



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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

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MEMORANDUM FOR DIRECTORS, COLLECTION AREA OPERATIONS

FROM: Kristen E. Bailey /s/ *Kristen E. Bailey*
Acting Director, Collection Policy

SUBJECT: Interim Guidance for FTD Alert Contact Procedures

The purpose of this interim memorandum is to reissue the prior interim guidance memo number SBSE-05-0315-0027 to provide additional guidance on contacting taxpayers in FTD Alert cases.

IRM 5.1.10.3.1, *Initial Contact Time Frames*, and IRM 5.7.1.4, *Receipt of FTD Alerts*, requires initial taxpayer contact within 15- calendar days of receipt of the Alert. In most cases, initial contact with taxpayers should be in the field to allow the opportunity to view the business/operation, assets and make informed decisions regarding filing and deposit requirements and collectability.

Additionally, a face-to-face visit can be an effective opportunity to provide and explain the [TBOR](#) as well as bring taxpayers into compliance and educate them on deposit and filing compliance the consequences of non-compliance, such as penalties, including the Trust Fund Recovery Penalty. While field contact is the preferred method of contact, Revenue Officers retain the discretion to determine the best method of effective initial contact on a case-by-case basis.

In situations where the Revenue Officer determines initial contact in the field is not possible or practicable and the use of a telephone call is the appropriate method for initiating contact with the taxpayer, see IRM 5.7.1.6(1), *Contact Procedures*, and document the case history outlining the circumstances for their determination. If initial contact is not at the taxpayer's place of business, a field visit to the taxpayer's place of business must still take place, when practical. (See IRM 5.1.10.3(7)). If a subsequent field contact is also not practicable, the case history will be documented outlining the circumstances.

It is important to remember that FTD Alerts are priority assignments intended to provide an opportunity for early intervention with businesses where initial indications are that the taxpayer may be behind on withheld payroll taxes. Following the pre-contact research and analysis (see IRM 5.7.1.5), it is imperative that contact with the taxpayer occur within 15 calendar days of receipt as per IRM 5.7.1.4(2), regardless if other modules are listed on IDRS in various statuses for the same taxpayer. If after making contact on the Alert, the Revenue Officer is unable to bring the taxpayer into full filing, paying and deposit compliance, use appropriate procedures to request assignment and create an ICS Bal Due/Del Ret. Only after contact on the Alert and the case is assigned on ICS should the FTD Alert be closed using the appropriate closing code (see IRM 5.7.1.9(7), *Alert Closing Procedures*). Revenue Officers should continue to document the ICS history according to guidelines listed in IRM 5.1.10.8(2), *Case Histories* regarding plans for next actions, FTD verification, and closing narratives.

This guidance will be incorporated in IRM 5.7.1 *FTD Alerts*, within one year of the date of this memorandum.

If you have questions, please contact me, or a member of your staff may contact Rochelle Folquet, Senior Program Analyst.

cc: National Taxpayer Advocate
Director, Field Collection
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