INDEPENDENT OFFICE OF APPEALS

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

July 31, 2026

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Affected IRM: 8.7.15

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 8.7.15, Administrative Cost and Qualified Offer Cases

This guidance provides general information for ACMS detailed in IRM 8.7.15, Administrative Cost and Qualified Offer Cases. It also provides updated procedures for administrative cost claims. 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.

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

Attachment

cc: www.irs.gov

Attachment AP-08-0726-0049, Appeals Case Management System (ACMS) procedure updates for Administrative Cost and Qualified Offer Cases

Throughout 8.7.15

- 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.
- ACAPDATE is now ATM approved date.
- Appeals Technical Employees (ATEs) can make edits to various fields in ACMS. If a field cannot be edited, submit an account processing support request to Account and Processing and Support (APS).
- Obsolete Exhibit 8.7.15-3, IRS Administrative Costs Data Sheet.
- Obsolete Exhibit 8.7.15-2, Sample Form 9333.

8.7.15.2.2.1 (MM-DD-YYYY)
ATE Procedures for Processing Claim Cases with IRC 7430
Revise paragraph (3)a, delete (3)b, and revise (4) and (5)

(3) Prepare and submit the following documents to the Appeals Team Manager (ATM) for approval:

a. Form 9333, Agreement as to Administrative Costs under Section 7430, with the taxpayer's or power of attorney's signature.

(4) Once the ATM approves the settlement, and signs Form 9333, the ATM will email the approval package to the Policy analyst who handles the administrative cost and qualified offers program.

(5) The Policy analyst submits the administrative cost claim package to the Department of the Treasury, Bureau of the Fiscal Service, Judgment Fund, through the online Judgment Fund Internet Claim System (JFICS) for payment. The payment will be sent directly to the taxpayer by direct deposit. The Examination Policy ATM will receive a payment email from the Judgment Fund. The Examination Policy ATM will forward the email to the analyst, who will, in turn, send the email to the ATE.

8.7.15.2.3 (MM-DD-YYYY)
Appeals Involvement in Docketed IRC 7430 Cases
Insert new paragraph (1), revise paragraph (4), renumber all paragraphs

(1) ATEs must select 7430.00 Awarding of Court Costs and Certain Fees as an issue in ACMS.

(4) After receiving Procedure & Administration (P&A) Counsel's qualified offer determination, the ATE will input feature code **'QO'** to indicate the case involves a qualified offer.

8.7.15.2.3.1 (MM-DD-YYYY)
Processing Docketed Cases with IRC 7430
Delete paragraph (2)a and revise paragraph (2)b

(2) If a settlement is reached between the petitioner and Appeals, prepare a docketed IRC 7430 package for the Field Counsel attorney to use in processing the costs. This package includes the following:

b. ACM that includes a description and breakdown of the administrative costs, and the legal authority for payment. You can use Form 9333 as a guide when drafting the ACM.

8.7.15.2.4 (MM-DD-YYYY)
Pre-90-Day Cases with a Qualified Offer
Revise paragraph (7)

(7) After receiving P&A Counsel's qualified offer determination, the ATE will input feature code **'QO'** to indicate the case involves a qualified offer.

8.7.15.2.7 (MM-DD-YYYY)
Appeals Procedures for Closing IRC 7430 Administrative Cost Cases
Revise paragraphs (1) and (2) and delete (3) and (4)

(1) If the administrative cost claim is disallowed, the taxpayer may petition the Tax Court. If the taxpayer doesn't file a petition, or if the Tax Court denies the request, follow IRM 8.20.7.42.1, IRC 7430 Administrative Cost Case Closing, procedures.

(2) If the administrative cost claim is allowed, proceed as follows:

- ATE completes Form 9333.
- The administrative cost claim agreement package (as described in IRM 8.7.15.2.2.1(3), ATE Procedures for Processing Claim Cases with IRC 7430), is forwarded to the Policy analyst who handles the administrative cost and qualified offers program. The analyst will forward approved claims to the Department of the Treasury, Financial Management Services, Judgment Fund, for processing and payment.
- No costs are paid unless the taxpayer, or the representative, signs the agreement form.
- When the payment notification is received, follow IRM 8.20.7.42.1, IRC 7430 Administrative Cost Case Closing, procedures.