



INDEPENDENT OFFICE  
OF APPEALS

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, DC 20224

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Affected IRM: 8.26.9

MEMORANDUM FOR DIRECTOR, COLLECTION APPEALS

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

SUBJECT: Appeals Case Management System (ACMS) procedure updates  
for IRM 8.26.9, Post-Appeals Mediation Procedures for Collection  
Cases

This guidance integrates ACMS procedures into IRM 8.26.9, Post-Appeals Mediation Procedures for Collection Cases. This guidance should be consulted when AP-08-0925-0017, Post Appeals Mediation (PAM) Pilot Program, references IRM 8.26.9 or “pre-existing” PAM guidance.

**Purpose:** This guidance is issued to update IRM procedures to incorporate the following:

- Changes reflecting the functionality and process changes for the IRS Independent Office of Appeals (Appeals) new case management system, ACMS
- Changes related to the transition of Alternative Dispute Resolution (ADR) program management responsibilities to the ADR Program Management Office
- Temporary changes related to Announcement 2025-06, 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 will allow for more effective collaboration within Appeals and, in the future, with other IRS business units.

Appeals leadership established the ADR Program Management Office (ADR PMO) in March 2024. The office 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 2025-06, Pilot Program Changes to Fast Track Settlement, and related News Release IR-2025-14, on IRS.gov. This announcement communicates an ADR pilot program making changes to Fast Track Settlement (FTS) and Post Appeals Mediation (PAM). While the announcement focuses mainly on piloted changes to FTS programs, some of the piloted changes affect PAM for both Collection and Non-Collection cases.

The changes to Collection cases include the following:

- PAM requests will not be denied without executive-level concurrence
- The rationale for denying a PAM request must be explained to the taxpayer

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:** Release 1 of ACMS will focus on Collection-sourced case work, while additional ACMS releases will incorporate the remaining workstreams. 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 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 outlines temporary deviations from the procedures in the affected IRM. This guidance may be extended or modified through subsequent guidance or may be made permanent and incorporated into the affected 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 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)

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

##### **Terms and Acronyms**

(1) The table below lists common acronyms used in this section:

<b>Term</b>	<b>Acronym</b>
Alternative Dispute Resolution	ADR
Alternative Dispute Resolution Program Management Office	ADR PMO
Appeals Case Management System	ACMS
Appeals Team Manager	ATM
Appeals Technical Employee	ATE
Collection Due Process	CDP
Offer in Compromise	OIC
Personally Identifiable Information	PII
Policy, Planning, Quality, and Analysis	PPQ&A
Post-Appeals Mediation	PAM
Power of Attorney	POA
Trust Fund Recovery Penalty	TFRP

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

##### **Post-Appeals Mediation Procedures for ATEs - OIC & TFRP**

(1) Either the taxpayer or Appeals may submit a request for mediation after consulting with the other party.

(2) Publication 4167, Introduction to Alternative Dispute Resolution, explains the mediation process and is enclosed with Letter 5576, Appeals Offer in Compromise Acknowledgement and Conference, and Letter 5157, Non-docketed Acknowledgement and Conference.

**Note:** Be sure the case action record documents Publication 4167 was included as an enclosure with the letter. See IRM 1.4.28.4.1, Assignment of Work Units and Initial Case Actions.

(3) Per sections 4.01 and 7.02 of Revenue Procedure 2014-63, cases are eligible for mediation while they are under consideration by Appeals, if a written mediation request is received.

(4) Section 7 of Revenue Procedure 2014-63 details the manner in which a taxpayer must formally request mediation. There is no form to complete, but the mediation request must be in writing and generally contain the following:

- a. The taxpayer's name, taxpayer identification number (TIN), address, and the name, title, address, and telephone number of a person to contact
- b. The name of the ATM and/or ATE
- c. The tax period(s) involved

- d. A description of the issue(s) for which the taxpayer requests mediation with sufficient details for what the taxpayer believes should be used to determine the appropriate settlement amount. For OIC cases, this includes both the specific dollar value for each asset, encumbrance, income or expense item, and the basis by which each specific dollar value was determined. For TFRP cases, this includes sufficient details to support the taxpayer's position as to why they are not responsible, actions were not willful, and/or why the TFRP amount should be changed
- e. The request for a non-IRS co-mediator, if so desired
- f. A representation that the issue is not excluded in Revenue Procedure 2014-63

**Note:** A written mediation request received while the case is under consideration by Appeals is considered acceptable even if it doesn't contain all or most of the above information. All required information will be obtained through the standard pre-mediation session process, so Appeals will consider the merits of a written document that specifically asks for mediation. See paragraph (7) below for information on receipt of incomplete mediation requests.

**Reminder:** Notify the ATM of a request for mediation if the case is closed (i.e., no longer under consideration by Appeals). Email a copy of both the written mediation request and the denial letter to the Appeals OIC/TFRP PAM program analyst at \*AP ADR PMO.

(5) To enable Appeals to determine whether to agree to mediate, the taxpayer needs to:

- a. Identify the specific issue(s) they dispute
- b. Provide the details of their position with regard to the disputed issue, including the specific dollar amount or value associated with that position, and
- c. Provide the basis or reason(s) for such position

(6) If the taxpayer submits a mediation request before settlement discussions are complete, or before Appeals is ready to make a decision on the case, the request is premature but still valid. Revenue Procedure 2014-63 simply requires a written mediation request. Input an 'MI' case action record to open the PAM support request in related appeal. Email a copy of the mediation request to Appeals OIC/TFRP PAM program analyst \*AP ADR PMO advising in the email the request is premature, and settlement discussions are still ongoing. Appeals must hold open the mediation request until settlement discussions are complete.

- a. If a settlement is negotiated, have the taxpayer submit a written statement withdrawing the mediation request.
- b. If a settlement cannot be negotiated, contact the Appeals OIC/TFRP PAM program analyst to discuss mediation eligibility. See IRM 8.26.9.2.3.2 for full mediation request processing procedures.

(7) If the taxpayer submits a mediation request that does not contain sufficient

information to convey what issues the taxpayer wants to mediate, the request is still valid per Revenue Procedure 2014-63. Input an 'MI' case action record to open the PAM support request in ACMS for each related appeal. Email a copy of the mediation request to the Appeals OIC/TFRP PAM program analyst at \*AP ADR PMO advising in the email that you are working with the taxpayer to "perfect" the mediation request. Contact the taxpayer and advise them Appeals does not have enough information to decide whether to agree to mediation and allow no more than 14 days to provide the necessary details outlined in section 7 of Revenue Procedure 2014-63.

- a. If the taxpayer provides the necessary details, contact the Appeals OIC/TFRP PAM program analyst to discuss mediation eligibility. See IRM 8.26.9.2.3.2 for full mediation request processing procedures.
- b. If the taxpayer does not provide the necessary details, the ATM will first discuss the case with the Appeals OIC/TFRP PAM program analyst. If the analyst concurs, the ATM will issue a letter denying the mediation request. If the ATM recommends denying the mediation request, see IRM 8.26.9.2.3.3

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

##### **Headquarters Involvement (OIC & TFRP PAM)**

(3) The initial decision as to whether Appeals will agree to mediate a particular case is made by the appropriate ATM after consulting with the Appeals OIC/TFRP PAM program analyst. The Appeals Area Director must approve acceptance of PAM requests. Section 7.03 of Revenue Procedure 2014-63 calls for the ATM to respond to the taxpayer and ATE within two weeks after Appeals received the formal mediation request.

(4) The Appeals OIC/TFRP PAM program analyst is responsible for gathering data and feedback so Appeals can monitor and assess program effectiveness.

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

##### **Processing Receipt of PAM Request**

(4) Upon receipt of a written mediation request, the ATM or ATE will email a copy to the Appeals OIC/TFRP PAM program analyst at \*AP ADR PMO. The Appeals OIC/TFRP PAM program analyst will contact the ATM to set up a time to discuss mediation eligibility and provide general mediation policies and procedures. The ATM and ATE should both be at this meeting. The ATM serves as the Appeals decision maker and the ATE serves as the technical expert on the case itself.

**Note:** Email a copy of the written mediation request to the Appeals OIC/TFRP PAM program analyst even if the request involves a CDP or EH OIC or was made when the case was no longer under consideration by Appeals.

(5) The ATE inputs 'MI' into the case action record unless the OIC is part of a CDP or EH case. This action creates the PAM support request. If there are multiple appeals, the ATE will input a PAM support request in ACMS for each one.

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

##### **Mediation Request Denied**

(1) If the ATM is considering denying a PAM request, a series of steps will occur before the tentative denial becomes final.

- a) The ATM will contact the Appeals OIC/TFRP PAM program analyst via email, to begin discussion of the tentative denial. See Revenue Procedure 2014-63, Section 7.03, and IRM 8.26.5.5.3, Review of Mediation Request, or IRM 8.26.9.2.3.2, Processing Receipt of PAM Request.
- b) All denials require executive level concurrence. If, after the discussion with the Appeals OIC/TFRP PAM program analyst, the receiving ATM wishes to propose denial, the next step is to seek approval from the Area Director.
- c) If the Area Director concurs with the proposed denial, the ATM or Area Director will email the front-line executive the PAM request, a draft denial letter, and any other relevant supporting material. Use Letter 5557, Post Appeals Mediation Denial - OIC, or Letter 5558, Post Appeals Mediation Denial – TFRP, for the draft denial letter. The Appeals OIC/TFRP PAM program analyst is available to assist in the drafting of denial letters upon request.

**Note:** If either the Area Director or front-line executive does not concur with the denial, and accepts the request, the case will proceed as set forth in IRM 8.26.9.2.3.4, Mediation Request Approved.

- d) If the front-line executive concurs with the denial, the ATM will email a copy of the draft denial letter and evidence of the front-line executive concurrence to the ATE and the Appeals OIC/TFRP PAM program analyst. The ATM will then sign and mail the denial letter to the taxpayer and have the ATE commence closing procedures.
- e) The date the mediation denial letter is issued, the ATM closes the PAM support request as 'Denied' which inputs the action code 'MO' (mediation out) in the ACMS case action record. (*\*The functionality of the 'MO' code is being worked by the vendor*)

**Note:** In ACMS, the ATE cannot submit the appeals case for closing approval to the ATM if there is an open PAM support request. When the ATM closes the PAM support request, ACMS enters the 'MO' into the case action record, allowing the appeals case to be submitted for closure by the ATE.\*

(2) The ATE may proceed with closing out the case per standard procedures.

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

##### **Mediation Request Approved**

(1) Upon approval of the mediation request, the referring ATM will promptly inform the taxpayer, ATE, and Appeals OIC/TFRP PAM program analyst and schedule the pre-

mediation conference call. The purpose of this conference call is to:

- Go over the mediation process and answer any questions the taxpayer may have about the process so the parties don't have to spend time doing so at the mediation session
- Discuss the selection of a mediator
- Discuss or negotiate the mediation participants
- Negotiate the terms of the Agreement to Mediate

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

##### **Ex Parte Communication (PAM)**

(2) The prohibition against ex parte communication does not preclude the mediator from contacting a party, or preclude the contacted party from responding to a question or request posed by the mediator. Supplemental information submitted to the mediator must be concurrently shared with the other party.

**Caution:** ACMS does not allow access to the case action record of the underlying appeal in the PAM support request; however, in Release 1, ACMS does allow viewing of all documents attached to the appeal. To avoid prohibited ex parte communication, the mediator should not access any documents attached to the appeal not directly related to the mediation. The mediator should not access the underlying appeal until the mediation is closed.

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

##### **Appeals Procedures Apply (PAM)**

(1) At the conclusion of the mediation session, the mediator will submit closure of the PAM support request in ACMS to their ATM.

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

##### **Tracking Time**

(1) The ATE, ATM or mediator will input the following depending on the action:

<b>Who</b>	<b>Action</b>	<b>When Input</b>
ATE	Input the 'MI' case action record	The date the request for mediation is received. The 'MI' case action record will open the PAM support request.
ATM	Close the PAM support request	Whenever one of the following occurs: <ul style="list-style-type: none"><li>• The date the mediation denial letter is issued</li><li>• The date the taxpayer, or Appeals, withdraws from the mediation process (before a mediator is assigned)</li></ul>

Mediator	Close the PAM support request	<ul style="list-style-type: none"> <li>The date the taxpayer, or Appeals, withdraws from the mediation process (after a mediator is assigned)</li> <li>At the conclusion of the mediation session</li> </ul>
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(2) For purposes of accurately tracking the amount of direct time on Appeals cases, Appeals mediators will apply time directly to the PAM support request for all mediation related activities.

#### **Exhibit 8.26.9-1 (MM-DD-YYYY)**

#### **PAM Process Action Steps - OIC & TFRP**

The following step charts summarize the action steps needed to navigate through the PAM process for OIC and TFRP cases. They reflect the required actions upon receipt of an acceptable written mediation request.

**Note:** The charts are not a substitute for IRM 8.26.9. PAM is part of the overall Appeals process, so ATEs and ATMs must be familiar with the procedures outlined in Revenue Procedure 2014-63 and the IRM.

#### **• Processing Mediation Request**

Step	Who	Action
1	ATE	<p>Immediately notify the ATM upon receipt of the mediation request.</p> <p><b>Note:</b> See IRM 8.26.9.2.3(6) and (7) for guidance on what to do when the request for mediation is either premature or incomplete.</p>
2	ATE	Email a copy of the full written mediation request to the Appeals Policy OIC/TFRP PAM analyst at <u>*AP ADR PMO</u> within three business days.
3	ATE	Input the 'MI' case action record to create the PAM support request in ACMS. ACMS will forward the support request to the ATM for approval and assignment to a mediator.
4	Appeals Policy Analyst	The Appeals Policy OIC/TFRP PAM analyst will initiate contact with the ATM and ATE to schedule a time to discuss the case's mediation eligibility.
5	ATM	<p>After reviewing the PAM support request with the Appeals Policy OIC/TFRP PAM analyst and ATE, the ATM will secure Area Director approval and then approve and assign the PAM support request.</p> <p><b>Note:</b> The mediator is selected in ACMS at the time the support request is approved by the ATM.</p>



- **Mediation Request Denied**

If the ATM is considering denying a PAM request, the ATM and ATE will follow the following steps before finalizing the denial:

Step	Who	Action
1	ATM	<p>a) Contact the Appeals Policy OIC/TFRP PAM analyst, via email, to begin discussion of the tentative denial.</p> <p>b) If, after the discussion with the Appeals Policy OIC/TFRP PAM analyst, denial of the PAM is recommended, the ATM will secure approval from the Area Director.</p> <p>c) If the Area Director concurs with the proposed denial, the ATM or Area Director will email the first-line executive the PAM request, a draft denial letter, and any other relevant supporting material. The first-line executives are:</p> <ul style="list-style-type: none"> <li>• Director, Examination Appeals;</li> <li>• Director, Specialized Examination Programs &amp; Referrals (SEPR); and</li> <li>• Director, Collection Appeals.</li> </ul> <p><b>Note:</b> All denials require executive level concurrence. If the first-line executive or Area Director does not concur with the denial, and accepts the request, the case will proceed as set forth in IRM 8.26.9.2.3.4, Mediation Request Approved.</p> <p>d) If the front-line executive concurs with the denial, the referring ATM will email a copy of the draft denial letter and evidence of the front-line executive concurrence to the Appeals Policy OIC/TFRP PAM analyst.</p> <p>e) Sign and mail the denial letter and email a copy of the final signed denial letter to the Appeals OIC/TFRP program analyst.</p>
3	ATM	<p>In ACMS, close the PAM support request using the date the signed denial letter was mailed. The ATM should select the appropriate request denied (“returned” in system now) reason:</p> <ul style="list-style-type: none"> <li>• Request denied – ineligible issue or case type</li> <li>• Request denied with executive concurrence</li> </ul> <p><b>Note:</b> The PAM support request must be closed before</p>

		the appeal can be submitted for closing.
4	ATE	Close the underlying appeal using standard Appeals procedures.

**Note:** Section 7.03 of Revenue Procedure 2014-63 states the ATM will respond to the taxpayer within two weeks of receiving the mediation request.

- **Mediation Request Approved - Prior to the Pre-Mediation Conference Call**

Step	Who	Action
1	ATM	After the mediation is approved, the ATM will promptly notify the taxpayer, ATE, and the Appeals OIC/TFRP PAM program analyst.
2	ATE	The ATE and ATM will contact the Appeals OIC/TFRP PAM program analyst to find out when they are available to conduct the pre-mediation conference call. See IRM 8.26.9.2.3.4(1) for details about the purpose of the pre-mediation conference call.
3	ATE	After finding out some available dates from the ATM and the Appeals OIC/TFRP PAM program analyst, the ATE will contact the taxpayer/POA to schedule the pre-mediation conference call and notify the Appeals OIC/TFRP PAM program analyst, of the final date and time selected.
4	Appeals Policy	<p>The Appeals OIC/TFRP PAM program analyst will initiate and conduct the pre-mediation conference call. At the call, the ATM and the taxpayer will agree to the issue(s) to be mediated and some dates for the mediation session.</p> <p><b>Note:</b> Section 8.01 of Revenue Procedure 2014-63 states the Agreement to Mediate generally will be completed and signed by both parties within three (3) weeks after the ATM notifies the taxpayer of the mediation's approval.</p>

- **Mediation Request Approved - After the Pre-Mediation Conference Call**

Step	Who	Action
1	OIC/TFRP PAM Analyst	Immediately after the pre-mediation conference call, the Appeals OIC/TFRP PAM program analyst will prepare drafts of the Agreement to Mediate, Consent to Disclose Tax Information, and Mediation Participants List and email them to the ATM, ATE, and ADR PMO.

2	ATM	The ATM and ATE will review the draft of Agreement to Mediate to ensure it accurately captures the issue(s) to be mediated and follow up with the Appeals OIC/TFRP PAM program analyst on any necessary changes.
3	ATE & ATM	<p>Once the ATM and ATE are satisfied with the draft of Agreement to Mediate, the ATM will sign the Agreement on behalf of Appeals. Fax the following to the taxpayer/POA:</p> <ul style="list-style-type: none"> <li>• Letter 5559</li> <li>• Agreement to Mediate</li> <li>• Consent to Disclose Tax Information</li> <li>• Mediation Participants List</li> </ul> <p>Letter 5559 gives the taxpayer no more than seven days to return the signed Agreement to Mediate and Consent to Disclose Tax Information and advises that Appeals may withdraw from mediation if the taxpayer doesn't respond by the deadline. See IRM 8.26.9.2.3.4.1(6).</p>
4	ATM	The ATM will promptly work with other ATMs in the office to secure a mediator based on the dates for the mediation session agreed to at the pre-mediation conference call.
5	ATM	Once the mediator is determined, the ATM will assign the PAM support request to the selected mediator.
6	ALL	Mediation should take place no more than 60 days after the Agreement to Mediate is signed. See Section 8.01 of Revenue Procedure 2014-63.

• **Mediation Request Approved - Preparing for the Mediation Session**

Step	Who	Action
1	ATE	<p>The ATE will prepare a Discussion Summary detailing Appeals' position on the issue(s) to be mediated and provide it and a copy of the Mediation Participants List for Appeals concurrently to the mediator and the taxpayer no less than two weeks prior to the date of the mediation session. See IRM 8.26.9.2.3.4.5.</p> <p><b>Note:</b> The taxpayer must provide the same. It is the ATE's responsibility to follow up with the taxpayer if such documents are not received within the prescribed timeframe.</p>

2	ATE	In advance of the mediation session, the ATE should prepare an amended Form 656 (and collateral agreement, if applicable) with the dollar amount left blank. If an agreement is reached at mediation, the taxpayer can sign the amended offer while the parties are at the table. See IRM 8.26.9.2.3.7
3	ATM	The ATM must be prepared to offer a brief opening statement at the mediation session.

- **Post Mediation Session Actions**

Step	Who	Action
1	Mediator	The mediator submits the PAM support request for closing, attaching only the Mediator's Report and selecting the applicable mediation results: <ul style="list-style-type: none"> <li>• Mediated – agreed</li> <li>• Mediated – partially agreed</li> <li>• Mediated – unagreed</li> <li>• PAM withdrawn by written request from TP</li> <li>• Withdrawn by Appeals (with Executive concurrence)</li> </ul>
2	Mediator	For purposes of accurately tracking the amount of direct time on Appeals cases, Appeals mediators will apply time directly to the PAM support request for mediation related activities.  <b>Note:</b> Mediation should <b>not</b> include time spent preparing closing documents because that must be done regardless of mediation.
3	ATE	Close the case using standard procedures based on the outcome of the mediation.

- **Contact Information:** ATMs and ATEs may contact the Appeals Policy OIC/TFRP PAM analyst at \*AP ADR PMO any time with questions or concerns about post-Appeals mediation or suggestions for improving the program.