INDEPENDENT OFFICE OF APPEALS

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

September 18, 2026

Control No. AP-08-0926-0087
Expiration Date: 09/18/2026
Affected IRM: 8.26.2

MEMORANDUM FOR ALL IRS INDEPENDENT OFFICE OF APPEALS EMPLOYEES

FROM: Steven M. Martin /s/ Steven M. Martin
Director, Operations Support

SUBJECT: Procedural updates for Small Business/Self-Employed (SB/SE) Fast Track Settlement (FTS) Program

This guidance provides current procedures for the IRS Independent Office of Appeals (Appeals) on the **SB/SE FTS Program**, incorporating both temporary and permanent changes. Please distribute this information to all impacted employees within your organization.

Purpose: This guidance is issued to update procedures found in IRM 8.26.2, Fast Track Settlement for Small Business/Self Employed (SB/SE) Taxpayers, to incorporate the following:

- Changes in terminology and new processing functionality for the new Appeals Case Management System (ACMS).
- Change to how Compliance submits FTS requests to Appeals and when Account Processing and Support (APS) adds FTS cases in ACMS.
- Changes related to the transition of Alternative Dispute Resolution (ADR) program management responsibilities to the ADR Program Management Office (ADR PMO).
- Temporary changes related to Announcement 2025-6, Pilot Program Changes to Fast Track Settlement.

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 allow for more effective collaboration within Appeals and, in the future, with other IRS business units.

In March 2024, Appeals established the ADR PMO. The ADR PMO was created to revitalize existing ADR programs, pilot new initiatives, and collaborate with other business units to help taxpayers resolve tax disputes more efficiently. The ADR PMO has primary responsibility for all policy and program management for ADR programs and is supported by Appeals Policy.

On January 15, 2025, the IRS published Announcement 2025-6, Pilot Program Changes to Fast Track Settlement, and related News Release IR-2025-14, on IRS.gov. The announcement introduced a pilot program testing changes to FTS.

The changes to SB/SE FTS include:

- FTS is available for individual issues within a case, even if other issues are ineligible. Previously, if one issue in a case was ineligible for FTS, then all issues in the case were ineligible for FTS.
- FTS requests will not be denied without executive-level concurrence.
- The rationale for denying an FTS request must be explained to the taxpayer.
- The pre-FTS managerial conference requirement is eliminated.

The announcement also launched a second, limited-scope SB/SE FTS pilot, “Last Chance FTS.” Under Last Chance FTS, when a taxpayer submits a protest in response to a 30-day letter, SB/SE will ask Appeals to contact the taxpayer or their representative to inform them of the FTS option.

These piloted changes will be evaluated during a two-year period to determine the degree to which the updates should be discontinued, adjusted, or made permanent.

Procedural Change: Specific procedural changes are contained 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: This guidance outlines deviations from the procedures in IRM 8.26.2, Fast Track Settlement for Small Business/Self Employed (SB/SE) Taxpayers. This guidance also incorporates, and subsequently obsoletes, AP-08-0726-0018, Procedural updates for Small Business/Self-Employed (SB/SE) Fast Track Settlement (FTS) Program. Portions of this guidance may be extended or modified through subsequent guidance or made permanent and incorporated into the applicable IRM 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 submit questions pertaining to ADR programs to their manager. Managers may submit ADR questions to *AP ADR PMO. Employees can also access ADR information and resources on the Alternative Dispute Resolution (ADR) webpage.

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

Attachment

General Alternative Dispute Resolution (ADR) Procedures for Appeals Case Management System (ACMS)

Compliance will now submit Fast Track Settlement (FTS) requests to the IRS Independent Office of Appeals (Appeals) electronically through the Appeals Shared Programs Hub. If a Small Business/Self Employed (SB/SE) FTS request is received in Appeals via email per prior procedures, Appeals Team Managers (ATMs) will instruct Compliance to submit the request electronically through the Appeals Shared Programs Hub. The request will be treated as received on the day it is submitted through the Appeals Shared Programs Hub. See IRM 8.26.2.8 as modified by this guidance.

ATMs should ensure employees who have had mediation training are identified as mediators in ACMS. To review or update the mediator field in ACMS:

1. Select Contacts menu in ACMS.
2. Type the employee's first and last name in the top search box.
3. The search will display the employee's contact card.
4. Click the employee's contact card which will bring you to the "Details" of this contact.
5. Scroll down to the Mediator section.
6. Click the pencil icon to the far right of the Mediator field.
7. Check the Mediator box.
8. Click Save at the bottom of the screen.

Specific IRM Procedural Changes

Throughout IRM 8.26.2, Fast Track Settlement for Small Business/Self Employed (SB/SE) Taxpayers

- 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 Case Activity Record (CAR) will be changed to Case Action Record (CAR).
- Removed links for IRM sections superseded by this or other guidance.
- Hyperlinks will not be included for new IRM sections not yet available online.

8.26.2.1.3 (MM-DD-YYYY)
Responsibilities
Modify paragraph (1). Insert new paragraph (2).

(1) The ADR Program Management Office (ADR PMO) and SB/SE Policy jointly administer the SB/SE FTS program. The executives with program oversight are:

- Appeals program oversight – Deputy Chief of Appeals
- Appeals policy oversight – Director, Operations Support
- SB/SE program oversight – Director, Examination Field and Campus Policy (EFCP)

(2) The Director, ADR PMO, is responsible for planning, managing, and directing the nationwide ADR programs for Appeals. See IRM 1.1.7.9, Alternative Dispute Resolution Program Management Office (ADR PMO).

8.26.2.2 (MM-DD-YYYY)
General Provisions for SB/SE FTS
Modify subsection title. Modify paragraph (1). Delete paragraph (2). Renumber paragraph (3) as (2) with no changes. Renumber and modify paragraphs (4) and (5).

(1) FTS is an ADR service offered by the IRS for the purpose of enabling SB/SE Field and Specialty Examination functions, taxpayers, and Appeals to work together to resolve eligible disputed examination issues while the case is in SB/SE's jurisdiction.

(3) FTS allows the parties to utilize Appeals' settlement authority under Delegation Order 8-9, when needed, to effect an agreement between SB/SE, the taxpayer, and the FTS Official that is based on the hazards of litigation. See IRM 1.2.2.9.9, Delegation Order 8-9 (New), Authority of Appeals to Administer Alternative Dispute Resolution Procedures, and IRM 8.6.4, Reaching Settlement and Securing an Appeals Agreement Form.

(4) If a taxpayer's request for FTS is denied or withdrawn, or if resolution is not reached through FTS, the taxpayer retains the right to request traditional Appeals consideration and Post-Appeals Mediation (PAM).

8.26.2.3 (MM-DD-YYYY)
Appeals Settlement Authority in FTS
Modify subsection title. Modify paragraph (1).

(1) IRM 1.2.2.9.9, Delegation Order 8-9 (New), Authority of Appeals to Administer Alternative Dispute Resolution Procedures, contains the Commissioner of Internal Revenue's delegation of settlement authority to Appeals Team Case Leaders, Appeals Team Managers, and Appeals Officers no lower than grade 12 assigned to serve as FTS Officials for SB/SE FTS cases and to execute any necessary settlement or closing documents.

8.26.2.5 (MM-DD-YYYY)
Eligibility for SB/SE FTS
Modify subsection title. Modify paragraph (1). Delete paragraph (2).

(1) FTS is generally available for unresolved issues in non-docketed SB/SE cases with no regard to dollar amount if:

- Disputed issues are fully developed
- Conclusions of both parties are documented and have some basis in fact and/or law
- Necessary referrals, technical advice, Counsel advice, and valuation reports are completed and documented
- SB/SE and the taxpayer both agree to use mediation to reach resolution

8.26.2.6 (MM-DD-YYYY)
Cases or Issues Excluded from FTS
Modify subsection title. Delete paragraph (2). Renumber paragraph (3) as paragraph (2).

8.26.2.7 (MM-DD-YYYY)
Initiating the FTS Process
Modify paragraphs (2) and (4).

(2) Ideally, FTS is initiated on fully developed eligible issues:

- Field Exam cases: generally, prior to the 30-day letter
- Office Audit/Exam cases: at the time the taxpayer requests an Appeals conference

  In either instance, the FTS issue is referred as soon as possible, but always prior to the issuance of a 90-day letter.

(3) If the issue meets the requirements in IRM 8.26.2.5, Eligibility, the examiner and/or the Group Manager (GM) will discuss FTS with the taxpayer, explain the roles and responsibilities of each party, and the expectations and benefits of the program.

8.26.2.7.1 (MM-DD-YYYY)
SB/SE's Role in Determining FTS Eligibility
Modify subsection title. Modify paragraphs (2) through (4). Insert new paragraphs (5) and (6).

(2) If SB/SE has any questions regarding eligibility determination, the GM may contact the ADR PMO by emailing *AP ADR PMO.

(3) The GM may propose denial of an FTS application if the unresolved issues are not eligible for FTS or the taxpayer was uncooperative during the audit process, did not respond to document requests, or did not submit an adequate written response to the proposed issues.

(4) A proposed denial of an FTS application requires first-line executive review and concurrence. The GM will follow procedures in IRM 4.10.7.5.6.3.1, Denied SB/SE FTS Application Package by Group Manager, for requesting executive concurrence using the SB/SE Fast Track Settlement – Approval to Deny Taxpayer’s Request template.

(5) If the SB/SE first-line executive does not concur with the denial, the GM will accept the request.

(6) A decision by the SB/SE first-line executive to deny an FTS application is final. SB/SE will discuss the decision to deny the application with the taxpayer.

(7) In any case where the GM proposed denial, regardless of whether the executive concurred with the denial, the GM will email the completed template with all required signatures to *AP ADR PMO.

8.26.2.8 (MM-DD-YYYY)
Receipt of Incoming FTS Requests
Modify subsection title. Modify paragraph (1). Insert new paragraph (2). Renumber former paragraph (2) as (3). Delete paragraph (4). Insert new paragraphs (4) and (5).

(1) When SB/SE accepts an FTS request, the SB/SE GM will submit the approved **SB/SE FTS Package** to Appeals through the Appeals Shared Programs Hub SharePoint site. The SB/SE GM will select Add New Electronic Case Receipts (ECR) and attach the FTS Package to the ECR submission form. SB/SE will not send the entire administrative file. See SB/SE Fast Track Settlement for instructions for submitting the SB/SE FTS Package to Appeals.

(2) The SB/SE FTS Package includes:

- The signed Form 14017,
- Summary of the issues to be mediated and copies of pertinent lead sheets and workpapers supporting the examiner's position, and
- The taxpayer's written position and response to each of the issues to be mediated.

(3) Account and Processing Support (APS) will card in FTS requests received through ECR in Appeals Case Management System (ACMS), generally within two business days of the ECR submission. See IRM 8.20.5.19, Fast Track Settlement (FTS) Case Carding. Once the FTS request is established on ACMS, the Appeal Record created for the FTS request will automatically route to the appropriate Area queue.

(4) Area Technical Advisors (TAs) will assign the FTS request to an Appeals team as soon as it appears in the Appeals Awaiting Assignment list view. FTS cases will contain “FTS” in the ADR column of this list view.

8.26.2.8.1 (MM-DD-YYYY)
ATM Initial Review of SB/SE FTS Requests
Modify subsection title. Modify paragraphs (1) and (2). Insert new paragraph (3).

(1) SB/SE FTS Packages require expedited review to ensure a timely response to the SB/SE GM. Upon notification of assignment by the TAs, the ATMs will complete the following actions within **one week** of the Appeal Received Date shown in ACMS:

- Review the FTS package.
- Confirm the request originated from SB/SE. If the request originated from Large Business and International (LB&I), follow procedures in IRM 8.26.1, Fast Track Settlement for Large Business and International (LB&I) Taxpayers.
- Determine whether the issues are eligible for FTS.
- Make a preliminary decision on whether to accept the request.
    - If accepted, refer to IRM 8.26.2.8.2, Accepting the FTS Request.
    - If proposing denial, refer to IRM 8.26.2.8.3, Denying the FTS Request.
- Contact the SB/SE GM to inform them of the status of the request.

(2) If the ATM has any questions regarding acceptance, the ATM may contact the ADR PMO by emailing *AP ADR PMO. If the ATM is considering denial, contact the ADR PMO prior to elevating the proposed denial to the Area Director (AD). See IRM 8.26.2.8.3, Denying the FTS Request.

(3) Before accepting the FTS request, the ATM will confirm:

- All matters and claims related to each FTS issue were raised.
- All relevant information disclosed.
- The case is ready for resolution.
- The case has been appropriately routed, if the issues to be mediated require routing to a specialty team, per IRM 8.7, Technical and Procedural Guidelines, such as certain international, estate and gift, excise tax, or Bipartisan Budget Act of 2015 (BBA) issues.
- The representative who signed Form 14017 is properly authorized to consent to disclosure of the taxpayer's returns and return information by the IRS to third parties. See IRM 8.26.2.14, Confidentiality in FTS.

8.26.2.8.2 (MM-DD-YYYY)
Accepting the FTS Request
Modify subsection title. Modify paragraphs (1) and (2).

(1) If accepted, the ATM will take the following actions within **one week** of the Appeal Received Date in ACMS:

- Sign Form 14017 in the Appeals Manager/FTS Program Manager signature section and check the Accept Request box above their signature. No signature is required in the Appeals Official decision section for SB/SE FTS requests accepted by the ATM. If the AD accepted the request, per the denial concurrence process in IRM 8.26.2.8.3, Denying the FTS Request, this step is not necessary.

- Upload the signed Form 14017 to the case documents in ACMS.
- Enter Action Record FT-AC in the Case Action Record (CAR).
- Assign the request to an Appeals Technical Employee (ATE) trained in mediation who will serve as the FTS Official.
- Inform the SB/SE GM the FTS Request has been accepted by Appeals and provide them with the FTS Official's name.

(2) If there are no available trained mediators on the ATM's team, the ATM may contact a TA within their Area to locate an available mediator or contact *AP ADR PMO for assistance.

8.26.2.8.3 (MM-DD-YYYY)
Denying the FTS Request
Modify subsection title. Insert new paragraph (1). Delete paragraph (2). Renumber former paragraph (1) as (2) and modify. Modify paragraph (3). Insert new paragraphs (4) and (5). Renumber former paragraph (4) as (6). Insert new paragraphs (7) and (8).

(1) Executive-level concurrence is required to deny an FTS request.

(2) If the ATM proposes to deny an SB/SE FTS request, the ATM will take the following actions within **one week** of the Appeal Received Date in ACMS:

a. Discuss the potential denial with an ADR PMO Analyst.
b. If still recommending denial after consultation with the ADR PMO:
    - Sign Form 14017 in the Appeals Manager/FTS Program Manager signature section and check the Deny Request box above their signature.
    - Enter action record FT-DP in the CAR.
    - Elevate the decision to the AD by secure email, including *AP ADR PMO in the Cc line. Attach the signed copy of Form 14017 and include an explanation of the reason for the proposed denial.
c. Inform the SB/SE GM that Appeals will need additional time to decide whether to accept the FTS request. While awaiting executive concurrence, the ATM will provide status updates to the SB/SE GM at least weekly.

(3) Reasons an ATM might propose denial of an SB/SE FTS request:

- All issues are excluded or ineligible.
- Numerous issues which will require substantially longer than 60 days to resolve.
- SB/SE or the taxpayer is unable to meet within 60 days.

(4) If the AD concurs with the proposed denial, the AD will elevate it to the appropriate first-line executive by secure email. The first-line executive will indicate concurrence with the proposed denial by return email to the AD. The AD will sign Form 14017 in the

Appeals Official decision section, check the Deny Request box above their signature, and email it to the ATM and *AP ADR PMO to inform them of the executive's decision.
(5) If the AD or the first-line executive does not concur with the proposed denial, Appeals will accept the FTS request. The first-line executive will indicate their non-concurrence with the proposed denial by return email to the AD. The AD will sign Form 14017 in the Appeals Official decision section, check the Accept Request box above their signature, and email it to the ATM and *AP ADR PMO to inform them of the executive's decision. The ATM will accept the request in ACMS. See IRM 8.26.2.8.2, Accepting the FTS Request.

(6) A decision by the first-line executive to deny an FTS request is final, and the taxpayer is not entitled to administrative or judicial review of the decision.

(7) Within two business days of receiving notification of the executive's concurrence to deny the request, the ATM will complete the following actions:

- Upload the signed Form 14017 to the case documents in ACMS.
- Add Action Record FT-DN to the CAR in ACMS.
- Notify the SB/SE GM of denial, providing the basis for denial.
- Assign the case to an Appeals Officer to complete ACMS closing actions. See IRM 8.26.2.16, FTS Closing Procedures.

(8) If the FTS request is denied because the issues are excluded or ineligible for SB/SE FTS, the SB/SE GM will notify the taxpayer of the reason for denial. If the FTS request is denied for any other reason, the ATM will notify the taxpayer of the reason for denial.

8.26.2.9 (MM-DD-YYYY)
Planning and Conducting the SB/SE FTS Session
Modify subsection title. Modify paragraph (1). Add new paragraph (2).

(1) Once an SB/SE FTS request is accepted, the FTS Official must complete the following actions within one week of assignment:

a. Review and update the ACMS Appeal Record.
    - Confirm SB/SE is the source of the case to ensure the appropriate procedures are applied.
    - Confirm FTS is displayed in the ADR field.
    - Ensure Action Record FT-AC has been added to the CAR.
    - Enter Action Record FA-NST with a comment that Taxpayer First Act (TFA) case file access is not applicable to FTS.
    - Add the Uniform Issue List (UIL) for each FTS issue in ACMS.
b. Make any necessary referrals per IRM 8.7, Technical and Procedural Guidelines. See IRM 8.26.2.12, Coordinated Issues in FTS.
c. Contact the taxpayer and SB/SE to start the planning process. Document this taxpayer contact in ACMS using Action Record TC-SCM.

(2) As part of the planning process, the FTS Official will:

- Identify, determine, and confirm the participants and ensure that all decision-making parties will be present during the session. To facilitate resolution, the FTS should encourage the taxpayer's participation even if the taxpayer is represented.
- Request additional information from either party to have full understanding of the issues and share any information received with all parties prior to the session.
- Schedule the session at a reasonably convenient site, following guidelines in IRM 8.6.1.5.1, Conference Practice. In-person FTS Sessions may be held at an Appeals office or another neutral site agreeable to the parties. The location selected should have the least cost or impact to the IRS. This could mean the FTS Official will travel to the examiner's Post of Duty (POD). The FTS Official should consult with his/her ATM to make this decision, be flexible in setting the meeting location, and involve the SB/SE GM and examiner in the decision.

8.26.2.9.1 (MM-DD-YYYY)
Conducting the FTS Session
Modify subsection title. Insert new paragraphs (3) and (4).

(3) At the conclusion of the session, the FTS Official will provide a copy of Publication 5548, Office of Appeals Survey, to the taxpayer or their representative. The FTS Official will fill in the ACMS Appeal Number in the password field on Publication 5548.

(4) Document the FTS Session in ACMS using Action Record CF. At the end of the session, record the overall outcome using Action Record DM with a comment as to whether the issues were agreed, unagreed, or partially agreed.

8.26.2.9.3 (MM-DD-YYYY)
Withdrawal from FTS
Modify subsection title. Modify paragraph (1). Insert new paragraphs (2) through (5). Renumber former paragraphs (2) and (3) as paragraphs (6) and (7) and modify.

(1) After a case is assigned, Appeals or SB/SE may determine the case is not ready for FTS, or that a change in the status of the case or its issues warrants withdrawal from the process. In these situations, Appeals and SB/SE will discuss whether to withdraw the case from FTS. If Appeals initiates withdrawal after assignment, Appeals must obtain concurrence from its first-line executive before withdrawing from the case.

(2) The ATM will first consult with an ADR PMO Analyst. If, after discussing the proposed withdrawal with an ADR PMO Analyst, the ATM still recommends withdrawal, the ATM will elevate the proposed withdrawal to the AD by secure email, including *AP ADR PMO in the Cc line. If the AD concurs with the proposed withdrawal, the AD will elevate it to the appropriate first-line executive by secure email.

(3) The first-line executive will indicate concurrence or non-concurrence with the proposed withdrawal to the AD by return email. The AD will notify the ATM of the final decision by secure email, including *AP ADR PMO in the Cc line.

(4) If the AD or the first-line executive does not concur with the withdrawal, the ATE will continue with the FTS process.

(5) A decision by the first-line executive to withdraw from the FTS process is final, and the taxpayer is not entitled to administrative or judicial review of the decision.

(6) In the event of withdrawal, the FTS Official will notify the taxpayer and SB/SE, return the Application Package to SB/SE, and follow closing procedures in IRM 8.26.2.16, Closing Procedures.

(7) A taxpayer can withdraw from FTS at any time by providing written notice to Appeals and SB/SE.

8.26.2.12 (MM-DD-YYYY)
Coordinated Issues in FTS
Modify subsection title. Modify paragraphs (1) and (2).

(1) For all Appeals Coordinated Issues (ACI), follow procedures in IRM 8.7.3, Domestic and International Operations Programs.

(2) If an issue requires review and concurrence by a Technical Specialist in Appeals or Compliance, the Technical Specialist should attend the FTS Session. If the Technical Specialist does not participate for any reason, the final settlement of such issue remains subject to the review and concurrence.

8.26.2.13 (MM-DD-YYYY)
Unresolved SB/SE FTS Issues
Modify subsection title. Modify paragraphs (1) and (5).

(1) If any issue(s) remain unresolved, the FTS request is closed on ACMS, and SB/SE will follow their procedures to process a partial agreement for any resolved FTS issues, if necessary, and begin their unagreed closing process for any unresolved issues.

(5) If a resolution is not reached using FTS, a taxpayer retains the right to request traditional Appeals consideration and PAM. See Announcement 2025-6, Pilot Program Changes to Fast Track Settlement.

8.26.2.16.1 (MM-DD-YYYY)
FTS Official Closing Actions
Modify subsection title. Modify paragraph (1). Insert new paragraph (2). Modify former paragraph (2) and renumber as paragraph (3). Add new paragraphs (4) and (5).

(1) The FTS Official will prepare an **SB/SE FTS Closing Package** per IRM 8.26.2.16.3, SB/SE FTS Closing Package, attach a copy in ACMS, and email a copy to the SB/SE GM for appropriate action.

(2) Regardless of the type of closure, certain action records are required in ACMS before the FTS Official can submit the case for closure. Ensure the following actions are present on the CAR prior to creating the E-5402:

- FT-AC to indicate the FTS request was accepted or FT-DN to indicate the FTS request was denied. Since FTS denials require executive concurrence, FT-DN may not be entered on a case unless FT-DP (Fast Track Denial Proposed) is already present on the CAR.
- FA-NST with a comment that TFA case file access in not applicable in FTS.
- TC-SCM or CO-UAL to document the first contact with the taxpayer. If the case was denied or withdrawn, enter Action Record TC-SCM or CO-UAL with a comment explaining how and when the taxpayer was notified of the denial decision.
- CF with the appropriate subtype to document the date of the FTS Session. CF-NN may be used to document that a conference was not needed.
- DM with an explanation of the outcome.

(3) To generate the E-5402 used in the SB/SE FTS Closing Package, submit the case for approval in ACMS and complete the necessary closing information. The closing information will populate on the E-5402 and should include the following information:

a. Closing Code. Select the appropriate option:
    - 14 – Mediated - Agreed
    - 15 – Mediated - Unagreed
    - 16 – Mediated - Partially Agreed
    - 01 – Rejected/Denied/Withdrawn
b. Resolution Reason: Select the appropriate option from the drop-down menu.
c. Proposed ADR Adjustment Amount: Enter the total dollar amount of all FTS issues as proposed by Compliance.
d. Revised ADR Adjustment Amount: Enter the total dollar amount of all FTS issues per the settlement reached in FTS. If no settlement is reached through FTS, enter the Proposed ADR Adjustment Amount.

(4) Generate a printable view of the E-5402 and save a copy for use in the SB/SE FTS Closing Package.

(5) If necessary, send a copy of the executed closing agreement to the taxpayer using Letter 1595, Closing Agreement Request for Taxpayer Signature Transmittal. The following closing letter language is suggested:

> “The agreement reached on your SB/SE Fast Track Settlement case has been approved and we will return your file to SB/SE for processing. Enclosed is a copy of the accepted closing agreement for your records."

8.26.2.16.2 (MM-DD-YYYY)
ATM Closing Actions
Modify subsection title. Delete paragraphs (1) and (2). Insert new paragraph (1).

(1) The ATM’s signature is not required on the E-5402 for FTS closures, but it is applied automatically as part of the ACMS closing process. The ATM will review the FTS Closing Package and the ACMS Appeal Record for completeness before approving for final closure. The case will auto-close on ACMS. It will not be forwarded to APS.

8.26.2.16.3 (MM-DD-YYYY)
SB/SE FTS Closing Package
Modify paragraph (1). Move paragraph (2) to subsection 8.26.2.16.1(5).

(1) The **SB/SE FTS Closing Package** includes the following documents:

- E-5402, signed by the FTS Official
- Form 14000 (signed by all parties)
- ACM - Required when the settlement is based on the hazards of litigation
- Special Appeals Agreement Forms or Form 906/Form 866, Agreement as to Final Determination of Tax Liability, (if required)

8.26.2.17 (MM-DD-YYYY)
Last Chance FTS (*New*)

(1) Last Chance FTS is a pilot program limited to select cases in SB/SE Field and Specialty Examination. Procedures in this subsection apply only to cases eligible for participation in the pilot, as identified by SB/SE.

(2) When a taxpayer submits a protest for a case or issue eligible for FTS to a participating GM, the GM must ask the ADR PMO to contact the taxpayer to inform them of the FTS option. The ADR PMO, acting as a neutral resource, will provide the taxpayer with information regarding FTS.

> **Note:** The ADR PMO will attempt to contact a maximum of 15 taxpayers per week. This ceiling may be raised in the future based on agreement between the ADR PMO and SB/SE.

(3) The GM will submit the Last Chance FTS request through the Appeals Last Chance FTS SharePoint Portal (portal). The GM will upload the following documents to the portal as part of the request:

a. Examination report

b. Taxpayer's protest
c. Form 2848
d. Rebuttal (if any)

(4) The ADR PMO will contact the taxpayer, or their authorized representative, within three business days and inform the taxpayer of the FTS option. If the taxpayer does not answer the phone call, the ADR PMO will leave a message asking the taxpayer to return the call within three business days.

(5) If the taxpayer does not request participation in FTS or does not return the call within three business days, then, using the portal, the ADR PMO will advise the GM to send the case to traditional Appeals.

(6) If the taxpayer requests participation in FTS, the ADR PMO will use the portal to inform the GM. The GM will contact the taxpayer to secure the FTS application.