



APPEALS

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

July 6, 2016

Control No: AP-08-0716-0004  
Expiration Date: 07/05/2018  
Affected IRMs: See below

MEMORANDUM FOR APPEALS EMPLOYEES

FROM: John V. Cardone /s/ *John V. Cardone*  
Director, Policy, Quality and Case Support

SUBJECT: Interim Guidance on Initial Conference Procedures for Liability, Penalty Appeals and Innocent Spouse Cases

This memorandum issues guidance on a process to consolidate initial conference procedures for non-docketed and docketed examination work streams and Trust Fund Recovery Penalty cases (both pre-assessment and post-assessment). This guidance supersedes the Quick Look Process for Campus Operations (AP-08-0814-009) and Innocent Spouse cases (AP-25-0615-0005) and applies until all applicable Internal Revenue Manual sections are updated. This memorandum was previously issued on June 8, 2016 as AP-08-0616-0002. Please ensure that this information is distributed to all affected employees within your organization.

**Purpose:** This guidance consolidates initial case actions taken at different times to allow Appeals Technical Employees (ATEs) to validate case data when they start a substantive review of the case.

**Background/Source(s) of Authority:** Currently, Appeals acknowledges receipt of a case in the examination work streams by issuing a uniform acknowledgement letter (UAL) to the taxpayer/representative within thirty (30) days from the date of receipt for nondocketed cases and upon assignment for docketed cases. The assigned ATE is also required to verify the statute within five (5) days of assignment (i.e., date of CR/NR).

These separate initial case actions lengthen the time before the ATE can begin to address the merits of the case. In addition, requiring both a UAL and later a conference letter (CL) creates issues and inefficiencies that require multiple reviews and/or analysis of the case.

**Procedural Change:** Pursuant to this guidance, the Appeals Team Manager (ATM) and ATE will take the following actions upon receipt of a case in Appeals and assignment of that case:

- The ATE will complete the following within 45 calendar days of receipt of a newly assigned and/or transferred case (i.e., date of CR/NR):
  - Complete the statute verification.
  - For non-docketed cases, issue contact Letter 5157, *Nondocketed Acknowledgement & Conference*, located in the Acknowledgement category of APGOLF or another approved contact letter. Letter 5157 meets all of the UAL requirements currently specified in the IRM.

- For docketed cases, when the letters are available (see Note below) issue contact Letter 3808, *Docketed Acknowledgement and Conference (To Petitioner)*, or Letter 3808-A, *Docketed Acknowledgement and Conference (To Counsel of Record)*, which will be located in the Acknowledgment category of APGOLF. Revised letters 3808 and 3808-A will meet all of the UAL requirements currently specified in the IRM.

**Note:** Letters 3808 and 3808-A are currently not available and are not scheduled to be available on APGolf until later this fiscal year. Until such time, for docketed cases, issue the current version of Letter 5157, located in the Acknowledgment category of APGolf.

- For non-docketed and docketed cases, the ATE may make initial contact by telephone in lieu of using a contact letter. During such contact, the ATE must ensure that the substance of the contact letter is discussed with the taxpayer and documented in the Case Activity Record and Timesheet (CARATS) on the Appeals Centralized Database System (ACDS).
- Alternatively, if the ATE determines that a conference is not appropriate, the ATE will not send Letter 5157, Letter 3808, Letter 3808-A, or another contact letter. Instead, within a reasonable time frame, the ATE will:
  - For a premature referral, prepare Letter 5209, *Appeals Referral to Examination*, secure any additional documentation (if applicable), and submit the case to the ATM for closing. The ATE will document this action in the CARATS by inputting AC-OD.
  - For full concession cases, notify the taxpayer/representative (if appropriate), prepare the appropriate closing letter/documents, and submit the case to the ATM for closing. The ATE will document this action in the CARATS by inputting DM.
- Manually enter CO-OT in the CARATS and document which letter was sent, to whom, and the attachments (if any). At a later date, ACDS will be updated such that issuing a contact letter will automatically create a CARATS entry of CO-UAL. After this update, the ATE will no longer manually make the CO-OT entry.

**Note:** The ATM or delegate will **not** issue Letter 4141, *Uniform Acknowledgement Letter (UAL)*, (or any other substitute letter) within 30 days of receipt for nondocketed cases or upon assignment for docketed cases. **The UAL is no longer required and Letter 4141 will become obsolete.** The ATE will not verify that a UAL was issued upon receipt of a newly assigned and/or transferred case.

**Note:** ATMs will be reasonable in extending the contact time frame if circumstances (e.g. leave, workload, case complexity or other priorities) prevent the ATE from meeting them. If the ATM extends the time frame, the ATE will document this decision and the agreed upon timeframe in the CARATS on ACDS. **The statute verification time frame shall not be extended beyond 45 days.** If the contact time frame is extended beyond 75 days then the ATM will contact the taxpayer/representative by correspondence providing a status of the case and to whom the case is assigned.

**Note:** For TEFRA key cases, this guidance shall extend the statute verification time frame provided in IRM 8.21.6.2.2, *Appeals Technical Employees (ATE) Statute Responsibility for TEFRA Key Cases*, to 45 calendar days for field ATEs only. The five (5) workday time frame for validation by the TEFRA ATE, done prior to assignment of the case to a field ATE, shall remain in effect.

**Effective/Implementation Date:** This interim guidance is effective July 6, 2016.

**Effect on Other Documents:** This guidance affects the following IRMs:

- 1.4.28, *Appeals Managers Procedures*
- 8.2.1, *Agreed Pre-90-Day Income Tax Cases*
- 8.4.1, *Procedures for Processing and Settling Docketed Cases*
- 8.6.1, *Conference and Issue Resolution*
- 8.7.4, *Appeals Estate and Gift Tax Cases*
- 8.7.7, *Claim and Overassessment Cases*
- 8.7.8, *Tax Exempt and Government Entities (TE/GE) Cases*
- 8.7.11, *Working Appeals Team Cases*
- 8.11.1, *Return Related Penalties in Appeals*
- 8.11.3, *Return Preparer Penalty Cases*
- 8.11.4, *Penalty Appeals (PENAP)*
- 8.11.6, *FBAR Penalties*
- 8.19.10, *Receipt, Assignment, and Consideration of TEFRA Partnership Cases*
- 8.21.3, *Appeals Technical Employees Statute Responsibility*
- 8.21.5, *Collection Statutes* (guidance affects Trust Fund Recovery Penalty Cases only)
- 8.21.6, *Statute Information on TEFRA Cases*
- 8.25.2, *Trust Fund Recovery Penalty Cases*
- 25.15.12, *Relief from Joint and Several Liability, Appeals Procedures*

**Contact:** If you have any questions, please follow existing procedures in [How to Contact an Analyst](#) to have your question submitted to an analyst.

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