INDEPENDENT OFFICE OF APPEALS

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

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Affected IRM: 8.19.11

MEMORANDUM FOR ALL IRS INDEPENDENT OFFICE OF APPEALS EMPLOYEES

FROM: Margaret K. Harris */s/ Margaret K. Harris*
Acting Director, Specialized Examination Programs & Referrals

SUBJECT: Appeals Case Management System (ACMS) procedure updates for IRM 8.19.11, Agreed TEFRA Partnership Cases

This guidance incorporates ACMS procedures into IRM 8.19.11, *Agreed TEFRA Partnership Cases*, 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 Examination 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 updates have been made to align IRM 8.19.11 with current procedures.

**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(s):

Updated Guidance

**Distribution:** FOIA Library on IRS.gov

Attachment AP-08-0826-0073, Appeals Case Management System (ACMS) procedure updates for IRM 8.19.11, Agreed TEFRA Partnership Cases

**Throughout 8.19.11**

- 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 formerly found on Form 5402 and is referred to as the E-5402.
- References to Examination will be changed to Compliance
- References to Appeals TEFRA Team (ATT) will be changed to Appeals TEFRA/BBA Team (ATT)
- References to Laguna Account & Processing Support (APS) will be changed to Ogden APS
- References to work request will be changed to Support Request
- References to Appeals TEFRA website will be changed to Appeals TEFRA/BBA website
- References to Appeals Technical Specialist for TEFRA will be changed to Appeals TEFRA/BBA Team (ATT) Appeals Officer (AO)
- Removed links for IRM sections that have been superseded by this or another Interim Guidance Memorandum

**8.19.11.2.1 (MM-DD-YYYY)**
**Appeals TEFRA/BBA Team ATT**
*Revise paragraph (1) as follows*

(1) Appeals employees must submit a Support Request in ACMS to request Appeals TEFRA/BBA Team (ATT) assistance. Use of the ATT is mandatory for agreement package, closing package, and FPAA preparation. See detailed procedures for using the ATT on their ATT SharePoint site. A link to the site is found on the Appeals TEFRA/BBA website.

**8.19.11.2.2 (MM-DD-YYYY)**
**Partnership Tax Years Ending Before August 6, 1997**
*Revise paragraph (1) as follows:*

(1) These procedures are written for partnership tax years ending after August 5, 1997. If you have a partnership whose tax year ends before August 6, 1997, please contact the ATT AO assigned to your case for guidance.

**8.19.11.6 (MM-DD-YYYY)**
**Request for Audit Work**
*Revise paragraph (1) as follows:*

(1) The AO should submit a Support Request to the Appeals ATT, prepare Form 3608-A, Request for TEFRA/BBA Specialist, to request Tax Computation Specialist (TCS) assistance, and upload a copy the form to ACMS. Counsel attorneys can also use

a Form 3608, or they may use Form 1734, Transmittal Memorandum, or a memorandum with an attachment detailing the settlement amounts, e.g. Counsel Settlement Memorandum or Decision Document.

**8.19.11.7 (MM-DD-YYYY)**
**Responsibilities of the Tax Computation Specialist (TCS)**
*Revise paragraphs (2) and (3) as follows:*

(2) The ATT AO will submit a Support Request in ACMS to TCS and prepare the closing package to the Campus TEFRA Functions (CTF) who will prepare and mail settlement agreements to the partners. See IRM 8.19.11.8.

(3) The ATT AO will compute the revised dollar value for the key case using Exhibit 8.19.10-1, Formula for Assigning Dollar Value to Partnership Case for ACDS.

**8.19.11.8 (MM-DD-YYYY)**
**Closing package to the Campus TEFRA Function**
*Revise paragraphs (1) and (2); delete paragraphs (3), (8) and (10); renumber and revise former paragraphs (4), (5), (6), (7), and (9) as follows:*

(1) A TEFRA closing package is a group of documents that is prepared and assembled after a TEFRA partnership case is resolved. The ATT AO will submit the closing package electronically to the key case CTF to associate with the tax returns of the partners in the TEFRA partnership in the order of tax resulting from their share of the adjustments made to the TEFRA partnership return are computed and assessed in a timely manner.

**Note:** Instructions for determining which CTF is the key case CTF may be found on the Appeals TEFRA/BBA website.

**Reminder:** The examiner is required to link a TEFRA partnership case on the Partnership Control System (PCS) when the case is still in process 60 days after the case goes into status 12. See IRM 8.19.10.4.4, Record Indicators on IDRS Systems.

(2) The ATT AO will prepare the closing package to the CTF.

(3) The ATT AO is responsible for reviewing the closing package and is ultimately responsible for the accuracy and completeness of the documents.

(4) The ATT AO will submit the closing package electronically with Form 14298, Appeals Notice Package Check Sheet, for CTF to mail the agreement forms to the partners.

(5) If the agreement forms to the partners are mailed in Appeals, the AO will provide the partners' agreement forms that are generated by TCS.

(7) The ATT AO is responsible for:

a. the accuracy and completeness of the Form 14298, Appeals Notice Package Check Sheet (including the one-year statute date),
b. reviewing the completed closing package, and
c. submitting it electronically to the key case CTF.

**8.19.11.9(MM-DD-YYYY)**
**Campus TEFRA Function (CTF) Mails Agreement Forms**
*Revise paragraphs (2), (3), and (4). Delete paragraphs (5), (6), and (7). Renumber and revise paragraph (8) as (5) as follows:*

(2) The assigned ATT AO will review the documents prepared by TCS and forward the approved documents to the AO. The AO will share a copy of the Schedule of Adjustments page with the Tax Matters Partner (TMP) to review.

(3) The ATT AO should ensure that any special instructions for the key case CTF are included on Form 14298.

(4) After the TMP reviews and approves the Schedule of Adjustments page, the AO will upload the documents on ACMS and notify the Appeals Team Manager (ATM) for approval. The ATM will document the approval in the Case Action Record (CAR). The AO will submit a Support Request to the Appeals TEFRA/BBA Team so that an electronic closing package can be uploaded to the key case CTF server.

(5) Generally, the CTF will photocopy the Schedule of Adjustments page and attach it to each agreement form generated by PCS. The settlement letter generated by PCS will show a CTF employee as a contact person for taxpayer inquiries. The ATT AO should provide information as requested to assist the CTF in responding to partner questions.

**8.19.11.9.3 (MM-DD-YYYY)**
**Closing the Case**
*Revise paragraphs (1), (2), (3), and (4), delete paragraphs (5) and (6), renumber and revise paragraphs (7), (8), (9), (10) and (11) as follows:*

(1) All TEFRA key cases must be closed through Ogden APS. The AO needs to follow the procedures posted to the ATT SharePoint site. A link to the SharePoint site is found on the Appeals TEFRA/BBA website.

(2) After the key case CTF has received signed agreement forms from all direct partners and has input a one-year statute date on PCS for all direct partners, the AO will close the case through the ATM to Ogden APS. Copies of the agreement forms that were received from the key case CTF will be retained in the file.

(3) The ATM signs the Letter 913, Agreed Cases – Closing, and E-5402 and forwards the administrative file to Ogden APS.

(4) After the key case CTF has received signed agreement forms from all direct partners, has input a one-year statute date on PCS for all direct partners, and the CTF has released the AIMS "H" freeze, Ogden APS:

- Mail the Letter 913 to the TMP and POA (if applicable);
- Place a copy of dated Letter 913 to the TMP and POA (if applicable) in the administrative file;
- ACMS database for AO and AIMS remain open (not closed or transferred).

(5) The ATT AO performs a procedural review and submits the closing package with Form 14298 electronically to the key case CTF. The ATT AO will notify the field AO when it is time to close the case in ACMS. The ATT will submit a Support Request to Ogden APS to close the case on ACMS.

(6) After the H Freeze is released, Ogden APS will close the case on ACMS. See IRM 8.20.7, Closing Procedures, for the processing of TEFRA cases.

(7) Ogden APS may close the case from AIMS *unless it has a PICF Code of 4 or 5*. The case should not be sent to the key case CTF unless it has a PICF Code of 4 or 5. See IRM 8.20.7.57.1 for APS closing instructions.

**8.19.11.10 (MM-DD-YYYY)**
**Appeals Office Mails Agreement Forms**
*Revise paragraphs (2), (3), (4), (6), (7), and (8) as follows:*

(2) When Appeals will be mailing the agreement forms to the partners, the AO will submit a Support Request in ACMS to the ATT and attach Form 3608-A on ACMS to request that the TCS prepare the entire agreement form (with a Schedule of Adjustments page) and the transmittal letters for all partners.

a. In this situation, the support request and Form 3608-A should specify that Appeals will be mailing the agreement forms to the partners.
b. The AO should identify any special circumstances on Form 3608-A, including parent-subsidiary relationships. The AO is ultimately responsible for the accuracy and completeness of the agreement forms and the transmittal letters.

**Note:** As noted in IRM 8.19.11.6, the preferred method of mailing the agreement forms is by the CTF and Appeals should generally be mailing agreement forms only when there are a small number of partners.

(3) After the ATT AO reviews the documents prepared by the TCS, the ATT AO will provide the AO with the documents so that the AO can share a copy of the Schedule of Adjustments page with the TMP to review.

(4) After the TMP reviews and approves the Schedule of Adjustments page, the AO or TCS will prepare the agreement forms and transmittal letters (see above for dialogue needed between the two ATMs).

a. Use IDRS in order to identify the current addresses of the partners.

b. For partners that filed a joint return, the agreement form should include the names of both spouses and both need to sign the agreement form in order for both spouses to be considered agreed (see IRM 8.19.11.5.1 for more information on joint returns).

c. For partners that filed a consolidated return, see IRM 8.19.11.5.2.

d. Photocopy the Schedule of Adjustments page and attach it to each agreement form.

e. Two copies of the agreement form will be mailed to each partner.

f. Prepare a transmittal letter for each partner. Letter 3395, Form 870-PT (AD) for Nondocketed TEFRA Partnership Cases Transmittal, is used to mail Form 870-PT(AD), Agreement for Partnership Items & Partnership Level Determinations as to Penalties, Additions to Tax, and Additional Amounts, and Letter 3394, Transmittal for Form 870-LT (AD) for Nondocketed TEFRA Partnership Cases, is used to mail Form 870-LT(AD), Settlement Agreement for Partnership Items and Partnership Level Determinations as to Penalties, Additions to Tax and Additional Amounts and Agreement for Affected Items.

(5) The AO will prepare an E-5402 and submit the case (including the partner agreement forms and transmittal letters) to the ATM for approval before the agreement forms are mailed to the partners.

(6) After the settlement is approved by the ATM, the case (including the partner agreement forms and transmittal letters) will be given to Ogden APS.

(7) Ogden APS will mail the transmittal letter and two copies of the agreement form to each partner. Copies will be made and included in the administrative file. The administrative file will be returned to the AO.

**8.19.11.10.2 (MM-DD-YYYY)**
**Receiving/Accepting Agreement Forms**
*Revise paragraphs (4), (5), (6), (7), (8), (9), (10), and (11) as follows:*

(4) The AO will collect the agreement forms and prepare them for processing. They should generally be batched every 30 days and submitted to the ATM for signing. The

AO needs to submit a Support Request in ACMS to the ATT for the preparation of an electronic closing package to the CTF.

(5) The AO will review the agreement forms to ensure that the Schedule of Adjustments page shows the proper amounts and that the appropriate signatures are included. The ATT AO is ultimately responsible for the accuracy and completeness of the closing package, including the Form 14298.

**Note:** If a joint return was filed, both husband and wife should sign the agreement form, even if only one spouse had an interest in the partnership. In cases where only one spouse will sign the agreement form, the spouse who does not sign the agreement may or may not continue to be a partner for TEFRA purposes. Either an FPAA or a notice of deficiency will have to be mailed to the spouse that did not sign the agreement. See IRM 8.19.11.5.1.

(6) The ATT AO will identify the partners that signed agreement forms on the Form 886-Z previously prepared by the TCS.

a. Write "Agreed" and the date that the partner signed the agreement in red next to the partner's name.

b. For partnership tax years ending after August 5, 1997, if a penalty is agreed, write "Agreed" in the Penalty Status column next to the penalty percentage. If an affected item other than a penalty is agreed, write "Agreed" in the Affected Item Status column next to the affected item. If a penalty or affected item is unresolved, write "Open" in the applicable column next to the penalty percentage or the affected item. See Exhibit 8.19.11-10. In this exhibit, partners Daisy and Lilac agreed to both the partnership items and affected items (including penalties) and signed both parts of Form 870-LT(AD); partner Rose only agreed to the partnership items and penalties and signed only Part I of Form 870–LT(AD).

**Note:** The Form 14298 will have to instruct the CTF to issue an affected-item notice of deficiency to partner Rose for affected items other than penalties.

(7) The ATT AO should ensure that any special instructions for the key case CTF are included on Form 14298.

**Example:** If there was a joint return and only one spouse signed the agreement, include instructions for the CTF to make a non-master file assessment for the spouse who signed the agreement. The other spouse may or may not remain a party to the TEFRA proceeding. Either an FPAA or a notice of deficiency will have to be mailed to the spouse that did not sign the agreement. See IRM 8.19.11.4.1.

(8) After entering the information on the Form 886–Z, the AO will give the case (including the partner agreement forms) to the ATM.

(9) The ATM will sign the agreement forms within 5 workdays after receiving the case from the AO and upload the signed agreement forms to ACMS.

**Note:** All Appeals agreement forms must be signed on behalf of the Commissioner by an authorized person per Delegation Order 4-19 which is found in IRM 1.2.2.5.16. Appeals Team Case Leaders are authorized to sign agreement forms for their respective cases.

(10) After the agreement forms are signed, the ATM will notify the ATT AO to complete the closing package and submit electronically to the CTF. If agreement forms from all direct partners have been signed on behalf of the Commissioner, the key case file will also be forwarded to Ogden APS. If all agreement forms have not yet been received, then the file will be returned to the AO in order to monitor receipt of additional agreement forms.

(11) The ATT AO will ensure that the documents are included in the closing package and submit the closing package electronically to the key case CTF within 5 workdays after the forms are signed by the Commissioner

**IRM 8.19.11.10.3 (MM-DD-YYYY)**
**Closing the Case**
*Revise paragraphs (1), (2), and (3) as follows:*

(1) All TEFRA key cases must be closed through Ogden APS. The AO needs to follow the procedures posted to the ATT SharePoint site. A link to the SharePoint site is found on the Appeals TEFRA/BBA website.

(2) After Appeals has received signed agreement forms from all direct partners, the ATT AO has received an acknowledged that the closing package had been received electronically from the CTF, and the CTF has input a one-year statute date on PCS for all direct partners, the AO will close the case through the ATM to Ogden APS.

(3) The ATM signs Letter 913 and the E-5402 and forwards the administrative file to Ogden APS.

**IRM 8.19.11.12 (MM-DD-YYYY)**
**Partial Agreements**
*Revise paragraph (5) as follows:*

(5) When transmitting the closing package to the CTF, the ATT AO will identify the package as a partial agreement on Form 14298.

**IRM 8.19.11.14.1 (MM-DD-YYYY)**
**Preparing the Letter 2621 and Closing Package**
*Revise paragraphs (5), (6), and (7) as follows:*

(5) The AO will submit a Support Request in ACMS to ATT AO to prepare an electronic closing package to the key case CTF to close the partner linkages.

(6) The AO prepares an E-5402 and submits the case to the ATM for approval.

(7) The ATT AO will ensure that all documents listed on Form 14298 are included with the closing package.

**IRM 8.19.11.14.2 (MM-DD-YYYY)**
**Closing the Case**
*Revise paragraphs (1), (3), (4), (5), (7), and (8), delete paragraph (9) as follows:*

(1) All TEFRA key cases must be closed through Ogden APS. The AO should follow the procedures posted to the ATT SharePoint site. A link to the SharePoint site is found on the Appeals TEFRA/BBA website.

(3) The ATM (or AO if delegated by the ATM) will sign the letters and forms. After approval, the administrative file and closing package are forwarded to Ogden APS. The case closing and approval action records are not input at this time.

(4) The ATT AO mails the Letter 2621, No Adjustments Letter, and Form 872-N (if applicable) to the TMP by certified mail and POA, if any, uploads the dated copies of the letters to ACMS, and submits the closing package electronically to the CTF.

(5) The ATT AO will enter the one-year statute date on Form 14298 using the date that is the shorter of the statute date of the key case or one year from the date the Letter 2621 is mailed.

> **Caution:** The partnership statute expires 90 days after the Form 872-N, Notice of Termination of Special Consent to Extend the Time to Assess Tax Attributable to Partnership Items, is mailed by Appeals.

(7) Ogden APS monitors the key case AIMS record for the “H” freeze to be removed and the input of the one-year statute date for the direct partners on TSUMY.

(8) After the CTF has input a one-year statute date on PCS for all direct partners and has released the “H” freeze, Ogden APS will follow the procedures for closing the case in IRM 8.19.11.9.3 steps (5) through (9).

## Exhibits (Obsolete)

- 8.19.11-6 - Form 3210 - CTF to Mail Settlement Offer
- 8.19.11-7 - Form 3210 - CTF to Mail No Change Settlement Offer
- 8.19.11-8 - Form 3210 - Agreement Forms Received in Appeals
- 8.19.11-9 - Form 3210 - Non-docketed Case Agreed Closing

- 8.19.11-12 - Form 3210 - Partial Settlement Agreement Forms
- 8.19.11-13 - Form 3210 – No Adjustments Letter