INDEPENDENT OFFICE OF APPEALS

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

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Affected IRM: 8.7.8

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 8.7.8, Tax Exempt and Government Entities (TE/GE) Cases

This guidance provides general information for ACMS detailed in IRM 8.7.8, Tax Exempt and Government Entities (TE/GE) 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-08-0726-0043, Appeals Case Management System (ACMS) procedure updates for IRM 8.7.8, Tax Exempt and Government Entities (TE/GE) Cases

Throughout IRM 8.7.8:

- 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.
- Appeals Technical Employees (ATEs) and Appeals Team Managers (ATMs) can edit fields, such as the statute in ACMS. If a field cannot be edited, the ATE or ATM will submit a support request asking Account and Processing Support (APS) to update the appeal.

Specific changes to IRM 8.7.8:

IRM 8.7.8.1.1
Background
Paragraph (2) is restated as:

(2) Account and Processing Support (APS) generally accepts cases from Tax-Exempt and Government Entities (TE/GE) in the following formats:

- Paper administrative files. These cases must be shipped to APS at the address found on the Appeals Case Routing page under the heading of “To Appeals From External Sources.”
- Electronic files stored in the Reporting Compliance Case Management System (RCCMS). To transfer electronic files stored in RCCMS, TE/GE must input required information about the case in the case-intake form on the Appeals Electronic Case Receipts (AECR) page, complete and attach, where indicated, an Electronic Case Receipt (ECR) Check Sheet, **and** transmit the case to Appeals in RCCMS. See IRM 8.7.8.6, Use of RCCMS, for more information on the use of RCCMS by ATEs in Appeals.
- Electronic files in PDF format. For small files not contained in RCCMS, TE/GE may scan or print the files to PDF format, input required information about the case on the case-intake page of the AECR page and transmit the PDF files to Appeals by attaching them, where indicated, on the AECR case-intake form. An unlimited number of PDF files may be attached to the case-intake form, but because of size limitations, each PDF must contain no more than 20 pages. **Note:** Cases transmitted to Appeals must be transmitted either entirely on paper, or entirely in electronic format. Hybrid files, which contain both paper and electronic files, cannot be accepted.

IRM 8.7.8.2.1
Receipt of New EP Cases in Appeals

Paragraphs (1) and (2) are restated as:

(1) Employee Plans (EP) cases from the field are routed to Appeals as described in IRM 8.7.8.1.1 (2), Background.

(2) APS will establish and validate (i.e., card-in) the new EP case on ACMS, and the system will forward the case to the applicable queue while awaiting assignment. See IRM 8.20.5.36, Tax Exempt/Government Entities (TE/GE) Cases, for APS carding-in of EP cases.

The second bullet of paragraph (3) is restated as:

- Whether the statute of limitations is correct and had at least 365 days left when received by Appeals (or at least 180 days remained on the statute of limitations when the case was received by Appeals when the originating function returns a case that was previously returned to them for consideration of new information or a new issue). If the ATM determines that the statute date in ACMS is incorrect, they will update it as soon as possible and, if necessary, return the case to the originating function.

IRM 8.7.8.2.7
Closing Letters in EP Cases
Paragraph (4)b. is restated as:

b. The ATE will make a technical support request in ACMS for a Tax Computation Specialist (TCS) to prepare the Statutory Notice of Deficiency (SND), per IRM 8.17.4, Notices of Deficiency.

IRM 8.7.8.2.8
Closing an EP Case
Paragraphs (2), (4), and (6) are restated as:

(2) On EP settlement cases (tax deficiency or qualification related), revocations, adverse determinations, or tax deficiency cases, the ATE uploads the E-5402 and ACM to RCCMS and requests closure. If the ATM approves the recommended disposition of the case, the ATM closes the case to RCCMS Group 71 for final closure, which allows TE/GE to download documents from the closed case file. See IRM 8.7.8.6.2, ATE Closing Actions for Cases in RCCMS.

(4) On defaulted cases, APS takes appropriate action to close the case and annotate the "Defaulted" date in ACMS.

(6) Place a copy of E-5402 and the Appeals notification or determination letter to the employer or sponsor in the permanent application file before closing the case from

Appeals. Also, upload a copy of the Appeals notification or determination letter in ACMS.

IRM 8.7.8.3.1
Receipt of New EO Cases in Appeals
Paragraphs (1) and (2) are restated as:

(1) Exempt Organizations (EO) cases from the field are routed to Appeals, as described in IRM 8.7.8.1.1 (2), Background.

(2) APS will establish and validate (i.e., card-in) the new EO case on ACMS, and the system will forward the case to the applicable queue while awaiting assignment. See IRM 8.20.5.36.2, EO Determination Case Carding, and IRM 8.20.5.36.3, EO Revocation Case Carding, for APS's carding procedures for EO cases.

The second bullet of paragraph (3) is restated as:

- Whether the statute of limitations is correct and had at least 365 days left when received by Appeals (or at least 180 days remained on the statute of limitations when the case was received by Appeals when the originating function returns a case that was previously returned to them for consideration of new information or a new issue). If the ATM determines that the statute date in ACMS is incorrect, they will update it as soon as possible and, if necessary, return the case to the originating function.

IRM 8.7.8.3.2
Preliminary Review of EO Case by Appeals Officer

Paragraph (3) is deleted in its entirety, as IRM Exhibit 8.7.8-3 is being deleted.

Paragraphs (4) and (5) are renumbered as (3) and (4), respectively. New paragraph (4) is restated as:

(4) The ATE will validate the case on ACMS. If ACMS needs to be updated or corrected, the ATE can update most fields in ACMS themselves. If a particular field cannot be edited by the ATE, they will submit an account processing support request through ACMS.

IRM 8.7.8.3.3.1
Denial of a request for Tax-Exempt Status
Paragraphs (2) and (3) are restated as shown, with no changes to the bullet lists that follow them:

(2) If Appeals sustains the denial of a request for tax-exempt status, and the taxpayer has not agreed via a closing agreement, prepare and upload in ACMS, a final adverse determination letter and documents, as follows (see Exhibit 8.7.8-4, 501(c) Final Adverse Determination Check Sheet):

(3) If Appeals sustains the denial of a request for tax-exempt status, and the taxpayer agrees by executing a closing agreement, prepare and upload in ACMS, a final adverse determination letter and documents, as follows (see Exhibit 8.7.8-4, 501(c) Final Adverse Determination Check Sheet):

IRM 8.7.8.3.4
Foundation Classification Cases
Paragraphs (2) and (3) are restated as shown, with no changes to the bullet lists that follow them:

(2) If Appeals sustains the proposed change, and the taxpayer has not agreed via a closing agreement, prepare and upload in ACMS, a final adverse determination letter and documents for distribution by APS, as follows (see Exhibit 8.7.8-5, PF Final Adverse Determination Check Sheet):

(3) If Appeals sustains the proposed change, and the taxpayer has agreed via a closing agreement, prepare, upload in ACMS, and issue, a final adverse determination letter and documents, as follows (see Exhibit 8.7.8-5, PF Final Adverse Determination Check Sheet):

IRM 8.7.8.3.5.1
Revocation of Tax-Exempt status
Paragraphs (2) and (3) are restated as shown, with no changes to the bullet lists that follow them:

(2) If Appeals sustains the revocation of the tax-exempt status, and the taxpayer has not agreed via a closing agreement, prepare and upload in ACMS, a final adverse determination letter and documents, as follows (see Exhibit 8.7.8-4, 501(c) Final Adverse Determination Check Sheet):

(3) If Appeals sustains the revocation of the tax-exempt status, and the taxpayer agrees by executing a closing agreement, prepare and upload in ACMS, a final adverse determination letter and documents, as follows (see Exhibit 8.7.8-4, 501(c) Final Adverse Determination Check Sheet):

IRM 8.7.8.3.6.1
Unrelated Business Income Tax
Paragraph (1) is restated as:

(1) EO examination cases with sustained unrelated business income tax due will generally require the following documents showing the amount of income tax due:

- Form 5278, Statement - Income Tax Changes
- Form 5403, Appeals Closing Record

The ATE will submit a technical support request through ACMS for a TCS to prepare these documents.

IRM 8.7.8.3.10
Closing an EO Case
Paragraphs (2) through (6) are restated as:

(2) Enter the following required Case Action Record (CAR) records for a closed case with a closing code below 20:

- CR-NR (Case Received - New Receipt)
- CF (Conference with taxpayer or representative plus applicable action subtype)
- DM (Determination made)
- AC-FR (Case submitted to ATM for review and approval)

(3) The ATE will prepare the following:

- E-5402
- ACM
- Closing Letter or Final Adverse Determination Letter
- Schedule of Adjustments or similar (e.g., Form 5278 or other TCS computations)
- Agreement forms (e.g., Form 870-AD, Offer to Waive Restrictions on Assessment and Collection of Tax Deficiency and to Accept Overassessment, or Form 906, Closing Agreement on Final Determination Covering Specific Matters)
- Other forms, as needed (see also Exhibit 8.7.8-4, 501(c) Final Adverse Determination Check Sheet)
- SND, if applicable

(4) The ATE will upload in ACMS the items in IRM 8.7.8.3.10 (3), above, and submit the case to the ATM for review and approval of the recommended settlement.

(5) The E-5402, and other documents, will be reviewed, and, when approved, digitally signed and dated by the ATM. If necessary, the ATM will send the ATE an email with shipping instructions.

(6) There should be no more than seven days between the AC-FR date and the ATM’s approval date.

IRM 8.7.8.3.11
EO Feedback Loop
Paragraph (1) is restated as:

(1) The EO feedback loop begins when the ATE uploads the E-5402 and ACM to RCCMS and requests closure. If the ATM approves the recommended disposition of the case, the ATM closes the case to RCCMS Group 71 for final closure, and to allow TE/GE to download documents from the closed case file. See IRM 8.7.8.6.2, ATE Closing Actions for Cases in RCCMS.

IRM 8.7.8.4.1
Federal, State and Local / Employment Tax Area, EO Examination (FSL/ET) cases in Appeals
Paragraph (4)a. is restated as:

a. IRC 6722 civil penalty cases on ACMS should have a case subcategory of "Information Return Penalty" with the applicable Penalty Reference Number (PRN).

IRM 8.7.8.4.3.4
Receipt of new TEB Cases in Appeals
Paragraphs (1) and (2) are restated as:

(1) Tax Exempt Bond (TEB) cases from the field are routed to Appeals, as described in IRM 8.7.8.1.1(2), Background.

(2) APS will establish and validate (i.e., card-in) the new TEB case on ACMS, and the system will forward the case to the applicable queue while awaiting assignment.

The second bullet of paragraph (3) is restated as:

- Whether the statute of limitations is correct and had at least 365 days left when received by Appeals (or at least 180 days remained on the statute of limitations when the case was received by Appeals when the originating function returns a case that was previously returned to them for consideration of new information or a new issue). If the ATM determines that the statute date in ACMS is incorrect, they will update it as soon as possible and, if necessary, return the case to the originating function.

IRM 8.7.8.4.3.5
Preliminary Review of TEB Case by ATE
Paragraph (4) is restated as:

(4) The ATE will validate the case on ACMS. If ACMS needs to be updated or corrected, the ATE can update most fields in ACMS themselves. If a particular field cannot be edited by the ATE, they will submit an account processing support request through ACMS.

IRM 8.7.8.5.3
Taxpayer Provides New Theory or Alternative Legal Argument
Paragraph (1) is restated as:

(1) ATEs will continue to follow the procedures provided in IRM 8.6.1.7.6, Taxpayer Raises New Theory or Alternative Legal Argument, when a taxpayer raises a new theory or alternative legal argument in a non-docketed case, but will use the following step-action table for routing an information package to TE/GE:

Step	Action
1.	Return the information package to the original TE/GE group.
2.	Prepare Form 10467, Appeals Division Feedback Report and Transmittal Memorandum. Include the following information: 1. JURISDICTION RETAINED 2. Reason for sending information (i.e., Taxpayer is raising a new theory or alternative legal argument.) 3. IRS Examination Group address
3.	Update the following in the CAR: • **Action:** SU • **Sub-action:** PI • **Suspense Action Reason Code:** Waiting on Compliance for information/response • **Feature Code:** EA—Examination Assistance **Note:** If there are other issues you can continue working on, there is no need to put the case in suspense.
4.	Prepare Letter 5209, Appeals Referral to Examination, to the taxpayer. Sign it, but do not date or mail it. Letter 5209 advises taxpayers that you are sending their new theory, or argument, to the original exam group to assign to an examiner for review and comment and retaining jurisdiction of their case. **If the case has a paper administrative file:** Include a copy of Letter 5209 for the file and representative, if any, and envelope(s) for mailing.

Step	Action
	If the case has an electronic administrative file: Upload the signed Letter 5209 to ACMS for printing and mailing.
5.	Submit the information package to the ATM for approval. If approved, the ATM, or ATE, will mail the letter(s) in the file (paper administrative file), or print and mail the letter(s) in ACMS (electronic administrative file). The ATM, or ATE, will then forward the information package to the original TE/GE group. In either case, the ATM will make an entry on the CAR approving the referral to the original TE/GE group.

IRM 8.7.8.5.5
Jurisdiction Released
Paragraph (1) is restated as:

(1) For non-docketed cases that are being returned to TE/GE with jurisdiction released by Appeals, the ATE will follow these procedures:

Step	Action
1.	Determine where to send the case: a. If the case has a paper administrative file, refer to the link titled, “Points of Contact for Returning Paper Administrative Files to TE/GE,” on Appeals' TE/GE website, and contact the appropriate point of contact for instruction on where to return the file to TE/GE. b. If the case has an electronic administrative file, transmit the case to TE/GE via RCCMS.
2.	Prepare an E-5402 using ACMS. a. Include the following information: JURISDICTION RELEASED; [Reason for releasing jurisdiction (e.g., taxpayer provided new information, taxpayer raised a new issue, etc.)]; and Return case [to TE/GE’s mailing address or via RCCMS]. b. Use **Closing Code 20**.
3.	Prepare Letter 5209 to the taxpayer. Sign it, but do not date or mail it. Letter 5209 advises taxpayers that you are returning the case to the originating function, the reason (e.g., because they raised a new issue, submitted new information, etc.), and releasing jurisdiction of their case.

Step	Action
	If the case has a paper administrative file: Include a copy of Letter 5209 for the file and representative, if any, and envelope(s) for mailing. **If the case has an electronic administrative file:** Upload the signed Letter 5209 to ACMS for printing and mailing.
4.	Submit the case to the ATM for approval and processing. The ATM approves the case closure and closes the case in ACMS. **If the case has a paper administrative file:** The ATM sends the case to APS. APS closes the case on ACMS, mails Letter(s) 5209, and returns the entire administrative file to the originating function using Form 3210, Document Transmittal. **If the case has an electronic administrative file:** The ATM mails Letter 5209 and transmits the case electronically to APS. APS then closes the case on ACMS and returns the electronic administrative file to the originating function via RCCMS.

Reminder: In order for a case with a new issue or new information to be returned to TE/GE, there must generally be at least 210 days remaining on the statute of limitations when TE/GE receives the case. See IRM 8.6.1.7.4(3), Taxpayer Raises New Issue, and IRM 8.6.1.7.5(4), Taxpayer Provides New Information. In addition, there must be at least 180 days remaining on the statute of limitations when a case is received in Appeals when the originating function returns a case that was previously returned to them for consideration of new information or a new issue. See IRM 8.2.1.4(1), Receipt of New Assignment by an Appeals Technical Employee (ATE).

The following new IRM sections are added:

IRM 8.7.8.6
Use of RCCMS

(1) For all cases from TE/GE, other than those from Rulings and Agreements groups, Appeals will receive an electronic case file from TE/GE via RCCMS. For these cases, ACMS remains the official system in Appeals for recording an ATE's time and activities on a case being considered by Appeals.

Note: Cases that are received electronically via RCCMS must remain entirely in electronic format throughout the Appeals process. A paper administrative file must not be created. Thus, for example, if a taxpayer or representative provides more information to Appeals, that information must be scanned and uploaded to the

Appeals Documents folder in RCCMS (created by the ATE) and ACMS before being returned to the taxpayer/representative.

(2) A Business Entitlement Access Request System (BEARS) request is required to gain access to RCCMS. Each user should request the RCCMS Appeals (RCCMS) application.

(3) Before assigning a case in RCCMS to an ATE, the ATM will confirm that the case is available on RCCMS. The ATM will then assign the case to an ATE in both ACMS and RCCMS.

IRM 8.7.8.6.1
Working Cases in RCCMS

(1) Although the ATE will no longer receive a paper administrative file for cases transmitted via RCCMS, they will continue to follow established procedures in working the case, including reviewing the file (in RCCMS) and checking it into inventory, scheduling and conducting conferences, making determinations, and preparing the necessary closing documents.

(2) The ATE will upload documents Appeals generates and receives, including, but not limited to, all closing documents (e.g., E-5402, ACM, and Schedule of Adjustments) to ACMS and RCCMS. The ATE will create an Appeals Documents folder in RCCMS for uploads of documents Appeals receives and generates.

IRM 8.7.8.6.2
ATE Closing Actions for Cases in RCCMS

(1) The ATE will follow established procedures to determine what closing documents and letters are needed and how they should be prepared.

Reminder: All Appeals-generated documents that need to be uploaded to RCCMS must be saved in the Appeals Document folder.

(2) For any case in which a final adverse determination letter will be issued, the ATE will upload the required documents and closing letters to ACMS and RCCMS for electronically closed cases.

(3) Any agreed closure is closed to the Complex Interest Team (CIT). On such cases, the ATE should discuss the need for a CIT assignment request with the ATM. If it is decided that an assignment to the CIT team is needed, the ATE, or ATM, will prepare and submit an appropriate account processing support request in ACMS.

(4) The ATE must prepare an Appeals closing record in RCCMS before the case can be closed to the ATM.

(5) The ATE then notifies the ATM that the case is ready for closure and closes the case to the ATM in ACMS **and** RCCMS. The ATE also enters the appropriate closing action and sub-action code in ACMS.

IRM 8.7.8.6.3
ATM Closing Actions for Cases in RCCMS

(1) The ATM will accept the case closure request from the ATE and verify that the appropriate Appeals documents have been uploaded into the Appeals Documents folder in RCCMS and ACMS. The ATM will also review the case and decide whether to approve or reject the recommended settlement.

(2) The ATM will return the case to the ATE if documents are missing or the settlement is not approved.

(3) If all documents have been uploaded in both systems, and the ATM approves the recommended settlement, the ATM will close the case in ACMS and transfer the RCCMS case to APS.

Exhibit 8.7.8-3
EO Returns and Forms

This exhibit is being deleted in its entirety. All succeeding exhibits will be renumbered accordingly.