



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

May 8, 2018

Control No. AP-08-0518-0007
Expiration Date: 05/08/2020
Affected IRM: 8.20.7, 8.22.9, 8.23.4

MEMORANDUM FOR APPEALS EMPLOYEES

FROM: Anita M. Hill /s/ *Anita M. Hill*
Director, Case and Operations Support

SUBJECT: Change in Procedures for Public Inspection Files (PIF) for Accepted Offers in Compromise (OIC)

This memorandum alerts Appeals employees to a change with respect to redacted transcripts that are part of the Public Inspection File (PIF) on accepted Offer in Compromise (OIC) cases. Please ensure that this information is distributed to all affected employees within your organization.

Purpose: Effective immediately, redacted transcripts will no longer be attached to [Form 7249](#), *Offer Acceptance Report*, filed for public inspection.

Background/Source(s) of Authority: Pursuant to Executive Order 10386, the IRS has determined that the information contained in Form 7249 without transcripts will meet the public interest and will be available for public inspection.

Procedural Change: Un-redacted transcripts are still required for OIC acceptance cases that are subject to Counsel's legal sufficiency review but redacted transcripts are no longer required for the PIF. The PIF will consist solely of a properly completed, signed and dated Form 7249 using the latest revision from the Electronic Publishing site Form 7249 or via APGOLF 2.0.

Effect on Other Documents: This guidance will be incorporated into the above IRM sections within two years of the date of this memo. This guidance is to be used in coordination with Interim Guidance AP-08-0517-0006.

Effective Date: This guidance is effective as of the date of this memorandum.

Contact: Appeals employees should follow existing procedures to elevate questions through their management chain and follow established procedures on [How to Contact an Analyst](#).

Attachment(s):
cc: www.irs.gov

Attachment

Interim Guidance AP-08-0518-0007

8.20.7.17.17.1.2 (MM-DD-YYYY)

Accepted OIC - Appeals Considered

(1) When Appeals accepts an OIC associated with a CDP and EH case, the following **original** documents will be included in the file by the ATE:

- Form 656, *Offer in Compromise*, and any amended Form 656
- Form 14640, *Addendum to Form 656* (if applicable)
- Form 7249, *Offer Acceptance Report* (with un-redacted transcripts if a Counsel opinion is required.)
- OIC Form 5402, *Appeals Transmittal and Case Memo*
- Appeals Case Memo
- Acceptance Letter 5490 signed by the authorized party
- Financial statements
- Asset, Income and Equity tables

(6) APS Campus will ensure the case is ready and complete for closing by verifying inclusion of:

- a) Form 5402, *Appeals Transmittal and Case Memo*, for both CDP and OIC; STAUP 71 information
- b) Acceptance Letter 5490
- c) Form 7249, *Offer Acceptance Report*, including Counsel signature, when applicable
- d) ACM
- e) Un-redacted TDS or AOIC transcript (when Counsel's opinion is required)
- f) ATM's approval

(9) **OIC acceptance file** - Forward the following documents on Form 3210/E3210 to the Holtsville or Memphis Campus Monitoring OIC (MOIC) unit. See "Offer-in-Compromise (OIC) Compliance Campus Locations for Back-end" at the **SERP** "Who/Where" tab. The documents listed below are original documents unless indicated otherwise:

- Form 656, *Offer in Compromise*, and any amendments to the original Form 656
- Form 14640, *Addendum to Form 656* (if applicable)
- Form 7249, *Offer Acceptance Report* (with Counsel signature, when applicable)
- OIC Form 5402, *Appeals Transmittal and Case Memo* (copy)
- Appeals Case Memo (copy)
- Acceptance Letter 5490, signed by the ATM; it may also be signed by the Area Director or Director Collection Appeals (copy)
- CDP determination or decision letter and attachment or Form 12257 waiver (copy)
- Un-redacted TDS or AOIC transcript (when Counsel's opinion is required)
- Financial statements
- AET and IET schedules
- ACDS history (copy)

(10) **CDP or EH administrative file** - OIC documents for the CDP or EH administrative case file are as follows. These are copies of the original documents:

- a) Form 656, *Offer in Compromise*, and amendments or addendums as may apply
- b) Form 5402, *Appeals Transmittal and Case Memo*, for OIC WUNO

- c) Form 7249, *Offer Acceptance Report* (with Counsel signature, when applicable)
- d) TDS or AOIC transcript (when Counsel's opinion is required)
- e) Signed and dated Acceptance Letter 5490
- f) Collateral agreements, if applicable

(11) APS will upload the **Public Inspection File** (see list below) to the Appeals Library on the SB/SE Public Inspection File (PIF) on SharePoint. The Public Inspection File contains the following:

- a) Form 7249, *Offer Acceptance Report* signed and dated by the ATE and delegated approval official, **with the date of the acceptance letter affixed in the upper right hand corner by APS.** (No transcripts will be attached to the PIF)

8.20.7.45.2 (MM-DD-YYYY)

Collection Originated OIC Acceptance Procedures

(3) The OIC case file contains the following documents:

- Original Form 656, *Offer in Compromise*
- Original Amended Form 656, *Offer in Compromise* (if applicable)
- Original Form 14640, *Addendum to Form 656* (if applicable)
- Original and a Copy of Form 7249, *Offer Acceptance Report* (with Counsel signature, when applicable)
- Un-redacted copy of TDS or AOIC Transcripts attached to Form 7249 if a Counsel opinion was required. Collections' rejection letter
- Taxpayer's written request for appeal and envelope used for mailing the taxpayer's request for appeal
- Form 5402, *Appeals Transmittal and Case Memo*
- Appeals Case Memorandum, if applicable
- Financial information, including Form 433-A and/or Form 433-B, bank statements, property records, and other information used to make the acceptability determination
- Copy of the OIC acceptance letter

(8) Convert the following **dated documents into a pdf** and attach them to the ACDS record:

- Letter 5490, *Appeals OIC Acceptance Letter*
- Form 7249, *Offer Acceptance Report* (with no transcripts attached)

(9) APS uploads the following electronic documents (OIC Public Inspection File (PIF)) to the Appeals Library within the SB/SE PIF SharePoint Site:

- Form 7249, *Offer Acceptance Report*, signed and dated by the ATE and delegated approval official, **with the date of the acceptance letter affixed in the upper right hand corner by APS.**

Reminder: The upload of the OIC PIF documents into the Appeals Library within the SB/SE PIF SharePoint Site completes the APS OIC PIF transmission process. APS will no longer prepare a Form 3210/E3210 for the OIC PIF document transmission.

8.20.7.45.5.2 (MM-DD-YYYY)

Examination or Specialty Originated OIC Acceptance Procedures

(1) The OIC case file will contain the following documents:

- Original Form 656, *Offer in Compromise*

- Amended Form 656, *Offer in Compromise* (if applicable)
- Original Form 14640, *Addendum to Form 656* (if applicable)
- Original Form 7249, *Offer Acceptance Report (with Counsel signature, when applicable)*

Note: Counsel review is required when the total unpaid liability (including all assessed and accrued penalties and interest) for all related offers on the **same** taxpayer is \$50,000 or more.

- Form 5402, *Appeals Transmittal and Case Memo*
- Appeals Case Memorandum (ACM), if applicable
- Examinations' rejection letter
- Taxpayer's written request for appeal and envelope with postmark (if applicable)
- Acceptance Letter 5521, signed by the ATM

8.22.9.4.3.3 (11-13-2013)

Acceptance-Counsel Review Not Required

(1) When a CDP OIC is being accepted and Counsel review is not required, the OIC file must contain:

- Form 656, and, if applicable, amended Form 656 or addendum Form 14640.
- Form 7249, *Offer Acceptance Report*
- A Public Inspection File consisting of a copy of Form 7249 **Note:** Remove/redact any "plus 4" or other numbers after the initial 5-digit zip code as well as any "in care of" names.
- Form 5402, *Appeals Transmittal and Case Memo*
- ACM with details not included in Letter 3193 or Letter 3210 attachment
- Financial information, including Form 433-A (OIC) and/or Form 433-B (OIC), and verification information used to make the acceptability determination
- OIC acceptance Letter with a copy of the Form 656 and any collateral agreements

8.22.9.4.3.4 (11-13-2013)

Acceptance-Counsel Review Required

(1) IRC 7122(b) requires an opinion from Counsel if a liability is \$50,000 or more including tax, penalties and interest. The requirement is based on the liability at the time of submission, not at the time of acceptance. See [IRM 8.23.4.2.2](#), *Counsel Review of Acceptance Recommendations*.

(2) When a CDP OIC is recommended for acceptance and Counsel review is required, the file must contain:

- Form 656 and if applicable, Amended Form 656
- Form 7249, *Offer Acceptance Report*, along with un-redacted transcripts
- A Public Inspection File consisting of a copy of Form 7249 with no transcripts **Note:** Remove/redact any "plus 4" or other numbers after the initial 5 digit zip code as well as any "in care of" names.
- Form 5402, *Appeals Transmittal and Case Memo*
- ACM with details not included in Letter 3193 or Letter 3210 attachment
- Financial information, including Form 433-A (OIC) and/or Form 433-B (OIC), verification information used to make the acceptability determination
- OIC acceptance Letter with a copy of the Form 656 and any collateral agreements

8.23.4.2.1 (12-13-2016)

Accepted Offer Closing Documents and Appeals Hearing Officer Procedures

(5) When accepting a non-CDP offer, prepare and assemble the following:

- a. Form 7249, *Offer Acceptance Report*, with a complete un-redacted transcript for each tax liability listed if Counsel's opinion is required.
- b. A copy of Form 7249 for the Public Inspection File (PIF) **Note:** Remove/redact any "plus 4" or other numbers after the initial 5-digit zip code as well as any "in care of" names. Transcripts are not attached to the PIF copy.
- c. Customized Form 5402 generated from APGolf
- d. ACM
- e. Letter 5490, *OIC Acceptance Letter*, or Letter 5521, *DATL OIC Acceptance Letter*.
- f. Form 656, Amended Form 656, and/or Form 14640, *Addendum to Form 656*
- g. Collateral agreement, if applicable

Reminder: Be sure to enter the Appeals RCP and accepted offer amounts on the Customized Form 5402. APS uses this information to update the applicable screens for the Automated Offer in Compromise (AOIC) system.

IRM 8.23.4.2.3 (New Section)

Gatekeeper's Review of the Public Inspection File (PIF)

(1) Treasury Regulation 601.702(d)(8) requires that a PIF of all accepted OIC cases be available for inspection for one year from the date of acceptance in the location determined by the Compliance Area Director within the Small Business and Self-Employed Division (SB/SE).

(2) The PIF consists of a properly completed, signed and dated Form 7249.

(3) SB/SE has established a SharePoint site for the electronic storage of the PIF.

(4) Tax Examiners in Appeals Processing and Support (APS) will load the electronic PIF to the SharePoint site. After the electronic PIF has been uploaded to the SharePoint site, Appeals employees identified as gatekeepers will access the PIF and review the file to:

- a. Ensure that Form 7249 is complete, contains the appropriate signatures and has been dated in the upper right hand corner of the form.
- b. Insure that any "plus 4" or other numbers after the initial 5-digit zip code are redacted as well as any "in care of" names.
- c. Verify that redacted transcripts are not attached to the PIF.

(5) If the Form 7249 is complete and has been properly dated and signed, the gatekeeper will move the PIF from the Appeals library to the correct PIF location folder and correct PIF date sub-folder.

(6) If the PIF file has not been dated properly, the gatekeeper will send an email to the TE notifying the TE of the error and will return the file to the TE for correction.

(7) If there are any other errors on the Form 7249, the gatekeeper will send an email to the Appeals Technical Employee (ATE) advising them of the error and will return the file to the approving official to have the document corrected.

(8) If the PIF file is returned to either the TE or ATE for correction, they will make the necessary corrections and return the document to the gatekeeper via secure email. The gatekeeper will upload the corrected PIF to the correct SharePoint folder.