INDEPENDENT OFFICE OF APPEALS

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

July 31, 2026

Control No. AP-08-0726-0056
Expiration Date: 07/31/2028
Affected IRM: 8.11.8

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 updates for IRM 8.11.8, Miscellaneous Penalties

This guidance provides general information about ACMS detailed in IRM 8.11.8, Miscellaneous Penalties. 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) case 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:
FOIA Library
www.irs.gov

Attachment AP-08-0726-0056, Appeals Case Management System (ACMS) procedure updates for IRM 8.11.8, Miscellaneous Penalties

Throughout 8.11.8

- 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.
- Appeals Technical Employees (ATEs) can edit fields in ACMS. If a field cannot be edited, submit an account processing support request to Account and Processing Support (APS) requesting the appeal be updated.

8.11.8.1.5 (MM-DD-YYYY)
Terms and Acronyms
Updated the table in paragraph (2)

CS	Case Summary
PENAP	Penalty Abatement Request
PRN	Penalty Reference Number

8.11.8.2 (MM-DD-YYYY)
IRC 6673 - Sanctions and Costs Awarded by Courts
Updated title paragraph (3)

(3) These cases are controlled on ACMS with the category “Civil Penalty,” subcategory “Excise Penalty/Other,” and the applicable PRN. See IRM 20.1.1.5.3, Penalty Reference Numbers (PRNs).

8.11.8.4 (MM-DD-YYYY)
IRC 6695A - Substantial and Gross Valuation Misstatements Attributable to Incorrect Appraisals
Updated paragraph (2)

(2) These cases are controlled on ACMS with the category “Civil Penalty,” subcategory “Return Preparer/Promoter/Appraiser Penalty,” and the applicable PRN. See IRM 20.1.1.5.3, Penalty Reference Numbers (PRNs).

8.11.8.4.1 (MM-DD-YYYY)
ATE Consideration of IRC 6695A
Updated paragraphs (2) and (4)

(2) If the penalty is an Appeals Coordinated Issue (ACI), at the time the coordinated issue is first identified, the ATE must:

a. Add the feature code “Appeals Technical Assistance Issue (AI).”
b. Create the ACI as an issue within ACMS.

c. Submit a Technical support request in ACMS for Technical Guidance (TG) assistance. For more information on coordinated issues, see IRM 8.2.1.6, Preliminary Review of a Case - ATE, and IRM 8.7.3, Domestic and International Operations Programs.
d. Secure the Technical Specialist's tentative approval of the settlement proposal or settlement range before any settlement options are discussed with the taxpayer or representative, including the penalty computation. See IRM 8.7.3.3.2, Appeals Coordinated Issues with Review and Concurrence.

The ATE works appeals of IRC 6695A penalties in the same manner as appeals of any other proposed liability not subject to the deficiency procedures of Subchapter B of Chapter 63 of the IRC.

(4) There should be two case files: the related income or estate and gift tax case file and the penalty case file. There should be two separate appeal numbers for each case file.

8.11.8.5 (MM-DD-YYYY)
IRC 6709 - Penalties with Respect to Mortgage Credit Certificates
Updated paragraph (2)

(2) These cases are controlled on ACMS with the category “Civil Penalty,” subcategory “Transaction Penalty,” and the applicable PRN. See IRM 20.1.1.5.3, Penalty Reference Numbers (PRNs).

8.11.8.6 (MM-DD-YYYY)
IRC 6721 - Failure to File Correct Information Returns
Updated paragraph (2)

(2) Cases involving Form 8300, Report of Cash Payments Over $10,000 Received in a Trade or Business, violations are controlled on ACMS with the category “Civil Penalty,” subcategory “Information Return Penalty,” Primary Business Code (PBC) 217, and the applicable PRN. Update the appeal information in ACMS, if needed. See IRM 20.1.1.5.3, Penalty Reference Numbers (PRNs).