



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
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MEMORANDUM FOR ALL SB/SE AND LB&I FIRST-LINE MANAGERS AND REVENUE AGENTS

FROM: Shelley M. Foster /s/ *Shelley M. Foster*
Director, Examination Field
Small Business/Self Employed Division

Tina D. Meaux /s/ *Tina D. Meaux*
Director, Pre-Filing and Technical Guidance
Large Business and International Division

SUBJECT: Interim Guidance to Ensure Examiners Timely Submit Control Documents needed for establishing the TEFRA Audit on the Partnership Control System (PCS).

On September 26, 2014, TIGTA issued the audit report, "Improvements Are Needed to Ensure That Procedures Are Followed During Partnership Audits Subject to the Tax Equity and Fiscal Responsibility Act of 1982 (Audit 2014-30-082)." The report outlined five recommendations to improve timeliness on controls.

TIGTA stated, in their report, that the IRM guidance available to examiners included conflicting requirements for the submission of Partnership Control System (PCS) linkage packages and recommended the IRS issue interim guidance to ensure that examiners are submitting the PCS packages timely.

In response to TIGTA's first recommendation, IRM 4.31.2 *Pass-through Entity Handbook – TEFRA Examinations – Field Office Procedures* will be updated. Changes will reflect that in general requests for PCS linkage must be submitted no sooner than 45 days and no later than 120 days after the Notice of Beginning of Administrative Proceedings (NBAP) has been issued at the Partnership level. An exception would apply if potential adjustments are identified earlier than the specified 45 days.

This Interim Guidance provides direction to first-line managers and revenue agents to ensure control documents are timely submitted for establishing the TEFRA audit on the Partnership Control System (PCS). Please ensure this guidance is distributed to all revenue agents and their managers.

If you have questions or need additional information, please contact your Technical Services TEFRA Coordinator.

cc: www.irs.gov