



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

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

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MEMORANDUM FOR ALL EO EXAMINATIONS MANAGERS AND
ALL EO EXAMINATIONS REVENUE AGENTS

FROM: Jason C. Kall */s/ Jason C. Kall*
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SUBJECT: Surveying Returns

This memorandum modifies the current procedures contained in [IRM 4.75.16.3.2](#), *Surveying Returns*, regarding the determination of whether to survey a return in lieu of conducting an audit.

Purpose:

The purpose of this memorandum is to require managers and employees to ensure that there is sufficient written justification and documentation when determining to survey a return in lieu of conducting an audit.

Background:

The GAO report entitled *IRS Examination Selection: Internal Controls for Exempt Organization Selection Should be Strengthened*, recommended strengthening the procedures used in documenting decisions to survey cases selected for examination.

Procedural Changes:

All EO Examinations' determinations to survey a return, whether before or after assignment, must include an approved [Form 1900](#), *Survey After Assignment* (or [Form 2503](#), *Survey After Assignment-Excise or Employment Tax*). All determinations to survey will be treated with the same level of review.

(1) After an agent decides to survey a return:

- a. Prepare [Form 1900](#) or [Form 2503](#).

- b. Follow the instructions in [Exhibit 4.75.16-1](#) and [Exhibit 4.75.16-2](#) for completing these forms.
- c. For all surveyed closures other than totally electronic closures, complete paper [Form 5596](#), *TE/GE Non-Examined Closings* ([Form 5599](#), *TE/GE Examined Closing Record*, for surveyed claims).
- d. Digitally sign the forms in Adobe Acrobat and secure e-mail the signed [Form 1900](#) or [Form 2503](#), and [Form 5596](#) if applicable, to your group manager.

Note: For more instructions on surveyed claims, see [IRM 4.5.3.13.3](#) and [IRM 4.75.37.6.1](#).

(2) Group Manager: Upon receipt of the form(s):

- a. Review the agent's justification for surveying a return.
- b. If in agreement, digitally sign the forms in Adobe Acrobat.
- c. Return the digitally signed forms back to the agent via secure e-mail.

(3) Agent: Upon receipt of the digitally signed forms:

- a. Enter onto the closing record screen in RCCMS the appropriate RCCMS survey disposal code from [Document 6379](#), *Information Systems Codes FY 2016 Quick Reference for EO Employees*.
- b. Enter the justification in the remarks and comments box on RCCMS, at Closing Record, General Tab. The justification is a critical item and must explain why the return is not going to be examined. A generic entry such as "survey" is not acceptable.
- c. Stamp the original return as indicated in paragraphs (4) and (5) of [IRM 4.75.16.3.2.2](#), *Survey After Assignment*.

Note: If surveying a Form 990-N, *e-Postcard*, stamp either of the screen prints indicated in Interim Guidance Memorandum, [TEGE-04-1015-0024](#), *Form 990-N Case File Preparation*, dated October 23, 2015. Attach BMFOLT and AMDISA to the screen prints.

- d. Prepare [Form 3198-A](#), *TE/GE Special Handling Notice*, with the name of the entity, EIN, MFT, and tax year. Enter "Survey After Assignment" or "Survey After Initial Contact" under the block labeled "Other Instructions" at the bottom of the form.

Note: Group Manager: If surveyed before assignment, enter "Survey Before Assignment" under the block labeled "Other Instructions" at the bottom of the form.

- e. Upload the signed forms to RCCMS.
- f. Close the case to the group manager on RCCMS.

- g. Perform a send/receive within RCCMS.
- (4) Other survey procedures remain unchanged, including special survey procedures for automatically revoked organizations in [IRM 4.75.16.5.2](#).

Effect on Other Documents:

The contents of this memorandum will be incorporated in [IRM 4.75.16.3.2](#), *Surveying Returns*, within two years from the date of this memorandum.

Effective Date:

The changes included in this memorandum are effective immediately.

Please submit your questions to Mandatory Review via [*TEGE EO Review Staff](#).

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