IRM PROCEDURAL UPDATE

DATE: 10/19/2026

NUMBER: sbse-01-1026-0860

SUBJECT: FTPC & Inventory X Updated Procedures

AFFECTED IRM(s)/SUBSECTION(s): 1.4.20

CHANGE(s):

IRM 1.4.20.14.4, Fair Tax Collection Practices Added New IRM Subsection pertaining to FTCP procedures.

(1) Internal Revenue Code (IRC) 6304, Fair Tax Collection Practices, imposes certain restrictions with respect to tax collection. During a case review or upon receiving a complaint from a taxpayer, you may identify a potential violation of those restrictions. Potential employee violations of IRC 6304 must be reported to the local Labor Relations specialist by the close of the next business day following notification of the alleged violation.

(2) When reviewing employee compliance with the required procedures in IRM 5.19.1.2.3 Disclosure Overview: Verifying Identity of Contact Party, you will need to determine if a potential violation of IRC 6304 occurred. On an incoming call, procedures require that employees inform taxpayers of their representation and get their consent to continue the conversation. However, a potential violation has only occurred if the discussion goes beyond any topic that the taxpayer brings up for discussion that involves a tax period with representation. Use the examples below to help determine if a potential violation occurred.

Example: (not a potential violation) The taxpayer calls for an installment agreement (IA) on balances they owe for 2024 and 2025. The employee grants the taxpayer an IA. The taxpayer has representation on file (Level A on Form 2848) for 2025. A potential violation has **not** occurred because the employee only addressed the taxpayers reason for calling and did not go beyond that scope.

Example: (potential violation) The taxpayer calls to make a payment towards a 2026 balance due. The taxpayer has representation on file for 2026. The employee recommends that the taxpayer enter an installment agreement. A violation may have taken place because the taxpayer did not ask about an installment agreement.

Example: (potential violation) The taxpayer calls to inquire about being put on currently not collectable status for a 2025 balance due. The taxpayer has representation on file for 2025. The employee recommends that the taxpayer enter into an installment agreement instead. A violation may have taken place because the taxpayer only called to ask about being put on currently not collectable status.

(3) Representative authorizations involving Form 8821 or Form 2848, Level H, Unenrolled Return Preparers, who are not authorized to represent the taxpayer on balance due issues, would not qualify as potential 6304 violations on incoming contacts regarding balance due.

(4) You are not required to report instances to Labor Relations where you have determined the employee's conduct is not a potential violation of IRC 6304, Fair Tax Collection Practices.

(5) If a potential violation is confirmed, **do not** document the case history with your decision to forward the complaint to Labor Relations.

(6) Work with your LR specialist to determine the next appropriate action.

(7) To ensure collected data is complete and accurate, use the following issue codes when reporting the potential violation. Labor Relations uses these codes for tracking on the Automated Labor and Employee Relations Tracking System (ALERTS).

- 141/ 6304: CONTACT TP UNUSUAL TIME/PLACE - Contacting a taxpayer before 8:00 am or after 9:00 pm, or at an unusual location or time, or location known or which should be known to be inconvenient to the taxpayer.
- 142 /6304: CONTACT TP W/O REPRESENTATIVE - Contacting a taxpayer directly without the consent of the taxpayer's power of attorney. This code applies when a potential violation relates to paragraph (2) above.
- 143/ 6304: CONTACT AT TP EMPLOYER; PROHIBITED - Contacting a taxpayer at their place of employment when it is known or should be known that the taxpayer's employer prohibits the taxpayer from receiving such communication.
- 144/ 6304: TAXPAYER HARASSMENT IN A TAX COLLECTION MATTER - Any allegation of taxpayer harassment should be reviewed along with IRC 6304 because the provision is intended to be applied in a general manner when evaluating the alleged employee misconduct. Conduct which is intended to harass a taxpayer, or conduct which uses or threatens to use violence or harm is an absolute violation of the IRC.
- 145/ 6304: TAXPAYER ABUSE IN A TAX COLLECTION MATTER - Any allegation of taxpayer abuse should be reviewed along with the IRC 6304 because the provision is intended to be applied in a general manner when evaluating the alleged employee misconduct. The use of obscene or profane language towards a taxpayer is an absolute violation of the IRC.
- 146/ 6304: CONTINUOUS PH / HARASSMENT - Causing a taxpayer's telephone to ring continuously with harassing intent.
- 147/ 6304: PH CALL W/O ID DISCLOSURE - Contacting a taxpayer by telephone without providing a meaningful disclosure of the IRS employee's identity.

Note: These codes are valid for Collection employees alleged fair tax collection practices violations only.

(8) Resources:

- IRM 5.19.1.2.3 , Disclosure Overview: Verifying Identity of Contact Party
- IRM 1.5.3.3 , Retention Standard for the Fair and Equitable Treatment of Taxpayers
- IRM 6.430.2.4.7 , Rating Performance Against The Retention Standard for the Fair and Equitable Treatment of Taxpayers

IRM 1.4.20.18.2, Use of Management Information Systems (4) Updated Inventory X procedures for language clarity.

(1) Team managers will utilize the following telephone management information reports:

- IRS.STND.HI Agent Team- Aceyus Reports
- IUP Historical Reports -ETD
- Daily/Weekly Employee Time Summary - Ready Report
- eWFM
- Standard or locally developed Custom View Reports - Director
- And any other pertinent reports - RTA

(2) Team managers will utilize the following inventory management information reports:

- Inventory Reports - QMF
- Teach List - AMS
- Daily Workload - ACS MR00
- Teach List - ACS ER00, Team, Empl,Num or QMF
- Employee Summary Report - ES00,OPT,Emp,Num
- Time Statistics Report - TS00

(3) These reports provide useful employee performance data and assist in the management of a team's inventory and telephone operation. These reports will provide a total picture of an individual employee's or team's performance.

(4) ACSS and CSCO managers must ensure all tax examiners have their inventory thresholds turned on in Inventory X, thus cases are processed in a First-In-First Out (FIFO)

order. Employees' thresholds must be set to a **minimum** of 25, and ACSS CDP employee thresholds must be set to a **minimum** of 50.

a. HQ Collection can change the minimum thresholds at any time and/or direct prioritization of case types based on assessment of enterprise inventory. HQ Collection will notify Operation Managers by email if minimum threshold changes or prioritization of case types are needed.

b. In rare circumstances such as when an employee is on extended leave, detail, or instructor assignment, the Operation Manager may approve an employee's thresholds being temporarily turned off or reduced below the established minimum.

c. Thresholds cannot be turned off or reduced below the established minimum as an inventory management or backlog control mechanism. Operation Managers must request HQ Collection approval prior to turning off or reducing thresholds below the established minimum for multiple employees (5 or more), teams, or organizational groups, for any period of time regardless of the reason. Skill codes must be kept to up to date based on what the employee is skilled to work. Additional information can be found in IRM 3.43.405.13.3, Skill Codes.

   Exception: CDP and TAS employees should only have their specialty programs open unless additional inventory is needed. Any other exceptions will be established by HQ Collection as needed.

IRM 1.4.20.20, Employee Work Reviews (5) Updated language regarding leads assisting with evaluative reviews.

(1) To assist employee performance, verify the rights of the taxpayer are protected, identify training needs, and assess the quality of the work product, a systemic process of reviewing the work of employees is required. All reviews with the exception of some clerical reviews, bin, security, IDRS and AMS reviews, must be completed on a Data Collection Instrument (DCI) via the Embedded Quality Review System (EQRS). Since the work in the team can be varied, review methods may include the following:

Types of Reviews
Telephone Monitoring
Text Chat (Live Assistance)
Temporary Employee Action Code History (TEACH Reviews)
Paper Processing Reviews
Clerical Reviews

Bin Reviews
Security Reviews
Integrated Data Retrieval System (IDRS) adjustment reviews. See IRM 1.4.14.5.7, Review of IDRS Adjustment
AMS reviews
Workload reviews and on-line reviews
Non-evaluative reviews
Evaluative reviews

Reminder: Employees are required to offer the use of available digital communication tools to taxpayers or their representatives to secure necessary information or documents. Employees must use, offer, and encourage available digital tools for customer assistance, (i.e., DUT, eFax, etc...)

(2) Review results are linked, by attribute scoring, directly to the employee's Critical Job Elements (CJEs). It is the manager's responsibility to schedule employee reviews in a manner which will permit the employees to obtain documentation for as many aspects of their CJEs as possible.

(3) Employees, other than Collection Representatives (CR) and Tax Examining Technician (TET) who do not make regular outgoing calls and are not scheduled to take incoming calls, but instead process correspondence, will receive a minimum of one review per month (e.g., paper document, TEACH review).

(4) A review schedule should be maintained which lists all employees in the team and the completion date of evaluative reviews. When the required number of reviews are not timely completed, notate the reason on the schedule. Since these schedules will be reviewed by department and operations managers during their operational reviews, retain the schedules until completion of the operational reviews.

(5) Evaluative reviews are completed as formal documentation of employees' performance that feed into their annual performance evaluation. The manager must sign the reviews and share the feedback with the employees within fifteen (15) workdays. Leads may assist managers with preparing evaluative reviews. However, the manager must sign and share all reviews with the employees as soon as possible, but no later than fifteen (15) workdays . For any reviews initially prepared by the Lead, managers must verify the accuracy of the feedback before signing and sharing with the employee.

(6) All ACS Collection Representatives must receive a minimum of two telephone or ACS Text Chat monitoring evaluative reviews per month, plus one TEACH Review per quarter. A

TEACH review will consist of at least 5 cases or 10 paper documents for each review. Managers have the option to schedule a TEACH or paper document review depending on employee assignments. There should be a balance of these reviews throughout the year. Non-evaluative reviews/telephone monitors should be conducted to address training or performance issues. These reviews may be conducted by managers, lead CRs or On-the-Job Instructors (OJIs). This type of review can include working side by side with the employee, dual jack telephone monitoring, a review of calls recorded by Verint Contact Recording and case reviews for the purpose of skill and job performance enhancement when deemed necessary.

(7) The shared signed evaluative review (DCI) must be filed in the employee's EPF, and a copy provided to the employee.