



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

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5.19

MEMORANDUM FOR: Director, Collection Appeals
Director, Account & Processing Support
Director, Policy, Quality & Analysis
Director, Collection Campus Operations

FROM: Beverly E. Thomas /s/ *Beverly E. Thomas*
Director, Campus Collection

Anita M. Hill /s/ *Anita M. Hill*
Director, Appeals, Policy, Quality & Analysis

SUBJECT: Interim Guidance for Paperless Collection Due Process (CDP)
Case Work Received from Automated Collection System
Support (ACSS)

This memorandum serves as interim guidance to allow for the expansion of paperless procedures on CDP cases, at all locations, worked by Appeals Technical Employees (ATE), Account and Processing Support (APS) staff and Tax Examining Technicians (TE), and to ACSS employees located in Kansas City, Cincinnati and Philadelphia. In addition, this memorandum allows for the continued implementation in the Fresno Campus Appeals and ACSS operations. Please ensure this information is distributed to all affected employees within your organization.

Purpose: The three new ACSS sites will start using the paperless process on a pre-determined number of cases (10 per week) at each location, beginning November 13, 2018. Volumes will be increased gradually, based upon the mutual agreement of Appeals and ACSS. The goal is to achieve full implementation at each location, within 12-18 months. This paperless process is for the primary administrative CDP case file only and, at present, **not** for related cases arising during a CDP hearing, such as an Offer-in-Compromise, penalty appeal, innocent spouse, etc.

Background: As a modernization effort, Appeals is implementing paperless processes wherever possible. Appeals already transitioned to paperless processes in the Collection Appeals Program (CAP) work stream and in certain docketed Examination cases. Since fiscal year 2015, Appeals has also successfully worked an increasing number of CDP cases in a paperless environment. And since April 2017, Fresno ACSS successfully tested and continues participation in the CDP paperless process.

Procedural Change: CDP cases will be processed electronically to reduce receiving, storing and returning paper case files between offices.

Effect on Other Documents: This guidance will not be incorporated into the affected IRMs.

Effective Date: This guidance is effective from November 13, 2018 through May 31, 2020.

Contact: If you have any questions, please contact:

- Tim Sample, Senior Program Analyst for Appeals
- Gerald Younger, Tax Analyst for Collection Policy

Attachment:

Step-by-Step Guidance

cc: www.irs.gov

Step	Description	Notes/Information
1	ACSS scans in and names the case files	<p>After scanning, files should be named using the following naming convention: (Three-Letter Acronym for Campus ID)_(Four Character Name Control)_(Last Four of TIN)_(Hearing Type). Example: FSC SMIT XXXX EHLV</p> <p>Reminder: See IRM 5.19.8.4.9(5) Forwarding Cases to Appeals, for what documents should generally be included with each case.</p>
2	Naming convention for multiple files	<p>If more than one hearing type is included in a taxpayer request that is received by ACSS on the same day (such as for a CDP Lien and CDP Levy combination case) two files will be needed, named as in the example below:</p> <p>FSC SMIT XXXX EHLV FSC SMIT XXXX EHLV (2)</p> <p>If additional hearing types are identified and also received on the same day, follow the same naming convention using (3), (4), etc.</p>
3	ACSS uploads new CDP/EH case to SharePoint	<p>After the case is approved for transfer to Appeals, ACSS separately uploads each new case to Appeals via SharePoint following the Upload Files to Appeals desk guide. No Form 3210 Transmittal is used.</p>
4	APS cards in the new CDP/EH case and uploads the PDF documents from SharePoint to ACDS	<p>APS will access the SharePoint Shared Programs Hub on the Electronic Case Receipts page. The APS TE will create the new receipt on ACDS, attach the electronic file received from ACSS to the ACDS database, and add the feature code PL.</p>
5	TA or ATM must check for new paperless inventory	<p>The Area Tech Advisor or ATM will:</p> <ul style="list-style-type: none"> • Until a paperless case notification is deployed to ACDS, the Area Tech Advisor or ATM will run a BOE, ACDS unassigned case or other report, with frequency, to find the new paperless case receipts. • Once a paperless case notification is deployed to ACDS, the Area Tech Advisor or ATM will check their ACDS paperless notification inbox for new paperless case receipts.
6	Case assigned to a new Technical Employee.	<p>In ACDS, the ATM or delegate reviews the new receipts and selects a technical employee to be assigned the case(s).</p> <ul style="list-style-type: none"> • Until the ACDS paperless case notification is deployed, anyone receiving a paperless case for assignment must be notified by the assigner via secure e-mail. • Once the ACDS paperless case notification is deployed, the e-mail step is no longer required.

7	The Technical Employee works the case following current policy and converts all documents received to an electronic format that is attached to ACDS	<p>The Technical employee works the CDP/EH case under existing procedures. The Technical Employee should encourage the taxpayer to submit any additional information via the Technical Employee’s EEFax number. Any paper documents sent to or received from the taxpayer are converted to an electronic format and attached to the ACDS database. Documents are attached and named as indicated in the addendum, generally:</p> <ol style="list-style-type: none"> 1. A brief description of the document OR Form or letter number 2. Version number (if applicable) 3. WUNO 123456789 <p>e.g. [L3210 (X) 123456789] e.g. [CDP Attachment 123456789]</p> <p>Note: For paperless cases that are transferred to Appeals field offices, the receiving office will have the option to work the case following these procedures, or work from a paper case file. If a paper case is preferred, the receiving office will create it and remove the PL feature code from ACDS.</p>
8	Destroy certain original documents	<p>Original documents received from the taxpayer, representative, or from Compliance in response to an Appeals Referral Investigation (ARI) should be destroyed after confirming they were successfully scanned and attached to ACDS. Return any documents to the taxpayer (if requested).</p> <p>Note: Be sure to retain electronically <u>all</u> documents you reviewed in making your determination. Such documentation is necessary to frame the complete basis of your decision, which is critical in the event a case needs to be defended in Tax Court. See IRM 8.22.9.2 for details of the administrative record.</p> <p>Exception: Documents that require an original signature should be retained, as required, but attached electronically to the ACDS record nonetheless. These documents may include:</p> <ol style="list-style-type: none"> a) Original Form 656, Offer in Compromise b) MMIA signed documents c) Other required documents <p>Upon case closing, following existing procedures, any documents requiring an original signature should be forwarded by APS to the appropriate compliance function monitoring section that will monitor the agreement.</p>

9	Retain Related Paper Files	Retain with the CDP case any related WUNO paper files or other administrative paper files that were secured from closed files and which were used in making your determination. If an NOD is issued, these related paper files should be suspended along with the electronic CDP administrative file by APS following current guidance in IRM 8.20.6.20.2, <i>CDP Notices of Determination (NOD)</i> .
10	The Technical Employee prepares all closing documents and secures the approval of the ATM. Closing documents are attached to ACDS.	<p>At closure, the Technical Employee prepares all closing documents (generally, Form 5402 and closing letters) electronically or in paper form, depending on the signature method that is chosen. Documents may be digitally or hand signed as long as the final, signed PDF document is attached to ACDS. Generally, documents will be:</p> <ul style="list-style-type: none"> a) signed by hand, scanned and attached to ACDS as a PDF, or b) converted to PDF, digitally signed by the Technical Employee as needed, then E-mailed to the ATM for digital signature and attachment to ACDS c) converted to PDF, digitally signed and attached to ACDS by both the Technical Employee and ATM, as needed. d) Any other method as long as a final, signed document is attached to ACDS as a PDF. <p>Note: Any closing letters or correspondence to be sent to taxpayers and/or representatives that are digitally signed must include a signature that bears <u>only</u> a facsimile of the employee’s hand signed name. Signatures must <u>not</u> include SEID, date, Adobe graphics or other employee information.</p> <p>Note: ATMs must also follow the file naming conventions for any documents they sign.</p>
11	The ATM reviews the case and signs all necessary closing documents.	If the ATM concurs with the case resolution, they will review the closing documents and attach the final, signed documents to ACDS as a PDF.
12	The ATM enters the ACAP date in ACDS and then notifies APS that the case is ready for closure.	<p>When the ATM enters an ACAP date to the ACDS database, the approved case is electronically transmitted to the appropriate APS PEAS Inbox using the Direct Ship criteria.</p> <ul style="list-style-type: none"> • Until the ACDS paperless case notification is deployed, the ATM will notify the APS PTM (as identified during the direct ship/ACAP process) of the newly closed case, via secure e-mail. • Once the ACDS paperless case notification is deployed, the e-mail step is no longer required. <p>Note: After entering the ACAP date, when asked “Do you want Action Code SHIPPED input on ACDS,” click ‘No.’</p>

13	The APS PTM checks the APS update mailbox and assigns the case to a TE.	The APS PTM checks the PEAS unassigned report and assigns the case to a TE.
14	APS prints the closing letter(s) and applies the date of mailing and Certified mail receipt number.	APS prints and dates the closing letter(s), sending certified or regular mail as required by the hearing type.
15	APS converts to PDF the closing letter with the date stamp and certified mail receipt number and attaches it to ACDS.	<p>APS converts to PDF the dated closing letter(s) issued to the taxpayer and or the POA and attaches the letter(s) to the ACDS Record.</p> <p>APS mails the closing letter(s) on the same day they are dated.</p>
16	Certain Closures Returned via E-mail or EEFAX	Cases closed as a premature referral should be sent by APS back to the ACSS originator via secure E-mail. Additionally, Frivolous/Disregarded cases closed with Letter 4381 may also be returned to ACSS via secure E-mail or EEFAX. Include the original PDF file and any closing document.
17	At the appropriate time, APS closes the case on ACDS and sends F5402 via EEFax to ACSS. When applicable, upload the certified mailing receipt to ACDS.	<p>After any applicable case suspense period, APS closes the case on ACDS and performs all established closing procedures including inputting TC 290 for -0- and NSD (no source document). APS then electronically sends the following documents to ACS as a PDF:</p> <ul style="list-style-type: none"> • The Form 5402 • Form 433-D for DDIA (if required) <p>The 5402 will be sent via E-eFax to the ACS site following established procedures.</p>
18	The electronic file resides on ACDS and is to be purged 10 years after the close of the fiscal year in which the case was closed	For the CDP case, there will no longer be an administrative paper file to send to “files.” These administrative files are housed on ACDS and purged at the appropriate time.
	Addendum	Glossary of Document Naming Conventions

Addendum: Glossary of Naming Conventions

There are two components to saving and attaching a document to ACDS. The first is naming and saving the file to your computer. The second is naming the document on ACDS. The first item should be saved by using the item description followed by the WUNO. The second is a simple, quickly recognizable description. Items not included in the table below should follow the same naming convention.

Index of Naming Conventions for Forms, Letters, etc.

<u>Type</u>	<u>No.</u>	<u>Title</u>	<u>Save to Folder As:</u> (e.g. L3210 (Ver. Number X) WUNO)	<u>Description When Attaching</u>
Form		ACDS Update Request Form	ACDS Update Request Form (X) 123456789	ACDS Update Request
Form		30-40 Transfer Form	30-40 Transfer Form (X) 123456789	30-40 Transfer Form
Form		CDP – Attachment	ACM Attachment (X) 123456789	ACM
Form		Fax Cover Page – TP	Fax Cover Page – TP (X) 123456789	Fax – TP
Form		Fax Cover Page – REP	Fax Cover Page – REP (X) 123456789	Fax – REP
Form	12256	Withdrawal of Request for CDP or Equivalent Hearing	F12256 (X) 123456789	CDP Withdrawal
Form	12257	Waiver of Right to Judicial Review	F12257 (X) 123456789	CDP Waiver
Form	12523	Bankruptcy Resolution Checklist for CDP/EH File	F12523 (X) 123456789	BK Resolution Checklist
Form	13929	Bankruptcy Resolution Transmittal Memorandum – CDP Cases	F13929 (X) 123456789	BK Resolution Transmittal
Form	14111	ASFR-SFR Routing Sheet	F14111 (X) 123456789	ASFR-SFR Routing Sheet
Form	14559	Appeals Offer in Compromise Memorandum	F14559 (X) 123456789	OIC ACM
Form	14561	Income and Expense/Asset Equity Calculation Table	F14561 (X) 123456789	IE/AET
Form	14640	Addendum to Form 656	F14640 (X) 123456789	656 Addendum
Form	2209	Courtesy Investigation	F2209 (X) 123456789	Courtesy Investigation
Form	2261	Collateral Agreement	F2261 (X) 123456789	Collateral Agreement
Form	2261c	Waiver of Net Operating Loss	F2261c (X) 123456789	Waiver of NOL
Letter	3193	Tax Court	L3193 (X) 123456789	NOD
Letter	3210	Decision	L3210 (X) 123456789	Decision Letter
Letter	3846	Contact – Frivolous Issue	L3846 (X) 123456789	SCL Frivolous
Form	3870	Request for Adjustment	F3870 (X) 123456789 MM-DD-YYYY	F3870 Request for Adjustment
Letter	3978	Supplemental NOD	L3978 (X) 123456789	Supplemental NOD
Letter	4000	Last Chance	L4000 (X) 123456789	Last Chance Letter
Form	433A	Collection Information Statement for Wage Earners and Self-Employed Individuals	F433A (X) 123456789	F433A CIS
Form	433B	Collection Information for Businesses	F433B (X) 123456789	F433B CIS
Form	433F	Collection Information	F433F (X) 123456789	F433F CIS

		Statement		
Form	433D	Installment Agreement	F433D (X) 123456789	F433D Installment Agreement
Form	4340	Certificate of Assessments and Payments	F4340 (X) 123456789	Certificate of Assessments
Letter	4380	Frivolous Acknowledgement	L4380 (X) 123456789	Frivolous Acknowledgement
Letter	4381	Disregard Frivolous	L4381 (X) 123456789	Disregard Frivolous
Letter	4382	Closing Letter F12257	L4382 (X) 123456789	Waiver Closing Letter
Letter	4383	Withdrawal Acknowledgement	L4383 (X) 123456789	Withdrawal Acknowledgement
Letter	4388	Withdrawal Solicitation	L4388 (X) 123456789	Withdrawal Solicitation
Letter	4389	NOD: CDP/ABINT	L4389 (X) 123456789	NOD ABINT
Letter	4390	NOD: CDP/IS	L4390 (X) 123456789	NOD Innocent Spouse
Letter	4439	Decision EH & IS	L4439 (X) 123456789	Decision Letter IS
Letter	4440	Decision: EH & INT AB	L4440 (X) 123456789	Decision Letter ABINT
Letter	4837	Substantive Contact UAL	L4837 (X) 123456789	SCL/ACK
Form	4844	Request for Terminal Action	F4844 (X) 123456789	Request for Terminal Action
Form	5402	Customized	F5402 (X) 123456789	F5402 SO Signed
Form	5402	Customized	F5402 (X) 123456789	F5402 ATM Signed
Form	5402	Customized	F5402 (X) 123456789	F5402 Dated - Final
Letter	5490	OIC Acceptance Letter	L5490 OIC (X) 123456789	L5490 Acceptance
Letter	5521	DATL OIC Acceptance Letter	L5521 OIC (X) 123456789	L5521 Acceptance
Form	656	Offer	F656 (X) 123456789	
Form	7249	Offer Acceptance Report	F7249 123456789	F7249 Offer Acceptance Report
		Correspondence to TP	Correspondence to TP 123456789	Correspondence to TP (MMDDYYYY)
		Correspondence to REP	Correspondence to REP 123456789	Correspondence to REP (MMDDYYYY)
		Correspondence to Third Party	Correspondence to Third Party 123456789	Correspondence to Third Party (MMDDYYYY)
		Correspondence from TP	Correspondence from TP 123456789	Correspondence from TP (MMDDYYYY)
		Correspondence from REP	Correspondence from REP 123456789	Correspondence from REP (MMDDYYYY)
		Correspondence from Third Party	Correspondence from Third Party 123456789	Correspondence from Third Party (MMDDYYYY)
		IDRS Prints	IDRS 123456789	IDRS (TXMODA, ENMOD, etc.)