



INDEPENDENT OFFICE  
OF APPEALS

DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, DC 20224

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Affected IRM: 8.22.7

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 8.22.7,  
Collection Due Process, Alternatives to Collection Action

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. 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 may be incorporated into affected IRMs 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 8.22.7**

All references to ACDS will be replaced with ACMS.

All references to WUNO will be replaced with Appeal Number.

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).

Form 5402 has been replaced with a 'Printable View' feature.

CARATS have been obsoleted. 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 to manager for approval'.

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

Feature code "DP" has been obsoleted.

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

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

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

##### **ARI to Field Collection to Verify CIS**

Revised (1) as follows:

(1) When issuing an ARI to Field Collection, follow the step table below:

Step 1: Obsolete.

New Step 1: Create an action record in ACMS. Section action type 'Suspense (SU)' and action subtype 'Referral Investigation Issued (RI)'. Enter appropriate action comments.

Enter date for reminder task (default is 45 days). Complete action request. Keep the case in suspense until the ARI is completed. Once the ARI is returned, take the case out of suspense by creating an action record. Section action type 'Suspense (SU)'.

Select action subtype 'Referral Investigation Returned (RT)'. Enter appropriate action comments and complete action request.

**Note:** When removing a case from suspense, check IDRS for any transactions that may have occurred during the suspense as these may impact the CDP.

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

##### **ARI to ACSS to Verify CIS**

Revised (2) as follows:

(2) When issuing an ARI to ACSS, follow the step table below:

Step 1: Obsolete.

New Step 1: Create an action record in ACMS. Section action type 'Suspense (SU)' and action subtype 'Referral Investigation Issued (RI)'. Enter appropriate action comments.

Enter date for reminder task (default is 45 days). Complete action request by selecting finish. Keep the case in suspense until the ARI is completed. Once the ARI is returned, take the case out of suspense by creating an action record. Section action type 'Suspense (SU)'. Select action subtype 'Referral Investigation Returned (RT)'. Enter appropriate action comments and complete action request.

**Note:** When removing a case from suspense, check IDRS for any transactions that

may have occurred during the suspense as these may impact the CDP.

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

##### **Interim Adjustments**

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

(1) – (3) Obsolete.

Replace with:

(1) A tax adjustment may be required before a case can be closed. Adjustments requested prior to closing a case are called interim adjustments. Interim adjustment requests should be made judiciously. To request an interim adjustment, generate Form 3870 and secure your manager's approval. Upload the approved Form 3870 to ACMS. Create a 'Support Request' for APS and follow the applicable prompts. In the request description, advise what actions are to be taken and note the approved Form 3870.

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

##### **Discharges and Subordinations**

Revised (3) as follows:

(3) Suspend the case pending the ARI results. Create an action record in ACMS suspending the case pending the ARI results. Once the ARI is returned, take the case out of suspense.

**Note:** When removing a case from suspense, check IDRS for any transactions that may have occurred during the suspense as these may impact the CDP.

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

##### **Associating Separated CDP and OIC Cases**

Revised (1) through and including (7) as follows:

(1) If the taxpayer submits an OIC while a CDP is open, associate the OIC with your CDP/EH case and incorporate the OIC decision into the CDP determination. Failure to do so may result in a remand by the Tax Court to address the OIC. Examples of OICs that must be associated and addressed in a CDP include:

- A taxpayer requests a CDP hearing while an OIC is pending with Collection
- A taxpayer timely requests an appeal of a rejected OIC, and the OIC hearing is pending in Appeals when the taxpayer requested a CDP hearing
- A taxpayer submits an OIC directly to Collection while a CDP hearing is pending (i.e., before the date the CDP closing letter is mailed)

(2) An offer must be considered by Appeals as a collection alternative in CDP unless, prior to the date of the TC 480:

- The determination/decision letter was mailed in a CDP case, or
- The ATM signed Form 12257 in an agreed CDP case

**Note:** See also IRM 8.22.7.10.6.1, Withdrawal of the CDP.

(3) Check IDRS for a TC 480 and confirm receipt with the COIC CDP coordinator. Do not make a final determination without confirming whether an OIC is pending. If an OIC is pending, the CDP determination/decision must comment on it as a collection alternative.

- (4) If you discover an OIC is pending in Collection, notate it in the case record and:
- Alert the COIC CDP Coordinator found on the Collections Due Process page by secure mail that a CDP/EH is pending in Appeals.
  - Obtain a copy of Form 656 and upload the document to the existing CDP case on ACMS.
  - Create a support request within your CDP case for the pending offer. See IRM 8.22.7.10.2, OIC Received during CDP, below for details.
  - Suspend action on the CDP unless other issues need to be addressed besides the OIC.
  - Issue the Substantive Contact Letter within 30 days of receiving COIC's disposition, if the letter has not already been sent.
- (5) If you discover an OIC appeal assigned to another Appeals employee, request the OIC appeal to be transferred to you to associate with your CDP.
- (6) If Collection is considering an OIC, and discovers a CDP pending in Appeals, Collection sends Appeals a secure email to notify of the OIC and faxes a copy of Form 656.
- (7) Obsolete.

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

##### **OIC Received during CDP** (title revised)

Revised (1) through and including (4) as follows:

- (1) Upon receipt of Form 656 currently pending investigation in Compliance:
- Update the case history to note Collection's investigation of the OIC
  - Create a 'Support Request' within the CDP case. Use the following:
    - Request type: Technical
    - Category: Offer in Compromise (New OIC)
    - Subcategory: Compliance review
    - Input all required fields and add appropriate tax periods.
- Note:** The TIPRA date is auto populated by the received date, which is the date COIC receives the offer. This date is located in the upper right-hand corner of Form 656, IRS Received Dated (COIC use only).
- This 'Support Request' automatically creates an offer under Offers in Compromise in Details on ACMS. A new Appeal Number is required if Compliance recommends rejection or accepts the offer. Compliance dispositions, including non-processable, returned, withdrawn (voluntarily or involuntarily), terminated, or accepted by Compliance, do NOT require a separate Appeal Number.
  - Unless other issues besides the OIC need to be addressed, suspend the case pending the investigation. Once Compliance provides their disposition, remove the case from suspense.
- Note:** When removing a case from suspense, check IDRS for any transactions that may have occurred during the suspense as these may impact the CDP matter.
- (2) Upon receipt of an original Form 656 that is NOT pending review in Compliance:
- Update the history to note offer was received.

- b. Create a 'Support Request' within the CDP case. Use the following:
  - Request type: Technical
  - Category: Offer in Compromise (New OIC)
  - Subcategory: Compliance review
  - Input all required fields and add appropriate tax periods. Use the date received in Appeals until the offer is deemed processable by COIC.  
**Note:** The TIPRA date is auto populated by the received date, which is the date COIC receives the offer. This date is located in the upper right-hand corner of Form 656, IRS Received Dated (COIC use only). Use the date you received the offer in Appeals as the received date and modify this field when you receive the correct COIC received date.
- c. This 'Support Request' automatically creates an offer under Offers in Compromise in Details on ACMS. A new Appeal Number is required if Compliance recommends rejection or accepts the offer. Compliance dispositions, including non-processable, returned, withdrawn (voluntarily or involuntarily), terminated, do NOT require a separate Appeal Number.
- d. Unless other issues besides the OIC need to be addressed, suspend the case pending the investigation. Once Compliance provides their disposition, remove the case from suspense.  
**Note:** When removing a case from suspense, check IDRS for any transactions that may have occurred during the suspense as these may impact the CDP matter.
- e. See IRM 8.22.7.10.3 for procedures on receiving an original Form 656.

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

##### **Receipt of Form 656**

Revised (1) as follows:

(1) Within 24 hours of receipt, forward the original OIC to the appropriate COIC site for processing. The information should be sent to the appropriate COIC site using Form 3210, Document Transmittal, and must be sent by traceable methods if an application fee and/or payment is attached. Please refer to SERP Offer-in-Compromise (OIC) - Centralized Service Center Locations. You may date stamp Form 656 anywhere other than the upper right-hand corner designated IRS Received Date (COIC use only). See IRM 8.22.7.10.4, Processing OICs, for additional document requirements.

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

##### **OIC is Not Processable**

Revised (3) and (4) as follows:

(3) If the processability determination was correctly applied, close the 'Support Request' within the CDP case.

- a. Update 'OIC Review Status' to 'Returned not processable' and save.
- b. Close the 'Support Request' and input closing comments.

Add (4) Upload all documents received from Compliance to the case and incorporate the offer disposition into the CDP closing documents.

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

##### **OIC is Processable**

Revised subsection e of (1) and (2) as follows:

(1) If COIC determines the offer is processable, COIC:

- e. Emails a copy of Form 13933, Letter 3820, and Form 656 to the ATE assigned the CDP Appeal Number.

Add (2) Suspend action on the CDP until compliance completes their investigation of the OIC, unless other issues need to be addressed besides the OIC.

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

##### **Collection Recommends Acceptance**

Revised (3) as follows:

(3) When compliance accepts the offer, you must create a new Appeal Number within ACMS.

- a. Access the 'Support Request' associated with the offer.
- b. Update 'OIC Review Status' to 'Recommended for Acceptance' and save.
- c. Close the 'Support Request' and input closing comments.
- d. Closing the 'Support Request' with this type of status will automatically create a new 'Support Request' to create a new Appeal Number which is assigned to APS Specialty.
- e. Upload all documents received from Compliance to both the CDP Appeal Number and the OIC Appeal Number, once created.

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

##### **Collection Recommends Rejection**

Revised to include new (4) as follows:

Add (4) When compliance recommends rejection of the offer, you must create a new OIC Appeal Number within ACMS.

- a. Update 'OIC Review Status' to 'Recommended for Rejection' and save.
- b. Close the 'Support Request' and input closing comments.
- c. Closing the 'Support Request' with this type of status will automatically create a new 'Support Request' to create a new Appeal Number.
- d. Upload all documents received from Compliance to both the CDP Appeal Number and the OIC Appeal Number, once created.

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

##### **Mandatory Withdraws, Returns and Terminated Offers**

Revised to include new (5) and (6) as follows:

New (5) If the withdraw, return, or terminate disposition was not in error, close the 'Support Request' within the CDP case.

- a. Update 'OIC Review Status' to 'Returned not processable' and save.
- b. Close the 'Support Request' and input closing comments.

New (6) Upload all documents received from Compliance to the case and incorporate the offer disposition into the CDP closing documents.

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

##### **Mandatory Withdrawal for Missed Periodic Payment**

Revised (2) and (3) as follows:

(2) Confirm the taxpayer had the opportunity to make up the missed payment and failed to do so. Once confirmed, close the 'Support Request.'

- a. Update 'OIC Review Status' to 'Returned not processable' and save.
- b. Close the 'Support Request' and input closing comments.

(3) Upload all documents received from Compliance to the case and incorporate the offer disposition into the CDP closing documents.

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

##### **Return for Dishonored Payments**

Revised (2) and (3) as follows:

(2) Confirm the taxpayer had the opportunity to provide a replacement payment and failed to do so. Once confirmed, close the 'Support Request.'

- a. Update 'OIC Review Status' to 'Returned not processable' and save.
- b. Close the 'Support Request' and input closing comments.

(3) Upload all documents received from Compliance to the case and incorporate the offer disposition into the CDP closing documents.

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

##### **Return for Filing Noncompliance**

Revised (2) and (3) as follows:

(2) Confirm the taxpayer's filing requirements, that the taxpayer was delinquent on the date of the return, and the taxpayer had an opportunity to cure the delinquency and failed to do so. Once confirmed, close the 'Support Request.'

- a. Update 'OIC Review Status' to 'Returned not processable' and save.
- b. Close the 'Support Request' and input closing comments.

(3) Upload all documents received from Compliance to the case and incorporate the offer disposition into the CDP closing documents.

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

##### **Return for Inadequate Estimated or Withholding Tax Payments**

Revised (2) and (3) as follows:

(2) Confirm the taxpayer's payment requirements, that the taxpayer was delinquent on the due date, and that the taxpayer had an opportunity to cure the delinquency and



failed to do so. Once confirmed, close the 'Support Request.'

a. Update 'OIC Review Status' to 'Returned not processable' and save.

b. Close the 'Support Request' and input closing comments.

(3) Upload all documents received from Compliance to the case and incorporate the offer disposition into the CDP closing documents.

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

##### **Return for Failure to Make Timely Federal Tax Deposit (FTD)**

Revised (2) and (3) as follows:

(2) Confirm the taxpayer's payment requirements, that the taxpayer was delinquent on the due date, and that the taxpayer had an opportunity to cure the delinquency and failed to do so. Once confirmed, close the 'Support Request.'

a. Update 'OIC Review Status' to 'Returned not processable' and save.

b. Close the 'Support Request' and input closing comments.

(3) Upload all documents received from Compliance to the case and incorporate the offer disposition into the CDP closing documents.

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

##### **Return for Failure to Provide Information**

Revised (2) and (3) as follows:

(2) Confirm the taxpayer had an opportunity to provide the information and failed to provide the information requested within the applicable timeframe. Once confirmed, close the 'Support Request.'

a. Update 'OIC Review Status' to 'Returned not processable' and save.

b. Close the 'Support Request' and input closing comments.

(3) Upload all documents received from Compliance to the case and incorporate the offer disposition into the CDP closing documents.

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

##### **Return for an Open Criminal Investigation**

Revised (2) and (3) as follows:

(2) Confirm the return was correct per IRM 5.8.4.19, Criminal Investigations. Once confirmed, close the 'Support Request.'

a. Update 'OIC Review Status' to 'Returned not processable' and save.

b. Close the 'Support Request' and input closing comments.

(3) Upload all documents received from Compliance to the case and incorporate the offer disposition into the CDP closing documents.

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

##### **Return for Bankruptcy**

Revised (1), (2), and (3) and add new (4) and (5) as follows:

(1) If a taxpayer files bankruptcy while an OIC is open, the OIC is returned. If Compliance has the case, they will issue the return letter. If the offer is in Appeals,

generate Letter 5010 from the Published Products Catalog and mail to the taxpayer.

(2) Close the support request.

a. Update 'OIC Review Status' to 'Returned not processable' and save.

b. Close the 'Support Request' and input closing comments.

(3) Place the CDP case into suspense pending the outcome of the Bankruptcy proceedings. Create an 'action record' with action type 'bankruptcy petition filed (BI).'

(4) Regardless of who closes the OIC - Collection or Appeals - include in your CDP NOD, or applicable closing letter, the following language: "The offer you submitted was returned because you filed bankruptcy while your offer was under consideration."

(5) Consult with local Counsel for issues involving a Receivership, Assignment for the Benefit of Creditors, or other insolvency. Similar to bankruptcy, in these cases, a determination should be made whether or not to suspend the CDP under these circumstances. See also IRM 5.9.20, Non-Bankruptcy Insolvencies, and IRM 5.8.10.3, Other Insolvency Cases.

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

##### **Return Solely to Delay**

Revised (2) and (3) as follows:

(2) Confirm the return was correct following IRM 5.8.4.7.1, Offer Submitted Solely to Delay Collection. Once confirmed, close the 'Support Request.'

a. Update 'OIC Review Status' to 'Returned not processable' and save.

b. Close the 'Support Request' and input closing comments.

(3) Upload all documents received from Compliance to the case and incorporate the offer disposition into the CDP closing documents.

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

##### **Termination due to Death of Taxpayer**

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

(1) Upon the death of a taxpayer, the IRS loses the authority to accept an OIC from that taxpayer. The offer is considered terminated. When spouses have submitted a joint offer and one spouse dies after the offer is filed but before it is accepted, the IRS no longer has the authority to accept the joint offer, and the offer must be returned. Review IRM 5.8.10.4.1, Death of Taxpayer.

(2) If an OIC is terminated due to the death of the taxpayer, or their spouse, close the 'Support Request.'

a. Update 'OIC Review Status' to 'Returned not processable' and save.

b. Close the 'Support Request' and input closing comments.

(3) Upload all documents received from Compliance to the case and incorporate the offer disposition into the CDP closing documents.

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

##### **Withdrawal of the CDP**

Revised (2) and (3) as follows:

(2) If the taxpayer withdraws a CDP/EH hearing while an OIC is:

- Pending in Collection: inform Collection immediately by encrypted email. Collection will issue the OIC decision letter and does not return any paperwork to Appeals. Close the 'Support Request.'
- Pending in Appeals: Email the entire OIC file to Collection for a final determination with Form 3210. Form 3210 must say that Appeals released jurisdiction. Ensure Form 3210 is acknowledged and follow up with Collection to resolve any issues concerning receipt of the OIC to ensure the TIPRA statute is protected. Close the OIC Appeal Number as a premature referral and note the CDP was withdrawn while related OIC was pending in Collection.

(3) Upload all documents received from Compliance to the case and incorporate the offer disposition into the CDP closing documents.

#### 8.22.7.10.7 (MM-DD-YYYY)

#### Doubt as to Liability (DATL) OIC

Revised (5) as follows:

(5) On receipt of a DATL OIC, examine the underlying liability issue and consult with the table below:

When:	Actions:
The liability is not precluded	<p>a. Create a support request for the DATL OIC, as outlined in IRM 8.22.7.10.2(1)b.</p> <p>b. Forward the DATL OIC to COIC for a processability determination.</p> <p>c. Review IRM 8.22.8.5.1, Referring a Liability Issue. For DATL OIC that needs Examination referral, modify 'Support Request': Request type 'Technical,' Category 'Domestic or International,' Subcategory 'DATL-OIC.'</p> <p><b>Note:</b> The initial 'Support Request' remains open to monitor the TIPRA</p> <p>d. Suspend the CDP case pending Examination ATE's decision. Take the CDP out of upon receipt of the decision.</p> <p><b>Note:</b> When removing a case from suspense, check IDRS for any transactions that may have occurred during the suspense as these may impact the CDP matter.</p> <p>e. Adopt the decision and consider any other relevant issues</p> <p>f. To close the TIPRA statute, clearly state in your determination or decision letter attachment that the offer was accepted, rejected, withdrawn, returned, or terminated.</p>

The liability is precluded	<p>a. Forward the DATL OIC to COIC for a processability determination.</p> <p>b. Note on Form 3210 that “Appeals is precluded from considering this DATL in CDP”.</p> <p>c. In the determination/decision letter attachment, note that the taxpayer submitted a DATL OIC which could not be considered in CDP. Explain how you determined the taxpayer was precluded from raising the liability challenge in CDP.</p> <p><b>Note:</b> If Appeals becomes aware of a precluded DATL, contact the DATL unit (via SERP: Offer-in-Compromise (OIC) Compliance Campus Locations for DATL) to advise them the offer is precluded from CDP. Explain the preclusion in your ACM.</p>
The liability is precluded but was determined in Appeals	<p>a. Forward the DATL OIC to COIC for a processability determination</p> <p>b. Note on Form 3210 “Appeals is precluded from considering this DATL in CDP. Process following IRM 5.8.4.22.4, Doubt as to Liability.” <b>Note:</b> Collection will reject the DATL OIC and send it to Appeals for consideration if timely appealed by the taxpayer. This appeal is not required to be worked or associated with the CDP when the liability is precluded.</p> <p>c. In the determination/decision letter attachment, note that the taxpayer submitted a DATL OIC which could not be considered in CDP. Explain how you determined the taxpayer was precluded from raising the liability challenge in CDP.</p>

#### 8.22.7.10.8 (MM-DD-YYYY)

##### OICs with Department of Justice (DOJ) Controlled Tax Periods

Revised (2) as follows:

(2) When you receive an OIC with DOJ controlled periods, create a ‘Support Request’ within the CDP case. Note on Form 13933, Collection Due Process/Equivalent Hearing Offer in Compromise Cover Sheet, that there are periods under DOJ control. COIC will make a processability determination based on IRM 5.8.2.4.1, Determining Processability.