



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

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Affected IRMs: Listed Below

MEMORANDUM FOR APPEALS EMPLOYEES

FROM: John V. Cardone /s/ *John V. Cardone*
DIRECTOR, POLICY, QUALITY AND CASE SUPPORT

SUBJECT: Mandatory Appeals TEFRA Team (ATT) Referrals

This memorandum provides guidance to Appeals employees working TEFRA key cases. It supplements previous guidance encouraging referrals via a work request process to request assignment of an Appeals TEFRA Team Appeals Officer (ATT AO) to serve as a consultant. Effective on the date of this memorandum, use of ATT services is mandatory for:

- Screening
- FPAA preparation
- Agreement package preparation
- Closing package preparation

The following Internal Revenue Manual (IRM) sections are affected:

- 8.19.1.1.1
- 8.19.2.4.1
- 8.19.10.1.1
- 8.19.10.1.3
- 8.19.11.1.1
- 8.19.12.1.1
- 8.19.13.1.1
- 8.20.5.36.1
- 8.21.6.2.2.3

This guidance is effective on the date of the memorandum and will be incorporated into the affected IRMs within two years. Appeals personnel should elevate any questions through the appropriate management chain.

Until the guidance is incorporated into the affected IRMs, the attached updated IRM sections and the procedures posted on the [TEFRA SharePoint site](#) provide guidance for all personnel. Please ensure that this information is distributed to all affected employees within your organization.

Attachment: Updated IRM Sections

cc: www.irs.gov

8.19.1.1.1

Appeals TEFRA Team (ATT)

- (1) In July 2010, Appeals centralized technical services for all TEFRA key cases in the Appeals TEFRA Team (ATT) based in Laguna Niguel, CA. The ATT takes a pro-active role in all TEFRA key cases in Appeals from receipt through closing. The ATT serves as a resource for Appeals employees considering the TEFRA cases and to employees who provide support services on TEFRA cases. An ATT Appeals Officer (ATT AO) serves as a consultant on a TEFRA key case. The ATT Appeals Team Manager (ATT ATM) assigns the case to the ATT AO as a work request, not a direct case assignment.
- (2) Screening of TEFRA key case receipts by ATT is mandatory. All Appeals offices must ensure all TEFRA key cases were routed to and screened by the ATT before assignment to a field ATE. If an ATM or ATE receives a TEFRA key case that the ATT has not screened, ship the case to Laguna Niguel APS with a Form 3210 transmittal directing APS to give the case to the ATT to screen. The ATT ATM will assign a screening work request to an ATT AO. The ATT AO will screen for accuracy and completeness of TEFRA administrative procedures and complete a screening checksheet.
- (3) The following ATT work requests are mandatory:
 - **FPA**A preparation oversight and assistance
 - **Agreement package** preparation oversight and assistance
 - **Closing package** preparation oversight and assistance
- (4) To initiate a TEFRA key case work request to ATT, send an email to *AP TEFRA Team and attach Form 3608 specifying the work requested and statute or other priority.
- (5) ATT AO responsibilities also include:
 - Understanding the statute and the IRM on TEFRA cases (both key cases and partner returns). Keeping current in TEFRA related tax law changes and court decisions.
 - Interacting with and understanding the interrelationship between the two Campus TEFRA Functions (CTF), SB/SE Technical Services and teams, LB&I teams, Associate Area Counsel, and the movement of key cases and partner returns between these functions.
 - Addressing routine TEFRA questions from Appeals employees, serving as a resource for TEFRA concerns, and training employees in TEFRA procedures, as needed.
 - Ensuring that settlements can be administered by the CTFs.
 - Reviewing the work request from field ATE, and then refining Form 3608 with specific preparation instructions to the Tax Computation Specialist (TCS) Manager with TEFRA TCS, if needed.

- Coordinating, overseeing, and assisting TCS in the preparation of agreement packages, closing packages, and FPAAAs.
- Identifying and reporting problems with the TEFRA program to management and/or the Appeals Technical Specialist(s) for TEFRA.
- Serving as a team member in special circumstances as determined by the ATT ATM.

(6) Account and Processing Services (APS) receives and cards TEFRA key cases before sending them (through Laguna Niguel APS) to the ATT ATM to assign a screening work request to an ATT AO. See IRM 8.20.5.36.1, *TEFRA Key Case*, for APS' receipt and carding procedures.

(7) Laguna Niguel APS closes all TEFRA key cases.

(8) See the ATT [SharePoint site](#) for detailed procedures about using the ATT. A link to the site is found on the [Appeals TEFRA website](#).

8.19.2.4.1

8.19.10.1.1

8.19.11.1.1

8.19.12.1.1

8.19.13.1.1

Using the Appeals TEFRA Team (ATT)

(1) Appeals employees must follow the work request procedures to request ATT assistance. Use of the ATT is mandatory for agreement package, closing package, and FPAA preparation. Follow the work request procedures in IRM 8.19.1.1.1, *Appeals TEFRA Team (ATT)*. Also see detailed procedures for using the ATT on their [SharePoint site](#). A link to the site is found on the [Appeals TEFRA website](#).

8.19.10.1.3

Receiving and Closing TEFRA Partnerships

(1) IRS source functions that send TEFRA partnership cases to Appeals should:

- a. Route non-docketed TEFRA partnership cases directly to Laguna Niguel APS.

Note: If a source function misroutes a non-docketed TEFRA partnership to local APS, local APS should card-in the case and then send it to Laguna Niguel APS.

- b. Route docketed TEFRA partnership cases to the Appeals office listed on the Docket List.

Note: The TEFRA key case carding procedures for APS are located in IRM 8.20.5.36.1, *TEFRA Key Case*.

(2) Laguna Niguel APS closes all TEFRA partnership cases in Appeals. All Appeals offices must send all TEFRA key cases to Laguna Niguel APS for closing.

**8.20.5.36.1
TEFRA Key Case**

- (1) A TEFRA key case can be either a non-docketed or docketed case. It may be a Form 1065, U.S. Return of Partnership Income.
- (2) The case routing guidelines direct IRS source functions to route:
- Non-docketed TEFRA key cases to Laguna Niguel APS
 - Docketed TEFRA key cases to the APS office indicated on the docket list
- (3) APS will also identify the TEFRA key case by Partnership Investor Control File (PICF) code 1 on the IDRS AMDISA print; however, a PICF code of 5 will override a PICF code of 1, when a partnership is an investor in another partnership. Any time Form 1065 is received, APS will verify if it is a TEFRA key case.
- (4) The following table provides instructions on the receipt and carding process for TEFRA key cases:

IF the TEFRA Key Case Is...	THEN...
Nondocketed	<p>Laguna Niguel APS will:</p> <ul style="list-style-type: none"> • Receive and card all nondocketed TEFRA key cases before assignment. • Route all nondocketed TEFRA key cases to the Appeals TEFRA Team in Laguna Niguel for screening. <p>All APS offices will:</p> <ul style="list-style-type: none"> • Card misrouted nondocketed TEFRA key cases, if received in a local APS office. • Transfer misrouted TEFRA key cases after carding to Laguna Niguel APS. Refer to the transfer/reassignment procedures in IRM 8.20.6.4.3, <i>ACDS Closing Code 30 – Transfers of Cases Between Areas Within Appeals</i>, and IRM 8.20.6.4.4, <i>ACDS Closing Code 40 – Reassignment of Cases Within the Same Area</i>. (Laguna Niguel APS will route the TEFRA key case to the Appeals TEFRA Team in Laguna Niguel for screening.)

IF the TEFRA Key Case Is...	THEN...
Docketed TEFRA key cases	<p>All APS offices will:</p> <ul style="list-style-type: none"> • Receive docketed TEFRA key cases based on the routing shown on the docket list. • Update the docketed skeletal ACDS record. • Send the case to Counsel for Answer. • Prepare the orange docketed case routing sheet to direct Counsel to send the case to the ATT ATM after filing the Answer.
<p>Note: The ATT must screen ALL TEFRA cases before assignment to a field ATE.</p>	

- (5) APS will establish the TEFRA key cases following normal procedures and:
- TYPE - TEFRA
 - SNTYPE - FPAA (Appeals Issued) FPAD (Compliance Issued) or FPAS (Campus issued) (If DOCKETED)
 - PropDef - The APS Tax Examiner will leave this field blank when carding the TEFRA Key Case and the Appeals TEFRA Team (ATT) will compute the deficiency following the guidance in the TEFRA IRM 8.19

8.21.6.2.2.3 Issuing an FPAA

- (1) The Appeals Technical Employee (ATE) must request the assistance of the ATT for preparation of the FPAA. Follow the work request procedures in IRM 8.19.1.1.1, *Appeals TEFRA Team (ATT)*. Also see detailed procedures for using the ATT on their [SharePoint site](#). A link to the site is found on the [Appeals TEFRA website](#).
- (2) After completion of the work request by the ATT and TCS, the ATE will submit the package to the ATM (if applicable), or to APS requesting issuance of the FPAA.
- (3) The responsibility for the TEFRA key case statute remains with the ATE until the case is submitted to the ATM (if applicable) or when APS receives the request for issuance of the FPAA with the proper statute in ACDS and on the Form 5402, *Appeals Transmittal and Case Memo*.
- (4) If the TEFRA key case statute will expire in less than 180 days, it is considered a short statute case. See IRM 8.21.1.3, *Statutes Expiring Within 180 Days*. The ATE should place the file in a red folder (Form 10364-A, *Statute Expiration Case Notice*), or in lieu of Form 10364-A, use a plain red folder with an attached completed fillable Form 10364, *Statute Expiration Case Notice*. Attach a pink expedite tag to the folder.