



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

April 16, 2024

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Affected IRM: 4.24.8, 4.24.21

MEMORANDUM FOR: DIRECTOR, SPECIALTY EXAMINATION, CHIEF, ESTATE &  
GIFT/EXCISE TAX EXAM, AND EXCISE TAX EXAMINATION  
MANAGERS

FROM: Daniel R. Lauer, Director, HQ Exam

Daniel R. Lauer  
Digitally signed by  
Daniel R. Lauer  
Date: 2024.04.16  
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SUBJECT: Electronic Case Closing Procedures in the Issue Management  
System

This memorandum issues interim guidance for standard electronic case closing procedures in the Issue Management System (IMS). Please ensure this information is distributed to all affected employees within your organization.

**Purpose:** The purpose of this memorandum is to provide guidance on electronic case closures in IMS.

**Background/Source(s) of Authority:** IRM 4.24.21.4.1, Paper Closing/Electronic Issue Management System (IMS) Closing, provides guidance on workpaper considerations. With the use of standard electronic workpaper naming conventions in IMS, cases can now be closed electronically without the need for a corresponding paper file.

**Procedural Change:** Employees in Excise Tax Examination will no longer print and ship a case upon closing. Closing letters will be mailed by the excise tax field group (group) instead of being mailed by Centralized Case Processing (CCP). Form 15292-B, Excise Tax Case Closing Cover Sheet, will be emailed to CCP by the group closing the case. The closing documents will be attached to Form 15292-B per instructions. The group will add the electronic case indicator (E indicator) to the ERCS record during the closing process.

**Effect on Other Documents:** This guidance will be incorporated into IRM 4.24.21 and 4.24.8 by April 16, 2026.

**Effective Date:** This guidance is effective April 16, 2024.

**Contact:** If you have any questions concerning this guidance, please contact Kellie L. McCann, Program Manager, Excise Tax Policy, or Sara A. Moye-Moulton, Excise Tax Policy Analyst.

**Attachment:** IRM 4.24.8 and IRM 4.24.21 updates

**Distribution:**

[IRS.gov \(https://www.irs.gov\)](https://www.irs.gov)

**Attachment** –IRM 4.24.8 and IRM 4.24.21 updates

Effective on April 16, 2024 the following IRM subsections are revised as follows:

**IRM 4.24.21.4.1, Paper Closing/Electronic Issue Management System (IMS) Closing, is replaced by IRM 4.24.21.4.1, Electronic Issue Management System Closing**

- (1) The case closing process requires all case files to be closed electronically in the Issue Management System (IMS).
- (2) The examiner must apply judgment and include all necessary key documents in the IMS case file.

**Note:** The manager’s advice should be sought if there is any question about which documents are to be included in the case file.

- (3) Naming conventions contribute to an organized case file and assist users in easily locating specific documents. The examiner must index all documents in the IMS case file and follow the naming conventions found in IRM 4.24.21-2, Excise Workpaper Naming Convention Quick Guide.

- Workpaper Series (see example 1 below)
- Workpaper/Document Name (see example 1 below)
- Supplemental documents must use the prefix associated with that section plus a numeric page number (see examples 2 and 3 below)

**Example: 1** - An examiner is assigned a paid claim CRN 360 case for IRS No. 060 (issue 1). In addition, the examiner has expanded the scope of the examination to the federal excise tax paid for IRS No. 060 (issue 2). The issue 1 lead sheet would be named "F001 060 Paid CRN 360 Diesel Fuel Lead Sheet," and the supporting workpaper/document would be named "F002 060 Paid CRN 360 Diesel Fuel Workpaper." The issue 2 lead sheet would be named "G001 060 Diesel Fuel Lead Sheet," and the supporting workpaper/document would be named "G002 060 Diesel Fuel Workpaper."

**Example: 2** - Supplemental documents for "A125 Initial Interview Questions and Notes" would be named "A125-02 Org Chart" and "A125-03 Prior Exam Report."

**Example: 3** - Supplemental documents for "B200-1 Required Filing Checks Prior/Subsequent Period Returns, Related Excise Tax Returns, Filing Verification" would be named "B200-1-02 IDRS Transcripts."

- (4) The examiner must prepare and save to the IMS case file the Form 15292-B, Excise Tax Case Closing Cover Sheet. The closing documents must be attached to Form 15292-B per Form 15292-B instructions. The examiner must notify the GM via email that the case is ready for review.

**Note:** The examiner may use the “ECFI-Excise Case Closing Checksheet” found in the related Forms and Documents section of the Electronic Case File Initiative ECFI page in the Excise Tax Knowledge Base.

- (5) The manager will review the closed case file in IMS to:
  - Ensure file naming conventions are used.
  - Check Form 5344 for 40X in the “Block Number” field.

- Ensure that “RETURN REQUESTED” is not present on pg. 2 of the AMDISA.

**Note:** If “RETURN REQUESTED” is present, then the case must be excluded from electronic closure.

- Sign the closing letter(s) and save to IMS.
  - Verify electronic case indicator (E indicator) is correct when approving ERCS.
- (6) If any deficiencies exist, the manager will reopen the IMS case file and notify the examiner to take corrective action. The manager will document all closing actions in IMS on the Case Level Activity Record. If the manager added or changed any documents, those documents must be uploaded or saved in the IMS case file.
  - (7) The excise tax field group (group) will add the E indicator to the ERCS record during the closing process.
  - (8) The status of the IMS case file must be updated to "closed" by the examiner but not until it reaches either Status "51" or Status "52" on ERCS. The manager has the discretion to determine when to close the IMS case file. When this occurs, the manager must then complete the managerial actions in IMS.
  - (9) After the manager completes the review of the case, Form 15292-B and the ERCS record is emailed to Centralized Case Processing (CCP), at \*SBSE CCP Exam Cincinnati, by the group.
  - (10) After CCP completes the review of the electronic file, the signed Form 15292-B is emailed to the manager and the examiner. The examiner must then upload Form 15292-B into the IMS case file with all signatures and then close the case off IMS.
  - (11) The closing letters will be mailed by the group and documented.

**IRM 4.24.21.4.3, Form 3198 – Special Handling Notice for Examination Case Processing, paragraphs 3 and 4 are replaced with:**

- (3) The examiner will provide instructions on Form 3198 and indicate the required letter, form, report, or other materials to enclose in correspondence to the taxpayer based on the type of closure. Refer to IRM 4.24.21.5 for additional guidance.

**Note:** The mailing of items under “Letter Instructions for CCP” on page two will now be the responsibility of the group.

- (4) If a copy of the closing letter is to be issued to a POA, then the examiner will check the box "Copy to POA - Letter 937" on the second page of Form 3198 under "Letter Instructions for CCP."

**IRM 4.24.21.4.4, Form 5344 - Examination Closing Record paragraph (5) is added as follows:**

- (5) To complete Form 5344 correctly, a “Block Number” must be manually input into the P38-40 field:
  - a) 40X for closing electronic case files
  - b) 30X for closing paper case files

- c) 10X for closing to Appeals with disposal code 07

**IRM 4.24.21.5.1.1, Paper Survey Procedures, is replaced with IRM 4.24.21.5.1.1, Survey Procedures for Cases With Original Returns**

- (1) Special survey procedures are required for cases **with original returns** in the case file. If special survey procedures are not required, survey procedures found in IRM 4.24.21.5.1.2 should be utilized.
- (2) If the original return is in the case file, complete Form 2503, Survey After Assignment - Excise or Employment Tax, and Form 5351, Examination Non-Examined Closings, in IMS and submit for managerial approval.
- (3) Upon receiving managerial approval, the examiner must complete and upload the following documents into IMS case file as follows and submit to manager:
  - a. Form 3210, Document Transmittal, Form 3198, and Form 895, Notice of Statute Expiration, if applicable.
  - b. IDRS transcripts for AMDISA, INOLES, and BRTVU (less than 30 days old)
  - c. Form 5351, Form 2503, the return, or BRTVU with TXMODA, Examining Officer's Activity Record in IMS, and Form 5546, Examination Return Charge-Out Sheet, if available
  - d. Form 15292-B, Excise Tax Case Closing Cover Sheet

**Note:** If TXMODA is not found on IDRS, the examiner can attach a BMFOLT that is less than 30 days old and a BMFOLR (for a filed return only).

- (4) Form 5344 is not required for a survey.
- (5) Close the case to the manager for further processing.

**IRM 4.24.21.5.1.2 Paperless Survey Procedures is replaced with IRM 4.24.21.5.1.2, Survey Procedures for Cases Without Original Returns**

- (1) Generally, this type of survey is used when the return was established on ERCS/AIMS and the original return was never requested.
- (2) If the original return is not in the case file, then only Form 5351 and Form 3210 are submitted to CCP.

**Note:** In addition to Form 5351 and Form 3210, Form 2503 must be completed and submitted to the manager for approval. A signed copy is uploaded for record into IMS although it is not submitted to CCP.

- (3) Form 5351 and Form 3210 are to be e-mailed to the Examination Cincinnati Centralized Case Processing site mailbox at \*SBSE CCP Exam Cincinnati. CCP has 45 days from the receipt to process these cases.

**Note:** Refer to IRM 4.4.21.5.1.3, Form 5351, for additional guidance.

- (4) The following actions must be taken when the original return is not in the case file:
  - a. Update ERCS to Status "51."

- b. Use only one MFT per Form 5351.
  - c. Include Form 3210 listing all appropriate TINs.
  - d. Secure electronic signature by the manager on Form 5351.
- (5) If the return was requested when the case was established on ERCS/AIMS, then follow procedures in IRM 4.24.21.5.1.1.
- Note:** If a return was requested IDRS command code AMDISA will show "Return Requested" on page 2.
- (6) An electronic print can be surveyed using this survey process, if there is no requirement to attach any documentation to the survey.
- (7) Only surveyed cases by the group with DC "31" or DC "32" may use this survey process.

**IRM 4.24.21.5.2, Closing Procedures for Agreed Cases, paragraph 2 is replaced with:**

- (2) To process an agreed examination, the examiner should take the steps itemized below:
- a. Generate Form 5344 in IMS and verify that all required fields are completed and accurate.
  - b. Prepare Letter 987-X, Agreed Excise Tax Change, which will be signed by the manager on behalf of the Chief, Estate & Gift/Excise Tax Exam and left in the case file. It will be dated and mailed to the taxpayer by the group.
  - c. On Form 3198, check the appropriate letter box on page 2 under "Letter Instructions for CCP".

**Note:** The mailing of items under "Letter Instructions for CCP" on page two will now be the responsibility of the group.

**IRM 4.24.21.5.4, Closing Procedures for No Change Cases, paragraphs 2 and 4 are replaced with:**

- (2) To complete a no change examination, the examiner will:
- a. Complete Form 3198, in IMS and enter DC "02" for no change, or DC "01" for no change with adjustments.
  - b. Complete Form 5344, Examination Closing Record, in IMS and enter "zero" or "(0)" on line 404d.
  - c. Prepare Letter 590-X, No Change - Final, which will be signed by the manager for the Chief, Estate & Gift/Excise Tax Exam and left in the case file. It will be dated and mailed to the taxpayer or collector by the group.
  - d. On Form 3198, check the "No Change Letters" and "Letter 590 (straight N/C)" boxes under the letter instructions for CCP.

**Note:** The mailing of items under "Letter Instructions for CCP" on page two will now be the responsibility of the group.

- (4) Submit the case file to the manager for review and closure.

**IRM 4.24.21.5.5, Closing Procedures for No Liability Cases, paragraphs 4, 5, 6, and 7 are**

**replaced with:**

- (4) Closing the IMS case file to CCP requires the actions described in the paragraphs that follow.
- (5) Procedures for Letter 930, Non-Filer No Liability Substitute for Return (SFR) Transmittal Letter:
  - a. The examiner must prepare Letter 930 advising the taxpayer there is no liability for the excise tax indicated.
  - b. The manager will sign Letter 930 on behalf of the Chief, Estate & Gift/Excise Tax Exam.
  - c. Letter 930 will be mailed by the group.

(6) IMS case file closing:

- a. Established no change IMS case file closing procedures are followed for no liability SFR non-filer cases.
- b. The IMS case file must contain documentation to support the no liability determination.
- c. The IMS case file serves as the historical record for all examiner actions, findings, and determinations that is essential background, if that case is subsequently identified and/or classified.

(7) At a minimum the IMS case file, must contain the following:

- a. BMFOLT for the periods involved showing the transaction code 150 posting for the SFR.

**Note:** The examiner should also check TXMODA to ensure there are no pending transactions.

- b. AMDISA to show the module is fully established on AIMS
- c. Letter 930 with proper signature
- d. Form 3198
- e. Form 5344
- f. Supporting documentation explaining the reasons for the no liability SFR non-filer closure, such as Examining Officer's Activity Record in IMS and any lead sheets or workpapers

**Note:** If an SFR examination results in a decision that the taxpayer is not liable for an excise tax in the period examined, no examination report is required. Letter 930 is all that is necessary because the taxpayer did not file an excise return.

**Note:** Not all mandatory workpapers are required for a no liability case.

**IRM 4.24.21.6.1, Review of Case, paragraph 2 is obsolete, and paragraph 6 is replaced with:**

(2) [OBSOLETE]

(6) After the review is completed, the secretary or designated group closing official will update the status of the case in ERCS to status "21" or "51" and Form 15292-B, Excise Tax Case Closing Cover Sheet, along with attached documents will be emailed to CCP for closure. Changing the status in ERCS to status "21" or "51" should be the last update prior to closing the IMS case file. Tech Services will have access to the case in IMS once updated to status 21.

**IRM 4.24.21.6.2, Case Documentation, is replaced with:**

(1) Document the Case Level Activity Record in IMS with (but not limited to) the following:

- Actions taken for case review
- Actions taken for closing case
- The date the case file was closed from the group to CCP, Tech Services or SEQ (if selected for National Quality Review). See IRM 4.2.8.6, Overview of National Quality Review Case Selection Procedures, for additional guidance.
- Explanation of all delays (i.e., manager traveling, group meeting, etc.) from the date the case is closed to the manager to the date the case is closed from the group.

**Note:** When there are gaps that exceed the recommended national time frames for taking actions, refer to IRM 4.24.21.3(4).

**IRM 4.24.8.9, Unpaid Claims – Survey, paragraph 6 is replaced with:**

(6) Additionally, the examiner must prepare Letter 570-X, Examination Report (Claim Allowed in Full). Which will be signed by the manager on behalf of the Chief, Estate & Gift/Excise Tax Exam and left in the case file. It will be dated and mailed to the taxpayer by the group.

**IRM 4.24.8.9.1, Form 5344, Examination Closing Record, Unpaid Claims – Surveyed, paragraphs 1 and 2 are replaced with:**

(1) There is an IMS option to survey unpaid claims after assignment. Both Form 2503 and Form 5344 should be generated in IMS in order for the claim to close by the group. Refer to IMS help menu for additional information.

(2) Complete Form 5344 and include it in the case file when closed from the group. Do not apply time to the surveyed claim. The following items should be completed:

- Item 13 Disposal Code: Enter 34.
- Item 15 Credit and Tax Computation Adjustments: Enter CRN or Abstract with claim amount.
- Item 21 Amount Claimed: Enter claim amount.
- Item 33 Examiner's Name: Enter examiner's name.



**IRM 4.24.8.9.2, Form 3198, Special Handling Notice for Examination Case Processing, Unpaid Claims - Surveyed paragraph 2 is replaced with:**

- (2) Under "Letter Instructions for CCP," check the boxes "Claims Letters" and "Fully Allowed - L 570."

**Note:** Mailing of items under "Letter Instructions for CCP" on page two will now be the responsibility of the group.

**IRM 4.24.8.10.2, Report Writing Regular Agreed Cases - Unpaid Claim - Allowed in Full, paragraph 7 is replaced with:**

- (7) Letter 570-X allows an examined claim allowed in full. The examiner will prepare Letter 570-X, include their contact information in the contact section and retain an undated letter in case file. The manager will sign the letter on behalf of the Chief, Estate & Gift and Excise Tax Examination. The group will date and mail Letter 570-X to the taxpayer and representative, if applicable.

**IRM 4.24.8.10.2.2, Form 3198, Special Handling Notice for Examination Case Processing, Unpaid Claim - Allowed In Full, paragraph 4 is replaced with:**

- (4) Under "Letter Instructions for CCP," check the box "Claims - Fully Allowed - L570-X."

**Note:** Mailing of items under "Letter Instructions for CCP" on page two will now be the responsibility of the group.

**IRM 4.24.8.10.3, Report Writing Regular Agreed Cases - Unpaid Claim - Increase to Original Amount, paragraph 7 is replaced with:**

- (7) Prepare Letter 570-X, Examination Report (Claim Allowed in Full), which will be signed by the manager on behalf of the Chief, Estate & Gift/Excise Tax Exam and left in the case file. It will be dated and mailed to the taxpayer by the group.

**IRM 4.24.8.15.1, Paid Claim Report Writing and Case Processing Procedures - No Change/No Adjustments, paragraph 5 is replaced with:**

- (5) Prepare Letter 570-X, Examination Report (Claim Allowed in Full) if no other examination issues are present. If other examination issues are present, also prepare Letter 590-X, No Change Final. Both will be signed by the manager on behalf of the Chief, Estate & Gift/Excise Tax Exam and left in the case file. They will be dated and mailed to the taxpayer by the group.

**IRM 4.24.8.15.1.2, Form 3198, Special Handling Notice for Examination Case Processing, Paid Claim - No Change, paragraph 2 is replaced with:**

- (2) Under "Letter Instructions for CCP," check the box "Claims - Fully Allowed - L570-X" if no other examination issues are present. If other examination issues are present, check the "No Change - L 590-X" box.

**Note:** Mailing of items under "Letter Instructions for CCP" on page two will now be the responsibility of the group.

**IRM 4.24.8.15.2, Paid Claim Report Writing and Case Processing Procedures – Agreed, paragraph 6 is replaced with:**

- (6) Prepare Letter 987-X, Agreed Excise Tax Change Letter, which will be signed by the manager on behalf of the Chief, Estate & Gift/Excise Tax Exam and left in the case file. It will be dated and mailed to the taxpayer by the group.

**IRM 4.24.8.15.2.2, Form 3198, Special Handling Notice for Examination Case Processing, Paid Claim - Agreed - No Change, is replaced with:**

- (1) Under "Letter Instructions for CCP," check the box "Agreed - Letter 987-X."

**Note:** Mailing of items under "Letter Instructions for CCP" on page two will now be the responsibility of the group.

**IRM 4.24.8.16.1, Report Writing Regular Agreed Cases - Paid Claim - Increase to Original Amount, paragraph 7 is replaced with:**

- (7) Prepare Letter 570-X, Examination Report (Claim Allowed in Full), which will be signed by the manager on behalf of the Chief, Estate & Gift/Excise Tax Exam and left in the case file. It will be dated and mailed to the taxpayer by the group.

**IRM 4.24.8.16.1.2, Form 3198, Special Handling Notice for Examination Case Processing, Paid Claim - Increase to Original Amount, paragraph 6 is replaced with:**

- (6) Under "Letter Instructions for CCP," check the box "Claims - Fully Allowed - L570-X" if no other examination issues are present. If other examination issues are present, check the appropriate letter box.

**Note:** Mailing of items under "Letter Instructions for CCP" on page two will now be the responsibility of the group.