



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

August 25, 2017

Control No. AP-08-0817-0014  
Expiration Date: 8/25/2019  
Affected IRM: 8.23.2

MEMORANDUM FOR APPEALS EMPLOYEES

FROM: Robin M. Tuczak /s/ *Robin M. Tuczak*  
Acting Director, Case and Operations Support

SUBJECT: Initial Case Actions for Offer in Compromise Cases

This memorandum issues guidance on a process to consolidate initial case actions for the Offer in Compromise (OIC) workstream until the applicable Internal Revenue Manual (IRM) section is updated. The guidance contained in this memorandum was previously issued as part of AP-08-0615-0006, *Interim Guidance on Initial Case Actions for Offers in Compromise and Collection Due Process/Equivalent Hearings*. The guidance in AP-08-0615-0006 was incorporated into all other affected IRMs. Please ensure that this information is distributed to all affected employees within your organization.

**Purpose:** This guidance replaces the OIC workstream uniform acknowledgement letter (UAL) procedures for acknowledging receipt with procedures for sending a new letter combining the acknowledgement and conference scheduling processes. The assigned Appeals Technical employee (ATE) must send this letter within thirty (30) days of receipt and after conducting a statute and substantive review.

**Background/Source(s) of Authority:** Prior to AP-08-0615-0006, The Appeals team manager (ATM) was responsible for sending a UAL to the taxpayer within thirty (30) days from the date of receipt by Appeals. Subsequently, and upon case assignment, the assigned ATE conducted a statute review within five (5) days and issued a Substantive Contact Letter (SCL) within thirty (30) days. These separate initial case actions lengthened the time before the ATE could begin to address the merits of the case. In addition, requiring both a UAL and SCL within the same timeframe created a number of issues and inefficiencies.

**Procedural Changes:** Within thirty (30) days of the ATE's receipt of the case, the ATE will review the statute and issue to the taxpayer a letter acknowledging receipt of the case in Appeals and scheduling a conference. The ATE will use Letter 5576, *Appeals Offer in Compromise Acknowledgement and Conference Letter*, for this purpose.

**Effect on Other Documents:** Appeals will incorporate this guidance into IRM 8.23.2, *Offer in Compromise, Receipt and Control of Non-Collection Due Process (CDP) Offers*, within two years from the date of this memorandum.

**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:

IRM 8.23.2.2, *Receipt*

cc: [www.irs.gov](http://www.irs.gov)

### 8.23.2.1 Receipt

- (1) [No substantive changes from 10-14-2014 revision.]
- (2) [No substantive changes from 10-14-2014 revision.]
- (3) Within 30 days of the ATE's receipt of a rejected OIC case, the ATE will mail Letter 5576, *Appeals Offer in Compromise Acknowledgement and Conference Letter*, to the taxpayer. The purpose of this letter is to:
  - Advise the taxpayer of receipt of the case in Appeals
  - Provide the Appeals contact person's name and telephone number
  - Explain what the taxpayer can expect from Appeals during the appeal process
  - Explain what Appeals generally expects from the taxpayer during the Appeals process
  - Schedule the telephone conference
- (4) The ATE will include Publication 4227, *Overview of Appeals Process*, and, if appropriate, Publication 4167, *Appeals Introduction to Alternative Dispute Resolution*.

**Note:** Appeals campus sites in Brookhaven and Memphis should not enclose Publication 4167 with Letter 5576 because OICs considered at an Appeals campus site are not presently eligible for alternative dispute resolution processes.