



INDEPENDENT OFFICE  
OF APPEALS

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, DC 20224

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Affected IRMs: 8.23.7

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) – IRM 8.23.7, Doubt  
as to Liability (DATL) – Collection Appeals Only

This guidance provides general information about ACMS. 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 will focus on Collection-sourced case work, while additional ACMS releases will incorporate the remaining workstreams. This guidance applies to Collection Appeals only. Exam Appeals should continue to follow current guidance in IRM 8.23.7. Concepts introduced in this guidance will be reinforced via training and, where 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 Intranet page – Appeals Case Management System (ACMS). This site will contain links for helpful information with ACMS, training documents, etc.

**Effect on Other Documents:** This guidance may be incorporated into affected manuals 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: [www.irs.gov](http://www.irs.gov)

**General changes to all of 8.23.7, including all Exhibits**

All references to ACDS will be replaced with ACMS.

All references to WUNO will be replaced with Appeals Number (APN).

All references to ACDS Update request and Appeals Shared Programs Hub – Home (sharepoint.com) will be replaced with Support Requests.

All references to the Case Activity Record (CAR) will be replaced with Case Action Record (CAR).

CARATS have been obsoleted.

Form 5402 has been replaced. The 'printable view' now captures the information formally found on Form 5402.

See History tab in ACMS for case actions taken.

See APGolf 2.0 or Published Products Catalog for all applicable letters/forms.

All references to AC/FR will be replaced with 'Submit for Approval'.

All references to ACAP will refer to a case in ATMs queue for approval or a case that the ATM has approved.

"STATDATE" field has been replaced with "Statute Date".

"OfNum" field has been replaced with "Offer Number".

**8.23.7.4 (MM-DD-YYYY)**

**Initial Case Review and Statute Controls**

Revised (1), (2), (3), and (8) as follows:

(1) The ATE should review the non-Collection Due Process (CDP) DATL administrative file for the following:

- Form 656-L on which the OIC is based, and any applicable amended offers.
- The dated rejection letter, signed by the proper delegated approving official.  
**Note:** The dated and signed rejection letter closes the 24-month TIPRA period.
- The timeliness of the appeal (see (4) below).
- TC 480 date is the same as the IRS signature date shown under Section 8 on Form 656-L and has been input on the Integrated Data Retrieval System (IDRS) for periods.
- Offer periods are in Master File (MF) status 71, **unless** in status 53, 12, 60, 23 or 61.
- There are no statute issues (see (2) below).
- The " Offer Number " field in ACMS is completed with the correct offer number. The offer number is located in the upper right-hand corner of Form 656-L. If the "Offer Number" field in ACDS is blank, or shows the wrong offer number, submit a 'Support Request' to APS to make the necessary corrections in ACMS.
- The case category in ACMS should be "Offer in Compromise" with subcategory "Doubt as to Liability".

(2) ACMS must show the correct statute date and statute code:

If...	Then...
statute (see IRM 8.23.2.4(12), Initial Case Review and Statute Controls),	<ul style="list-style-type: none"> <li>• Statute Code = TIPRA</li> <li>• Statute Date = the correct 24-month statute expiration date.</li> </ul>
the TIPRA statute is closed,	<ul style="list-style-type: none"> <li>• Statute Code = SUSP</li> <li>• Statute Date = 'blank'</li> </ul>

(3) APS required corrections to the 'Summary and Details Card' (e.g., ACMS fields, TC 480, ST 71, AOIC, etc.) require the creation of a 'Support Request'. Note the actions required in the request.

(8) Document the following actions in the case history:

- Verification of timely appeal
- Statute code and statute date verification
- TC 480 verification (see (1) above)
- All ACMS correction support requests are completed

#### 8.23.7.5 (MM-DD-YYYY)

##### **Examination or Specialty DATL Offers - Liability Previously Determined by a Court**

Revised (2) as follows:

(2) The ATE should conduct thorough research (e.g., ACMS, ACDS, ICS, RGS and IDRS) for litigation codes and confirm that the case was decided on the merits, as opposed to dismissed and not considered by the Court.

**Exception:** If the offer is based upon a computational error by the IRS after the decision was entered (e.g., penalties assessed contrary to the decision), the ATE should consider the offer. Review the decision document to ensure that the assessment is based upon the agreement. If an adjustment is required, prepare Form 3870 and return the offer. Close a return by sustaining rejection; no separate independent administrative review is necessary.

**Note:** See IRM 8.23.2.6.2(2), Premature Referral Issues - Other Issues, for an exception for a case closed on ACDS with Closing Code 21.

#### 8.23.7.11 (MM-DD-YYYY)

##### **TFRP or PLET Issue DATL Offers - Liability Previously Determined by a Court**

Revised note as follows:

(1) If liability of the TFRP or PLET DATL was determined by the United States District Court, or another court, there is no doubt concerning the existence or amount of the liability. The ATE will sustain the rejection. No separate independent administrative review is necessary.

**Note:** The ATE should conduct thorough research (e.g., ACMS, ACDS, ICS and IDRS) for litigation codes and confirm that the case was decided on the merits, as opposed to being dismissed and not considered by a court.

**Exception:** See IRM 8.23.2.6.2(2), Premature Referral Issues - Other Issues, for an exception for a case closed on ACDS/ACMS with Closing Code 21.

**Exception:** If the offer is based upon a computational error made by the IRS after the decision was entered, the offer should be considered. The ATE should review the decision document to ensure that the assessment is based upon the court's decision.

#### **8.23.7.18 (MM-DD-YYYY)**

##### **Doubt as to Liability (DATL) - Resolution Options**

Revised subsection 'd' in (2) if/then chart as follows:

d. If the offer is for TFRP or PLET liabilities, APS will forward the Form 3870 to the correct Advisory Unit located on SERP, Trust Fund Recovery Program (TFRP), along with any TFRP assessment file.

#### **8.23.7.19 (MM-DD-YYYY)**

##### **Accepted DATL Closing Documents and Appeals Technical Employee Procedures**

Revised (6), (8) and (9) as follows:

(6) When accepting a non-CDP offer, prepare and assemble the following:

- a. Form 7249, Offer Acceptance Report, with an IDRS transcript (TXMOD, IMFOLT) for each DATL liability.

**Note:** For Collection-sourced and all CDP DATLs, the ATE will complete and submit a 'Support Request' for an AOIC generated Form 7249 following the guidance in Exhibit 8.23.7-2.

**Note:** For Examination-sourced OIC-DATLs, the ATE will complete and submit a request for an AOIC generated Form 7249 following the guidance in Step Chart for AOIC Generated Form 7249 for Examination- sourced OIC DATLs, Exhibit 8.23.7-1.

- b. ACM
- c. Letter 5521, DATL OIC Acceptance
- d. Form 656-L and Amended Form 656-L, if applicable

(8) Once all the above documents are complete and assembled, submit the case to the ATM for approval.

(9) All documents should be uploaded to ACMS.

#### **8.23.7.20 (MM-DD-YYYY)**

##### **Closing Documents and Procedures for Sustaining DATL Rejection**

Revised (5), (7) and (8) as follows:

(5) If the case is a DATL offer involving a TFRP or PLET liability and the ATE recommends making an adjustment to the liability, the ATE will:

1. Prepare a Form 3870.
2. Indicate in the 'Remarks' field under "Submit for Approval" to APS which Collection

Advisory Unit to send the Form 3870 and administrative file. APS will forward the Form 3870 and the administrative files to the appropriate Collection Advisory Unit.

(6) When sustaining rejection of the non-CDP DATL, prepare and assemble the following:

- a. ACM.
- b. Letter 5197, Offer in Compromise Rejection, to notify the taxpayer that Appeals sustained rejection of the offer.
- c. Form 3870, if an adjustment is appropriate.

(7) Once all the above documents are complete and assembled, submit the case to the ATM for approval.

#### **8.23.7.21 (MM-DD-YYYY)**

##### **Closing Documents and Procedures for Withdrawn DATLs**

Revised (6), (9), and (10) as follows:

(6) If one spouse verbally requests withdrawal of a joint offer, the entire joint offer will be considered withdrawn. You may accept a written withdrawal signed by one spouse for a joint offer.

(9) When closing a non-CDP DATL as withdrawn, prepare and assemble the following:

- a. If the OIC is an Examination-sourced DATL, the ATE will document in the 'Remarks' field under 'Submit for Approval' with instructions to APS to close the case to Centralized Case Processing (CCP). The file should contain the applicable documents listed in IRM 4.8.8.8.6, Case Closing Procedures.
- b. ACM.
- c. Letter 241, Offer in Compromise Withdrawal, to notify the taxpayer that the offer is withdrawn and the effective date of the withdrawal.
- d. Form 3870, if appropriate.

**Note:** If the case is a DATL offer involving a TFRP or PLET liability and the ATE recommends making an adjustment to the liability, the ATE will prepare a Form 3870 and indicate in the 'Remarks' field under 'Submit for Approval' which Collection Advisory Unit to send the Form 3870 and administrative file. APS will forward the Form 3870 and the administrative files to the appropriate Collection Advisory Unit.

(10) Once all the above documents are complete and assembled, submit the case to the ATM for approval.

#### **Exhibit 8.23.7-2 (MM-DD-YYYY)**

##### **Step Chart for Securing AOIC Generated Form 7249 for Collection-sourced DATLs and all CDP- DATLs**

Revised steps 1 – 8 as follows:

Step	Action
1.	Create a 'Support Request' for APS to generate Form 7249.

2.	<p>Under "Request Description" list the following:</p> <ul style="list-style-type: none"> <li>a. Offer Number.</li> <li>b. Offer Amount.</li> <li>c. Original offer or amended offer.</li> <li>d. Offer Type (select one): <b>DATL, CDP-DATL.</b></li> <li>e. Offer Terms: Unique Circumstance (attach copy of terms page of Form 656L).</li> <li>f. Signature lines: <ul style="list-style-type: none"> <li>1. ATE name.</li> <li>2. Approving official name.</li> <li>3. 2nd level Approving Official name, if applicable.</li> </ul> </li> <li>g. Reason for acceptance: <b>Liability.</b></li> <li>h. Submit 'Support Request' for assignment.</li> </ul>
3.	<p>To revise or update an AOIC Form 7249, the ATE will:</p> <ul style="list-style-type: none"> <li>a. Create a 'Support Request' for APS to generate Form 7249.</li> <li>b. Under "Request Description" note this request is to revise AOIC Form 7249 and list the necessary revisions or changes according to Step 2 above.</li> <li>c. Submit 'Support Request' for assignment.</li> </ul>
4.	<p>Upon receipt of the AOIC generated Form 7249 from APS, the ATE will:</p> <ul style="list-style-type: none"> <li>a. Review the AOIC Form 7249 for completeness, accuracy, and redaction of <b>"in care of" names, and other</b> Personally Identifiable Information (PII), and</li> <li>b. Continue following closing procedures found in IRM 8.23.4.</li> </ul>