

## INTERIM IRM PROCEDURAL UPDATE

**DATE:** 11/18/2011

**NUMBER:** SBSE-5-1111-1829

**SUBJECT:** Centralized Offer In Compromise Case Building and Processability

**AFFECTED IRM(s)/SUBSECTION(s):** 5.8.3

**CHANGE(s):**

**IRM 5.8.3.7** - Added an interim guidance memo [SBSE-05-1111-067](#) was issued November 15, 2011 to define the timeframe for case building and revise the timeframe for processability determinations for offers received without payment(s).

1. An interim guidance memo, with attachment, was issued October 20, 2011 to clarify the Process Examiners (PE) role in perfection and case building for offers in compromise. See SBSE-05-1011-072 and attachment. An interim guidance memo was issued November 15, 2011 to define the timeframe for case building and revise the timeframe for processability determinations for offers received without payment(s). See [SBSE-05-1111-067](#).  
Prior to beginning an OIC investigation, certain errors must be corrected to perfect the offer. The combo letter on the AOIC system is designed to communicate with the taxpayer and/or their representative to request the necessary corrective action. If there is no response to the request letter, the OIC may be returned with no further contact. A return for failure to perfect an offer does not require a Form 1271, Rejection or Withdrawal Memorandum. The taxpayer has no appeal rights when the offer is closed as a return. The following errors must be corrected before beginning the investigation:
  - o The taxpayers name, physical address or taxpayer identification number (TIN) is missing or incorrect and cannot be determined from IDRS or other documents submitted with the offer.

**NOTE:** If the information can be located on IDRS or other documents submitted with the offer, input the correct information on AOIC and continue processing the offer.

- o The offered amount is blank or zero, unless terms are present.
- o Insufficient number of Forms 656, application fees, and TIPRA payments submitted.

**IRM 5.8.3.4.2** - Added an interim guidance memo [SBSE-05-1111-067](#) was issued November 15, 2011 to define the timeframe for case building and revise the timeframe for processability determinations for offers received without payment(s).

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