



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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

November 22, 2022

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Expiration Date: 11-22-2024
Affected IRM: 5.8.12

MEMORANDUM FOR: GUADALUPE ORTIZ, DIRECTOR, SPECIALTY COLLECTION
OFFER IN COMPROMISE

FROM:

Kareem Williams
Director, Collection Policy

Kareem Williams

Digitally signed by Kareem
Williams
Date: 2022.11.22 10:46:25 -05'00'

SUBJECT:

Interim Guidance on Electronic Independent Administrative
Review (IAR) Procedures for Centralized Offer in Compromise
(COIC)

This memorandum issues guidance on electronic IAR procedures until IRM 5.8.12, Independent Administrative Review, is published. Please ensure this information is distributed to all affected employees within your organization.

Purpose: The reason for this guidance is to provide procedures to COIC for submitting offer in compromise (OIC) cases for review by independent administrative reviewers (IARs) electronically. The process will no longer be a paper (case file) approval system. There is no change to the OIC investigation, or the rejection process as outlined in [IRM 5.8.7](#).

Background: On March 20, 2020, most IRS offices were vacated due to the COVID-19 pandemic. This created a challenge for reviewing cases by IARs. IARs would pick up work from Campuses or Area Offices by contacting management to arrange for a safe, minimal contact interaction. This presents complications now, even after the stay-at-home order has been lifted. Similar electronic IAR procedures for Field OIC cases have been in effect since 2011.

Procedural Change – IRM 5.8.12.3 – Offer Examiner (OE) Procedures

OEs will utilize existing Multifunction Devices (MFDs) or scanners to scan the following documents for each case subject to independent review to their manager for concurrence:

Form 656, Offer in Compromise (including any additional pages added by the taxpayer)
Form 1271, Rejection Memorandum – electronically signed
Form 433-A(OIC), Collection Information Statement for Wage Earners and Self-Employed Individuals (include any additional pages added by the taxpayer)
Form 433-B(OIC), Collection Information Statement for Businesses (Business offers only) - (include any additional pages added by the taxpayer)
Rejection Letter

These documents are listed in [IRM 5.8.12.3\(1\)](#) and should be present in every offer case file. The Asset/Equity and Income/Expense Tables are already available on the Decision Point tab of the Automated Offer in Compromise (AOIC) system.

These scanned documents will be consolidated into a single PDF file for transmittal to the IAR via an electronic process (share drive or SharePoint).

NOTE: For cases that are being returned to the IAR after corrections, add to the **5492** folder in the share drive or SharePoint.

Procedural Change – IRM 5.8.12.2 – Independent Administrative Review (IAR) Procedures

IARs will receive notification from the offer group with scanned/attached copies of the following documents from the offer case file: closing letters, Form 1271, Form 656, Form 433-A(OIC)/Form 433-B(OIC). These documents may be printed out for reference. Case history remarks are available in AOIC remarks in real time. These remarks should be referred to online so that the latest entries are not overlooked. The cases should be added to the IAR's inventory in the normal manner.

The rejection review will remain the same. Once the review has been completed and the rejection is to be sustained, the IAR will sign the Form 1271 electronically with the signature tool and forward the signed Form 1271 to the COIC Support Team manager and lead via email.

Procedural Change – IRM 5.8.12.4 – Clerical/Process Examiner (PE) Procedures

A COIC Support Team clerk or PE will print out the electronically signed Form 1271 to associate with the physical case file and print the rejection letters for mailing and associating with the physical case file.

Effective Date: November 22, 2022

Contact: You may direct any questions to Diana Estey, National Offer in Compromise Program Manager, or a member of your staff may contact Policy Analyst, Bill Grodzicki.

Cc: Director, Field Collection
Civil Enforcement Advice and Support Operations (CEASO)
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