DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

INDEPENDENT OFFICE
OF APPEALS

November 25, 2025

Control No. AP-08-1125-0044
Expiration Date: 11/25/2027
Affected IRMs: 8.25.2

MEMORANDUM FOR COLLECTION APPEALS EMPLOYEES

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

SUBJECT: Appeals Case Management System (ACMS) procedure updates
                for IRM 8.25.2, Working Trust Fund Recovery Penalty Cases in
                Appeals

This guidance provides general information about ACMS detailed in IRM 8.25.2, Working Trust Fund Recovery Penalty Cases in Appeals. 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. **Note:** This guidance applies to TFRP cases worked in ACMS. Some TFRP cases will continue to be worked and documented in ACDS until all functions and workstreams are assigned to ACMS. The cases worked in ACDS are not impacted by this guidance and will continue to follow current procedures in IRM 8.25.2. Cases worked in ACMS will be documented in ACMS and use the 'Printable View'

feature to transmit the Appeals determination. The Form 5402, Appeals Transmittal and Case Memo, will continue to be used for those cases worked in ACDS.

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

Attachment AP-08-1125-0044, Appeals Case Management System (ACMS) procedure updates for IRM 8.25.2, Working Trust Fund Recovery Penalty Cases in Appeals

Throughout 8.25.2
- References to Appeals Centralized Database System (ACDS) will be changed to Appeals Case Management System (ACMS) as they relate to migrated cases
- References to Form 5402 to the 'Printable View'
- References to Case Activity Record to Case Action Record (CAR)
- References to Work Unit to Appeals Number

8.25.2.1.1 (MM-DD-YYYY)
Background
(1) TFRP cases sent to Collection Appeals are loaded to ACMS by APS following established case assignment criteria, and, if appropriate, Appeals' jurisdiction is established. For ACMS Release 1, open TFRP work will be migrated to ACMS, but new TFRP receipts will be carded into ACDS to be worked by Specialized Examination Programs and Referrals (SEPR) until further notice.

8.25.2.1.5 (MM-DD-YYYY)
Terms and Acronyms
(1) Table

Appeals Number	
Appeals Case Management System	ACMS
Case Action Record	CAR
Case Action Record and Timesheet	CARATS

8.25.2.2 (MM-DD-YYYY)
Receipt
Note: If making initial contact by telephone, the ATE must ensure that the substance of the contact letter is discussed with the taxpayer and documented in the ACMS case action record.

8.25.2.4.2 (MM-DD-YYYY)
Case Analysis - Evidence
Under (6)
Note: While the ARI is being worked, apply feature code "RI" (Referral Investigation) and suspend the case in ACMS.

8.25.2.6.4 (MM-DD-YYYY)
Closing Agreements
(7)
    a. It is recommended Form 866, Agreement as to Final Determination of Tax Liability, is used for finality.
    b. Complete Form 866, by inserting the TFRP language into the body of the form:

- **Taxable Period(s)**: Calendar Quarter Ending March 31, 20YY
- **Kind of Tax of Penalty**: Section 6672 Assessable Penalty
- **Chapter Number and Subchapter Letter of Internal Revenue Code:** 68B, I.R.C

i. Document in the remarks section during the closing process and the Appeals Case Memorandum what closing agreement has been executed in the case (Form 866, Form 2751, Proposed Assessment of Trust Fund Recovery Penalty, Form 2751-AD, Trust Fund Recovery Penalty-Offer of Agreement to Assessment and Collection).

8.25.2.8 (MM-DD-YYYY)
Closing Actions for the Appeals Technical Employee (ATE)
(1) The ATE working the case in ACMS with use the 'submit for approval' feature to close a case. The ATE working the case in ACDS will continue to use the customized Form 5402. The revised penalty section must include the trust fund penalty amount to be assessed (dollars and cents). The ATE will address and email the approved 'Printable View' document and the ACM (Appeals Case Memorandum) to (*CEASO ADVISORY CPM). During Release 1 of ACMS, the ATM will approve withdrawals and protests considered withdrawn due to the taxpayer's failure to respond within 30 days to a request to perfect a defective protest or defective POA.
Note: For an ASED that expires in 30 days from the ATM's approval, the closing remarks section must include the statement to **Expedite the assessment**. The ATE will also list the earliest statute date (ASED) in the email to (*CEASO ADVISORY CPM).
(2) The closing remarks section contains optional remarks that provide direction for the receiving advisory CPM. The following remarks relate to specific types of pre-assessment appeal (TBOR2) closures:

Table

If…	Then…
The protest was timely filed (TBOR2 case) and the ASED expires 30 days from the date of the ATM's signature on closing remarks or Form 866	In the remarks section, enter "Expedite - quick assessment required. ASED expires 30 days from the ATM's signature date."
The protest was not timely filed (the ASED is not suspended by TBOR2)	Close as a premature referral. In the remarks section, enter "Due to untimely protest, the ASED is not suspended by TBOR2. Assessment of the TFRP is necessary. The ASED expires (enter date)."
The taxpayer's protest clearly indicates a desire to protest only specific periods listed on Form 2751 and his or her agreement with the assessment of the other periods	In the remarks section enter: "The taxpayer does not wish to protest the assessment of the following specific periods: (list periods here). Assessment of these periods is necessary. The ASED expires (enter date). Appeals retains

	jurisdiction under TBOR2 for the following related periods: (list periods here)."

(3) Take the following actions when closing a TFRP case:

Table

When Closing…	Then…	…and
An Agreed TBOR2 case **Note:** All pre-assessment TFRP appeals where the taxpayer signed the Form 2751, Form 2751-AD, or Form 866.	Select closing code 03, Agreed, and the appropriate 'Resolution Reason' and enter required remarks on the 'Submit for Approval' screen. Upload to the documents tab in ACMS any Form 2751, Form 2751-AD, or Form 866, agreement that is secured: Email 'Printable View', ACM, and Form 2751, Form 2751-AD, or Form 866 to (*CEASO ADVISORY CPM)	Use Letter 5123 (TFRP – Agreement Secured Closing) or Letter 5124 (TFRP – Non-Assertion Closing). Include an original copy of the agreement form.
An Unagreed TBOR2 case **Note:** All pre-assessment TFRP appeals (except premature referrals), where the taxpayer does not sign an agreement. **Note:** This includes withdrawals and protests considered withdrawn due to the taxpayer's failure to respond within 30 days to a request to perfect a defective protest or defective POA.	Select closing code 13, Unagreed, and the appropriate 'Resolution Reason' and enter required remarks on the 'Submit for Approval' screen. For Release 1 under ACMS, the ATM will approve withdrawals and protests considered withdrawn due to the taxpayer's failure to respond within 30 days to a request to perfect a defective protest or defective POA.	Use Letter 1536, Unagreed Employment Tax and Trust Fund Recovery Penalty - Closing, or for pre-assessment cases considered withdrawn, prepare a letter to the taxpayer explaining that the protest is considered withdrawn and why. For Withdrawals, and protests considered withdrawn, the letter can be signed by the ATE. Use Letter 5124 for unagreed, full concession cases since receipt of a Letter 5123 would be confusing to the taxpayer.
Any TFRP case as a premature referral (to include untimely protests and TBOR2 protests when the underlying business liability is satisfied prior to Appeals working the case)	Select closing code 20, Premature Referral, and the appropriate Premature Referral 'Resolution Reason' and enter required remarks on the 'Submit for Approval' screen.	Inform the taxpayer/POA by telephone or letter that the case was returned to Collection and the reason for the return.

Attachment AP-08-1125-0044, Appeals Case Management System (ACMS) procedure updates for IRM 8.25.2, Working Trust Fund Recovery Penalty Cases in Appeals

A Formal TFRP claim or reconsideration disallowed in full	Select claim closing code 14, Full Disallowance, and the appropriate 'Resolution Reason' and enter required remarks on the 'Submit for Approval' screen.	For a Claim, use: Certified Letter 1364, Appeals Full Disallowance of Refund Claim. For a Claim Reconsideration, use: Letter 2681, Appeals Full Disallowance After Previous Claim Disallowance.
A Formal TFRP claim or reconsideration allowed in full	Select claim closing code 15, Full Allowance, and the appropriate 'Resolution Reason' and enter required remarks on the 'Submit for Approval' screen.	For both a Claim and a Claim Reconsideration use: Letter 2682, Appeals Full Claim Allowance.
A Formal TFRP claim or reconsideration that is partially allowed	Select claim closing code 16, Partial Allowance, and the appropriate 'Resolution Reason' and enter required remarks on the 'Submit for Approval' screen.	For a Claim use Certified Letter 1363, Appeals Partial Disallowance of Claim. For a Claim Reconsideration use Letter 2683, Appeals Partial Disallowance After Previous Claim Disallowance.

8.25.2.8 (MM-DD-YYYY)
TBOR2 Expedite Closing Actions for the Appeals Team Manager (ATM)
(1) Under Release 1 of ACMS, the ATM will approve TFRP cases that are withdrawn or considered withdrawn. The ATM/ATE will take the required extra steps in (2) below, or direct APS to complete some of them based on local agreement. If local agreement does not specify, or the case arrives in APS for processing without the proof described in step 5 that the assessment documents were received by the CPM, then APS is responsible for ensuring their immediate delivery.

Table

Step	Action
1	Approval in the system signs and dates the 'Printable View'
2	The ATM's approval for TFRP cases worked in ACMS will generate an automatic notification to APS to close the Appeals Case. The ATE/ATM will forward the 'Printable View' and ACM to (*CEASO ADVISORY CPM). The ATM will ensure that the approval dates on the 'Printable View' and Form 866, if applicable, are identical to the ACMS approved date.
5	Cases worked in ACMS: The ATE must enter the Earliest Statute Date in the closing remarks section that covers all periods.