



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

August 6, 2014

Control No. AP-08-0814-0008  
Expiration Date: 08/06/2016  
Affected IRMs: See Attachment

MEMORANDUM FOR APPEALS EMPLOYEES

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

SUBJECT: Appeals Judicial Approach and Culture (AJAC) Feature Codes and  
Premature Referral Reason

The purpose of this memorandum is to provide guidance on using new feature codes and a premature referral reason within the Appeals Centralized Database System (ACDS) related to the implementation of AJAC Phase 2.

- Feature Codes:
  - RI - Referral Investigation
  - NI - New Information
- Premature Referral Reason - New Issue-Government's Position Not Established

IRM subsections affected by these changes are listed in the attachment. This guidance is effective for all case work in Appeals listed below and will be incorporated into the Internal Revenue Manual (IRM) within two years from the following effective dates:

- Collection sourced cases, Collection Information Statements, and significant information received on or after August 11, 2014
- Examination sourced nondocketed cases received on or after September 2, 2014

Appeals employees should elevate any questions through their appropriate management chain.

Attachment: (1) IRM Revisions - AJAC Related Feature Codes and Premature Referral Reason

cc: [www.irs.gov](http://www.irs.gov)

***For Collection Due Process and Equivalent Hearing Cases:***

IRM 8.22.7.4, Appeals Referral Investigation (ARI)

(6) While the ARI is being worked, apply feature code "RI" (Referral Investigation) and suspend the CDP in ACDS. Input SU/PI and E/OTH to suspend the case and SU/TO to take it out once the ARI is complete. The RI feature code will remain on the case after it has been taken out of suspense.

***For Offer in Compromise Cases:***

IRM 8.23.3.3.2.6, *Requesting Assistance from Field or Campus Collection*

(3) Apply feature code "RI" (Referral Investigation) and suspend the case in ACDS using CARATS code SU/PI until the ARI is completed. Update the status to E/OTH.

(4) Once the ARI is returned, take the case out of suspense using CARATS code SU/TO. The RI feature code will remain on the case after it has been taken out of suspense.

***For Trust Fund Recovery Penalty Cases:***

IRM 8.25.2.3.3.4 , *Valid Request – Formal Claim*

(3) If you determine during your initial review that the issue is different/new, close the claim as a premature referral. Use the premature referral reason description, 'New Issue-Government's Position Not Established.' Collection Advisory will work the claim. If Advisory partially/fully denies the claim, they issue the Claim Disallowance Letter. This letter notifies the taxpayer that they have 30 days to request reconsideration by Appeals, and two years to request consideration by the courts.

IRM 8.25.2.4.2, *Case Analysis-Evidence*

Added a "Note" after paragraph (6).

**Note:** While the ARI is being worked, apply feature code "RI" (Referral Investigation) and suspend the case in ACDS. Input SU/PI and E/OTH to suspend the case and SU/TO, to take it out once the ARI is complete. The RI feature code will remain on the case after it has been taken out of suspense.

***For IRS Campus-Sourced Exam Work Streams (including claims, PENAPs, International penalties, and International Individual Compliance (IIC) - Tax Examiner cases as identified on Form 3198):***

IRM 8.6.1.6.5, *Taxpayer Provides New Information*

Added a “Note” after the exception in paragraph (2).

**Note:** Add Feature Code “NI” (New Information) to Campus-sourced cases where the taxpayer provides new information and the case meets the exception in (2) and Appeals will retain jurisdiction.