INDEPENDENT OFFICE OF APPEALS

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

August 20, 2026

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Affected IRM: 8.19.7

MEMORANDUM FOR ALL IRS INDEPENDENT OFFICE OF APPEALS EMPLOYEES

FROM: Margaret K. Harris */s/ Margaret K. Harris*
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SUBJECT: Appeals Case Management System (ACMS) procedure updates for IRM 8.19.7, Administrative Adjustment Request

This guidance incorporates ACMS procedures into IRM 8.19.7, *Administrative Adjustment Request*, and updates the section to reflect current procedures. 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 Exam and Specialized Examination Programs & 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 updates have been made to align IRM 8.19.7 with current procedures.

Additional Information: Additional information on ACMS can be found on the Appeals Exchange (ApEx) ACMS-homepage. This site will contain 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(s):

Updated Guidance

Distribution: FOIA Library on IRS.gov

Attachment, AP-08-0826-0070, Appeals Case Management System (ACMS) procedure updates for IRM 8.19.7, Administrative Adjustment Request

Throughout 8.19.7

- References to Appeals Centralized Database System (ACDS) will be changed to Appeals Case Management System (ACMS)
- Form 5402 has been replaced. The 'Printable View' feature now captures the information formerly found on Form 5402 and is referred to as the E-5402
- Removed links for IRM sections that have been superseded by this or another Interim Guidance Memorandum

8.19.7.3.1 (MM-DD-YYYY)
Appeals Case Management System (ACMS) Processing
Delete Figure 8.19.7-3 and Figure 8.19.7-4. Revise paragraphs (2), revise item d under paragraph (3), as follows:

(2) See IRM 8.20.5.30, Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), for APS' receipt and carding procedures.

(3) When the AAR is filed, the TMP must decide whether the partnership wants the Service to assess the tax liability of the partners. If so, the TMP must request that the treatment shown on the AAR be substituted for the treatment of partnership items on the original partnership return.

d. See IRM 8.20.5.30, Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), for APS' receipt and carding procedures for updating ACMS for an AAR filed by the Tax Matters Partner.

8.19.7.3.7.2 (MM-DD-YYYY)
No Partnership Proceeding
Revise paragraph (3) as follows:

(3) When an AAR is received in Appeals, it is subject to mandatory screening by the Appeals TEFRA/BBA Team (ATT). All Appeals offices must ensure all TEFRA key cases are screened by the ATT before assignment to a field ATE. If an ATM or ATE receives a TEFRA key case that the ATT has not screened, submit a Support Request in ACMS to the ATT. The ATT ATM will assign a screening work request to an ATT AO. The ATT AO will screen for accuracy and completeness of TEFRA administrative procedures and complete a screening checksheet. The assigned ATT AO will determine the correct TMP. The selection of the TMP is made annually. See Treasury Reg. sections 301.6231(a)(7)-1 and 301.6231(a)(7)-2. See also IRM 8.19.1.6.5. If an ineligible partner is selected as TMP, the AAR will be considered to be filed on behalf of the partner who filed the AAR, not the partnership.

8.19.7.3.9 (03-19-2015)
Partnership Control System (PCS)
Revise paragraph (2) as follows:

(2) If the case is docketed, prepare and send Form 8341 (PCS TEFRA Establish or Add Without Notice Generation) and the information described in IRM 4.31.4.7.5.2 to the PCS Coordinator at the CTF after the case is established on AIMS. The transmittal should clearly inform the CTF that the linkage is being requested because of the AAR. NBAPs should generally not be sent to the partners. The Compliance function may agree to perform the linking procedure for Appeals.

8.19.7.3.10 (MM-DD-YYYY)
Case Conclusion and Dispositions
Revise paragraph (5) as follows:

(5) The appeals officer will generate an E-5402. The appeals officer must include the AAR refund amount and the disallowed AAR refund amount in the “Remarks” field on the E-5402. The appeals officer will submit a Support Request in ACMS to the ATT so that a closing package can be electronically uploaded to the key case CPF.

8.19.7.3.10.3 (MM-DD-YYYY)
Forms 4605-A and 886-Z(C)
Revise paragraph (1) as follows:

(1) If revised tax computations are needed based on the settlement, the appeals officer should submit a Support Request to the ATT to prepare a revised Form 4605-A and Form 886-Z.

8.19.7.3.10.4 (MM-DD-YYYY)
Closing Package
Revise paragraphs (1) through (4), delete (5), (6), and (8), and renumber (7) to (5) as follows:

(1) For cases linked on PCS, a closing package must be prepared and submitted electronically by the ATT to the key case CTF. This ensures that the Appeals findings will be associated with any partners that are in suspense at the CTF and that the findings are included in the CTF centralized RAR files. If the case is not linked on PCS, a copy of the closing package must be mailed to the examiner if any of the partners are being held in suspense in the field group.

Note: For cases that are linked on PCS, in order to determine which CTF is the key case CTF, follow these steps:

a. Order IDRS Command Code TSINQP on each year of the key case.

b. Look in the "CTF" field for either "OSC" (Ogden) or "BSC" (Brookhaven).

c. If the TSINQP shows Ogden, then Ogden is the key case Campus.

d. If the TSINQP shows Brookhaven, then order IDRS Command Code TXMODC on the key case; if there is no data, then Ogden is the key case Campus; if there is data, look in the "Control Base and History Information" section; if the "Assign To" column has numbers that begin with 0179, then Brookhaven is the key case Campus; if there are no numbers in the "Assign To" column, then Ogden is the key case Campus.

(2) The closing package will consist of the following:

a. Form 14298, Appeals Notice Package Checksheet

b. E-5402 marked "INFORMATION ONLY-DO NOT MAIL TO TAXPAYER"

c. Appeals Case Memorandum marked "INFORMATION ONLY-DO NOT MAIL TO TAXPAYER"

d. Form 886-Z showing the settlement position, marked" INFORMATION ONLY-DO NOT MAIL TO TAXPAYER"

e. Form 4605-A showing the settlement position, marked "INFORMATION ONLY-DO NOT MAIL TO TAXPAYER"; for a docketed case, "decision entered" and "date" should also be included

f. Copy of Form 870-PT(AD) signed by the TMP (if applicable)

g. Copy of entered decision (for docketed cases)

(3) If revised tax computations are needed based on the settlement, the appeals officer should submit a Support Request in ACMS to the ATT to begin preparing the revised Form 4605-A and 886-Z.

(4) If revised tax computations are not needed based on the settlement, the appeals officer should submit a Support Request to the ATT for preparation of the closing package to the key case CTF.

(5) APS is responsible for monitoring the return for H Freeze Release to close ACMS and AIMS.

8.19.7.3.10.5 (MM-DD-YYYY)
ACMS and AIMS Closing
Revise list item a under paragraph (1) as follows:

(1) If the case was linked on PCS:

a. It may be closed from ACMS once the closing package has been submitted electronically to the CTF and the CTF acknowledged receipt by email.

8.19.7.3.10.6 (MM-DD-YYYY)
Petition to District Court or United States Court of Federal Claims
Revise paragraph (2) as follows:

(2) When a decision on a case petitioned to a U. S. District Court or the United States Court of Federal Claims is final, the Department of Justice may return the case to Appeals through associate area counsel to complete the processing of the partner returns. For cases linked on PCS, Form 4605-A and Form 886-Z will be completed and the ATT will forward electronically to the key case CTF as part of a closing package. Request that the CTF complete the processing of the partnership items of the partners.

8.19.7.4.1 (MM-DD-YYYY)
Appeals Case Management System (ACMS) Processing
Delete paragraph (7), Figure 8.19.7-5, and Figure 8.19.7-6. Revise paragraph (2), as follows:

(2) See IRM 8.20.5.30, Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA), for APS' receipt and carding procedures.

8.19.7.6 (MM-DD-YYYY)
Protective AARs
Revise paragraph (3) as follows:

3) IRM 4.31.4.2.6 explains AARs filed for protective purposes. If a protective AAR is filed with Appeals, contact the Appeals TEFRA/BBA Team (ATT).