



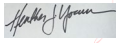
DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

SMALL BUSINESS/SELF-EMPLOYED DIVISION

July 22, 2024

Control Number: SBSE-04-0724-0041  
Expiration Date: September 29, 2025  
Affected IRM(s): 4.13.1.4.5

MEMORANDUM FOR SMALL BUSINESS / SELF-EMPLOYED (SB/SE), CAMPUS EXAMINATION EMPLOYEES

FROM: Heather J. Yocum  Digitally signed by Heather J. Yocum  
Director, Examination Field and Campus Policy

SUBJECT: Temporary Deviation for Individual Master File (IMF) Audit Reconsiderations

**Purpose:**

This memorandum reissues guidance from Interim Guidance Memo SBSE-04-0923-0055, dated September 29, 2023, and addresses changes to the inventory sent from Campus to General Program Field Examination resulting from increased volumes of audit reconsideration requests being received in the campus and reduced staffing in Field Examination. This deviation directly impacts General Program Field Exam. Specialty Field inventory should be worked following normal procedures.

**Background:**

The FY23 SB/SE Field Exam Workplan increased Area Office inventory volumes that significantly limited the number of Audit Recons that could be worked by Field Examiners. The FY24 SB/SE Enterprise Workplan continues to present this issue.

**Procedural Change:**

The Campus Reconsideration Unit (CRU) will continue to receive Area Office Audit Recons and will determine how the cases would be assigned in the Field based on the Employee Group Code (EGC) of the Transaction Code (TC) 420. A TC 420 that reflects an EGC 1XXX are Revenue Agent (RA) cases and a TC420 that reflects an EGC 2XXX are Tax Compliance Office (TCO) cases. After the Campus/Field and RA/TCO determinations are made, the thresholds below will be applied.

For Area Office Audit Recons with audit assessment amounts at or above the thresholds below, normal procedures will be used following IRM 4.13.1.4.5.1, Transfers to Area Office. For multiple year Audit Recon requests received, if one year is being sent to Field based on the revised thresholds, send all years together.

Criteria to route reconsideration cases to Area Office is outlined in IRM 4.13.1.4.5(2), Area Office Reconsiderations. The procedural change being applied is that cases closed as a No Show/No Response will now be worked in the campus if the classified issue is campus conducive and guidance is provided in IRM 4.19.14, Refundable Credits Strategy or IRM 4.19.15, Discretionary

Programs, instead of routed out to an area office. For all other Audit Recons and No Show/No Response cases not conducive to be worked in the campus, follow threshold procedures as outlined below:

- If an Audit Recon is designated as Revenue Agent (RA) (EGC 1XXX) and has a prior audit assessment under **\$30,000**, make the adjustment removing prior audit assessment, fully allow the Audit Recon and close the case.
- If an Audit Recon is designated as Tax Compliance Officer (TCO) (EGC 2XXX) and has a prior audit assessment under **\$10,000**, make the adjustment removing prior audit assessment, fully allow the Audit Recon and close the case.

**Effective Date and Effect on Other Documents:**

This temporary guidance is effective immediately. This deviation from IRM 4.13.1.4.5, Area Office Reconsiderations, is in effect until September 29, 2025 and will not be incorporated into the affected IRM.

**Contact:**

If you have questions on the case selection issues, please contact the Program Manager of Exam Case Selection, Field Case Selection. If you have questions on the campus procedural issues, please contact the Program Manager of Exam Field and Campus Policy.

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