INDEPENDENT OFFICE OF APPEALS

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

November 24, 2025

Control No. AP-08-1125-0033
Expiration Date: 11/24/2025
Affected IRM: 8.22.9

MEMORANDUM FOR ALL IRS INDEPENDENT OFFICE OF APPEALS EMPLOYEES

FROM: Steven M. Martin /s/ Steven M. Martin
Director, Operations Support

SUBJECT: Appeals Case Management System (ACMS) procedure updates for IRM 8.22.9, Closing and Post Closing Actions

This guidance provides procedures for integrating ACMS into the Collection Due Process (CDP) workstream detailed in IRM 8.22.9, Closing and Post Closing Actions. Please distribute this information to all impacted employees within your organization.

Purpose: This guidance is issued to update IRM procedures reflecting the functionality and process changes for the IRS Independent Office of Appeals (Appeals) new case management system, ACMS.

Background/Source(s) of Authority: Appeals Centralized Database System (ACDS), Appeals' aging legacy system, is being replaced by ACMS, a more modernized system. Appeals contracted Salesforce to create ACMS, which will provide Appeals with a new level of automation and analytics. These updates will allow for more effective collaboration within Appeals and, in the future, with other IRS business units.

Procedural Change: Release 1 of ACMS will focus on Collection-sourced case work, while additional ACMS releases will incorporate the remaining workstreams. Future releases will incorporate concepts introduced in this guidance and will be reinforced via training and applicable user guides. Procedural changes pertaining to this guidance are included in the attachment.

Additional Information: Additional information on ACMS can be found on the Appeals Intranet page – Appeals Case Management System (ACMS). This site will contain links for helpful information with ACMS, training documents, etc.

Effect on Other Documents: This guidance may be incorporated into affected IRMs 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

cc: www.irs.gov

Attachment AP-08-1125-0033, Appeals Case Management System (ACMS) procedure updates for IRM 8.22.9, Closing and Post Closing Actions

8.22.9.2
Administrative Record
Note: In ACMS, Form 5402 is replaced with 'printable view' and case activity record with case action record. Be sure to include documents and case histories housed on ACDS for related cases.

8.22.9.3 (MM-DD-YYYY)
Disposing of Credit Reports
(1) When closing a CDP case with a credit report:

a. Summarize your review of the report in the case action record, and
b. Remove and destroy the credit report prior to submitting the case for closure. This includes deleting applicable pages from a PDF Portfolio if the credit report was included as part of a larger file.

8.22.9.4 (MM-DD-YYYY)
Closing a CDP with a Related 'Support Request'
WUNOs no longer exist in ACMS.
(1) When a separate 'Support Request' is established for a non-precluded liability issue in CDP, you must close the 'Support Request' before closing the appeals case. APS holds the case file until the suspense period expires or the matter is resolved in Tax Court.
(2) The related 'Support Request' may be an interest abatement, innocent spouse, offer-in-compromise, or other CDP-related liability issue.

8.22.9.4.1 (MM-DD-YYYY)
Closing a CDP with Interest Abatement
(1) At the conclusion of the CDP hearing, issue one of the combination letters below. A combination letter must be used as it provides the taxpayer with an extended period to petition Tax Court on the interest abatement issue.

If...	Then issue...
Timely CDP	Letter 4389 - Notice of Determination Concerning Collection Action(s) Under IRC 6320 and/or IRC 6330 and Abatement of Interest Under IRC 6404
EH	Letter 4440 - Decision Letter Concerning Equivalent Hearing Under Section 6320 and/or 6330 of the Internal Revenue Code and Abatement of Interest Under Section 6404

8.22.9.4.2 (MM-DD-YYYY)
Closing a CDP with Innocent Spouse
(1) When a joint CDP request includes IS as an issue, each spouse receives a different closing letter because:

- The requesting spouse (RS) has 90 days to petition Tax Court regarding the IS determination

- The RS and non-requesting spouse (NRS) each have 30 days to petition Tax Court regarding the CDP determination

For joint CDP requests, the CDP attachment can be the same for both spouses as Appeals is making one determination/decision.

(2) The table below describes the closing letters in a CDP case where the NRS was a participant in the CDP hearing. Letter 3289, Final Appeals Notice, is not issued when the NRS is advised of the result of the IS decision in the CDP closing letter.

If...	And...	Issue to RS...	Issue to NRS...
Timely CDP	Taxpayer(s) sign Form 12257	Letter 4382, Form 12257 Closing Letter 3288, Final Appeals Determination to Requesting Spouse	Letter 4382
	Taxpayer(s) do not sign Form 12257	Letter 3193, Notice of Determination Letter 4390, Notice of Determination, Request for Relief from Joint and Several Liability	Letter 3193
EH		Letter 3210, Decision on Equivalent Hearing Under IRC Section 6320 and/or 6330 Letter 4439, Decision Letter - Equivalent Hearing and Innocent Spouse	Letter 3210

(4) When the NRS was not a participant in the CDP hearing, issue the NRS Letter 3289, Final Appeals Notice to Non-Requesting Spouse, at closing.

(5) Document the final disposition in your case history.

8.22.9.4.3 (MM-DD-YYYY)
Closing a CDP with Offer in Compromise

(1) If a CDP OIC is non-processable, returned, withdrawn (voluntarily or involuntarily), or terminated, the OIC will be a ‘Support Request’ within the CDP case that must be closed prior to closing the CDP. An OIC that is preliminarily rejected by Compliance and forwarded for Appeals’ consideration will be a separate Appeal Number. The CDP and OIC cases must be closed together unless one was withdrawn, the OIC is not processable, or there is an imminent TIPRA statute.

(2) If you are recommending acceptance of an OIC that requires Counsel review, hold the CDP open until approval is secured so the CDP case and OIC Appeal Number can be closed together.

(3) If an OIC requires higher level approval under Delegation Order 5-1 (see IRM 1.2.2.6.1, Delegation Order 5-1 (Rev. 5), To Accept, Reject, Return, Terminate or Acknowledge Withdrawals of Offers in Compromise), the ATM selects the additional approval option.

8.22.9.4.3.1 (MM-DD-YYYY)
Rejection

(1) When a CDP OIC is rejected, the OIC file must contain:

- Closing information via the 'printable view'
- Appeals Case Memorandum (ACM)
- A review by the Austin, TX ETA-NEH team if the taxpayer requested ETA-NEH consideration of the offer
  Note: Do not prepare a Form 1271, Rejection Memorandum, as it is not used in a CDP OIC.
  Note: Letter 5197, Offer in Compromise Rejection, *may* be used but, generally, only in TIPRA related circumstances. See (2), Note 2, below.

(2) Remains unchanged from current IRM.
(3) Once the above documents are complete and assembled, close the OIC ‘Support Request’ and submit the CDP case to your ATM for approval.

8.22.9.4.3.2 (MM-DD-YYYY)
Withdrawal

(1) When a CDP OIC is withdrawn, the OIC file must contain:

- Closing information via the 'printable view'
- ACM

(2) The withdrawal of the OIC must be discussed in the attachment to the CDP determination/decision letter or other closing letter to close the OIC and the TIPRA statute. Include in the attachment or closing letter **all** periods that were included in the offer.

> **Note:** Letter 241, Offer in Compromise Withdrawal, may be used to communicate the withdrawal when you are using Letter 4383, Collection Due Process / Equivalent Hearing Withdrawal Acknowledgement, to close the CDP.

(3) Once the above documents are complete and assembled, close the OIC ‘Support Request’ and submit the CDP case to your ATM for approval.
(4) The date an OIC is withdrawn depends on how the taxpayer transmits the withdrawal. Advise APS to input a TC 482 in the remarks section during the ‘submit for approval’ process with a date based on the table below:

If an OIC is withdrawn by...	The TC 482 is
• verbal statement • regular mail, or • fax	the date of the CDP closing letter.
• certified mail, or • hand delivery	the date you received the certified or hand delivered withdrawal.

8.22.9.4.3.3 (MM-DD-YYYY)
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
- A redacted AOIC generated Form 7249, Offer Acceptance Report
- A Public Inspection File, which consists solely of a redacted copy of AOIC

generated Form 7249
- Closing information via the 'printable view'
- ACM (e.g., Form 14559) with AET/IET details not included in the Letter 3193 or the 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

(2) When recommending acceptance of two or more related offers based on a single financial analysis, only one OIC ACM is necessary. To ensure proper processing of the related offers, create separate files marked “1 of 2,” and “2 of 2.” The separate files should contain the documents listed above except for the single consolidated ACM.

(3) Once the above documents are complete and assembled, submit the CDP and OIC cases to your ATM for approval.

8.22.9.4.3.4 (MM-DD-YYYY)
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 8.23.4.3.3, 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
- AOIC generated Form 7249, Offer Acceptance Report
- A Public Inspection File, which consists solely of a redacted copy of AOIC generated Form 7249
- Closing information via the 'printable view'
- ACM (e.g., Form 14559) with AET/IET details not included in the Letter 3193 or the 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, or amended Form 656, and any collateral agreements

(3) Route an OIC that requires Counsel review following the procedures at IRM 8.23.4.3.3, Counsel Review of Acceptance Recommendations.

(4) If you reject an offer due to an unfavorable review by Counsel, explain in both the ACM and case action record why Counsel declined to sign and why you rejected the OIC.

> **Note:** If an offer receives a review by Counsel that does not support acceptance, the offer may still be accepted by Appeals. See IRM 8.23.4.3.3, Counsel Review of Acceptance Recommendations.

8.22.9.5.1 (MM-DD-YYYY)
Mailing Requirements for Closing Letters

(1) Any notice required to be sent by statute is sent separately to each individual filing a joint return. When one joint hearing is requested for both individuals on a joint return, the following closing letters are addressed jointly but mailed **separately** to each individual requesting the joint hearing:

- Notices of Determination (NOD)
- Decision Letter
- Letter 3978, Supplemental Notice of Determination
- Letter 6652, Supplemental Decision Letter Concerning Equitable Tolling

8.22.9.5.3 (MM-DD-YYYY)
Letter 4382 Waiver Acknowledgement

(5) The appeals officer signing the Form 12257 and Letter 4382:

a. Submits the case resolution for approval to the ATM.
b. Enters "N/A- D.O. App-193-1" in the remarks section at the 'submit for approval' process.

8.22.9.5.4 (MM-DD-YYYY)
Letter 4383 Withdrawal Acknowledgement

(1) Prepare Letter 4383 when a taxpayer withdraws a CDP or EH request. Letter 4383:

- Provides the taxpayer the date Appeals received the withdrawal
- Provides APS the date Appeals received the withdrawal, and this date is used for input of the TC 521 cc 76/77
- Can be signed by the appeals officer

(2) In a withdrawal, there is no need to:

- Prepare an ACM

(3) Use the following codes at the 'submit for approval' process:

- Closing Code = 16
- Resolution Reason Code = OT
- Closing Information = (select the most appropriate option)

8.22.9.5.5 (MM-DD-YYYY)
EH Decision Letter

(1) At the conclusion of an EH hearing, prepare one of the following decision letters:

- Letter 3210, Decision on Equivalent Hearing Under IRC 6320 and/or 6330 Closing, or
- Combination Letter 4439 where IS was raised
- Combination Letter 4440 where Abatement of Interest was raised
- Letter 5145, Agreed Equivalent Hearing Closing Letter, for agreed EH cases

(2) & (3) Remain unchanged from current IRM.

(4) Appeals Officers and Account Resolution Specialists may sign Letter 5145 when:

- IS is the sole issue and relief is granted in full leaving no remaining issue for Appeals consideration

- Collection is the sole issue, which is resolved by an IBTF-Express, Streamlined, or Guaranteed IA
- Collection accepts a taxpayer's Offer in Compromise, leaving no issues for Appeals consideration
- The taxpayer is granted a short-term payment plan following IRM 8.22.7.6, Short Term Payment Plan Within 120 Days, and there are no other issues for Appeals consideration

(5) The hearing officer signing Letter 5145:

a. Enters "N/A-D.O. App-193-1" in the remarks section during the 'submit for approval' process.

(6) When closing an EH case where the timeliness determination of the appeal remained in dispute with the taxpayer, use the remarks section at the 'submit for approval' process to alert APS to suspend the case following procedures in IRM 8.20.6.21.2, CDP Notices of Determination (NOD), in the event the taxpayer files a tax court petition.

8.22.9.5.3 (MM-DD-YYYY)
CDP Determination Letter

(1) At the conclusion of a CDP hearing, prepare one of the following determination letters:

- Letter 3193 in most instances, or
- Combination Letter 4389 when Abatement of Interest was raised
- Combination Letter 4390 when IS was raised
- Letter 4382 when the taxpayer signed Form 12257

8.22.9.6 (MM-DD-YYYY)
Attachment to Determination and Decision Letters

(3) Removed.

8.22.9.6.1 (MM-DD-YYYY)
Tax and Periods Considered

(5) Tax periods from related cases may be combined into a single NOD or Decision Letter if they are for the same taxpayer or taxpayer entity.

8.22.9.7 (MM-DD-YYYY)
Abbreviated Attachment

(2) Use Letter 5145, Agreed Equivalent Hearing Closing Letter, to document your decision for agreed resolutions in equivalent hearing cases. The above language is incorporated into Letter 5145 and no separate attachment is required.

(3) Renumbered.

8.22.9.9 (MM-DD-YYYY)
IRC 6702(b) Penalty-Failure to Withdraw Frivolous or Delaying Position

(2) When the taxpayer fails to withdraw a frivolous or desire-to-delay position, whether in a completely frivolous request for hearing or a hybrid request, Appeals must provide certain documents to Collection so they can consider the penalty. In such an instance, direct APS to return the following documents to Collection:

a. 'Printable View' state on the Form that Appeals determined the issues raised were either a specified frivolous position or intended to delay or impede the hearing process
b. A copy of the frivolous CDP hearing request
c. Letter 4380 or Letter 3846 issued to solicit a withdrawal of taxpayer's frivolous/delay arguments
   Note: Include a copy of Letter 3846 in addition to the Letter 4380 if the taxpayer, in response to Letter 4380, provided a legitimate reason but failed to withdraw the frivolous or desire-to-delay position
d. Case history documenting any discussion with the taxpayer regarding the withdrawal request
e. Any written communication received from the taxpayer in response to the withdrawal request

8.22.9.10 (MM-DD-YYYY)
Information Received after Determination or Decision Issued

(2) Note the date you received the information in your case action record in case the taxpayer disputes timeliness to the Tax Court.

8.22.9.12 (MM-DD-YYYY)
Post-Closing Issues

(2) Only make a referral to AARS if the case has been closed for a minimum of **90 days**. AARS do not correct problem issues on open cases or those not having been closed for at least 30 days. Cases not meeting these criteria must be corrected through APS. See IRM 8.1.9.3, AARS Closed Case Referrals.

8.22.9.18 (MM-DD-YYYY)
Retained Jurisdiction (RJ) Hearings

(5) RJ cases are carded in with appropriate type code and feature code ‘Retained Jurisdiction (RJ).’ Indicate the earliest CSED in the ‘Earliest Statute Date’ field on ACMS.

a. Attempt to close the case within five business days
b. The hearing officer who worked the original CDP should work the RJ hearing

(6) At closing, follow the ‘submit for approval’ process, prepare an ACM, and the CAP type closing letter (Letter 5100) for the taxpayer.

8.22.9.19 (MM-DD-YYYY)
Procedures for Shipping Personally Identifiable Information (PII)

(1) While increased use of paperless processes reduces the need to ship taxpayer information, when it is necessary to do so, Appeals employees must adhere to PII shipping policies found in IRM 10.5.1.6.9.2, Mail through United States Postal Service (USPS), and IRM 10.5.1.6.9.3, Shipping through Private Delivery Carrier.

(2) Removed.

Exhibit 8.22.9-1 (MM-DD-YYYY)
Instructions for Completing Closing Documents

Exhibit is obsolete for ACMS Release 1. Refer to the ACMS training materials and resources on the Appeals web site. The exhibit may be recreated as ACMS is further refined in subsequent releases.