started)
Revise title and paragraphs (2) and (3)

(2) Prepare the following closing documents:

a. E-5402
b. ACM, unless the E-5402 is used as the ACM

(3) The following are some of the entries required at closing in ACMS:

a. Appeal Amount Allowed
b. Appeal Amount Disallowed
c. Closing Code 16 - Compliance Partly Sustained/Partly Abated

8.7.7.5.1.3 (MM-DD-YYYY)
Claim Disallowance Partially Sustained (2-Year Period Not Started)

Revise paragraphs (2) and (4)

(2) Prepare the following closing documents:

a. E-5402
b. ACM, unless the E-5402 is used as the ACM

(4) The following are some of the entries required at closing in ACMS:

a. Appeal Amount Allowed
b. Appeal Amount Disallowed
c. Closing Code 16 - Compliance Partly Sustained/Partly Abated

8.7.7.5.2.1 (MM-DD-YYYY)
Claim Disallowance Fully Sustained (2-Year Period Previously Started)
Revise paragraphs (1) and (2)

(1) Prepare the following closing documents:

a. E-5402
b. ACM, unless the E-5402 is used as the ACM

(2) The following are some of the entries required at closing in ACMS:

a. Appeal Amount Allowed
b. Appeal Amount Disallowed
c. Closing Code 14 – Compliance Fully Sustained

8.7.7.5.2.2 (MM-DD-YYYY)
Claim Disallowance Fully Sustained (2-Year Period Not Started)
Revise paragraphs (1) and (2)

(1) Prepare the following closing documents:

a. E-5402
b. ACM, unless the E-5402 is used as the ACM

(2) The following are some of the entries required at closing in ACMS:

a. Appeal Amount Allowed
b. Appeal Amount Disallowed
c. Closing Code 14 – Compliance Fully Sustained

8.7.7.5.2.3 (MM-DD-YYYY)
Claim Disallowance Partially Sustained (2-Year Period Previously Started)
Revise paragraphs (1) and (2)

(1) Prepare the following closing documents:

a. E-5402
b. ACM, unless the E-5402 is used as the ACM

(2) The following are some of the entries required at closing in ACMS:

a. Appeal Amount Allowed
b. Appeal Amount Disallowed
c. Closing Code 16 - Compliance Partly Sustained/Partly Abated

8.7.7.5.2.4 (MM-DD-YYYY)
Claim Disallowance Partially Sustained (2-Year Period Not Started)
Revise paragraphs (1) and (2)

(1) Prepare the following closing documents:

a. E-5402
b. ACM, unless the E-5402 is used as the ACM

(2) The following are some of the entries required at closing in ACMS:

a. Appeal Amount Allowed
b. Appeal Amount Disallowed
c. Closing Code 16 - Compliance Partly Sustained/Partly Abated

8.7.7.15 (MM-DD-YYYY)
Claims Disallowed by Compliance Based on Timeliness Determinations
Revise paragraph (5)

(5) To return a claim for consideration of the merits, prepare Letter 5209, Appeals Referral to Examination, advising the taxpayer that Appeals determined the claim was timely filed, and will return it to the originating function for consideration of the merits of the claim. Use the E-5402 as the ACM to return the case. The E-5402 must include the following:

- "Claim submitted timely. Jurisdiction released for consideration of underlying
- issue. Return to originator."
- Closing Code **06**
- Indicate where the case is being sent

8.7.7.17.1 (MM-DD-YYYY)
Audit Reconsideration Case Closing Procedures
Revise paragraphs (1) and (3)

(1) Follow guidance in IRM 8.7.7.5, Closing Refund Claims Cases (No Additional Tax), on preparing the E-5402, an ACM, reaching settlement, and securing an

agreement. Use Letter 969, Agreement Form Transmittal – Non-Docketed Case, to solicit an agreement to partially allow the abatement request for settlements based on hazards of litigation. To the extent that the decision is made to partially abate for an issue fully supported by the taxpayer, not requiring a mutual concession settlement, an agreement form isn't needed. Also, an agreement form isn't needed if the decision is to fully sustain or fully deny the request. Prepare the following closing documents:

a. E-5402
b. ACM, unless the E-5402 is used as the ACM

(3) The following are some of the entries required at closing in ACMS:

a. Closing Code 14 – Compliance Fully Sustained
b. Closing Code 15 – Compliance Not Sustained/Fully Abated
c. Closing Code 16 – Compliance Partly Sustained/Partly Abated

8.7.7.18.5, Procedures and Methods of Resolution
Revise paragraphs (3) and (7)

(3) Submit a support request to APS to request abatements on Form 3870, Request for Adjustment. Use a separate Form 3870 for each period. If a "decision is made to abate interest," also decide whether to take one of the following actions:

a. Submit a support request to APS-Complex Interest Team (CIT) to compute an interest abatement amount, or

(4) Use the following procedures to request an interest computation, if needed, prior to the case closure:

a. Submit a support request to the APS-CIT. Include the following in the Remarks Section: dollar amount (i.e., the "principal amount") on which interest must be suspended, as well as the "start date" and "end date" of the "interest abatement period."

8.7.7.18.6, Closing Procedures for Abatement of Interest Cases
Revise paragraphs (1) and (2)

(1) Include the following closing information in ACMS:

a. Closing code information, based on the method of resolution:

Closing Code	Method of Resolution
43	Unagreed Docketed

b. Appeal Amount Allowed

c. Appeal Amount Disallowed

(2) Prepare the following closing documents:

a. E-5402
b. ACM, unless the E-5402 is used as the ACM