



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
Washington, DC 20224

SMALL BUSINESS / SELF-EMPLOYED DIVISION

September 26, 2016

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Expiration: 09/26/2017

Impacted IRMs: 4.26.6; 4.26.11 and 4.26.12

MEMORANDUM FOR DIRECTOR, SPECIALTY EXAMINATION; CHIEF, BANK SECRECY  
ACT EXAMINATION, TERRITORY AND GROUP MANAGERS, AND  
BANK SECRECY ACT EMPLOYEES

FROM: Alfredo Valdespino /s/Alfredo Valdespino  
Acting Director, Examination-Specialty Policy

SUBJECT: Initial Taxpayer Contact in Bank Secrecy Act Examinations

The purpose of this memorandum is to issue interim guidance reflecting changes in the manner in which SB/SE BSA Field Examination employees make initial contact with taxpayers. Effective immediately, ALL initial taxpayer contacts must be made by mail. Although we recognize making initial contact by telephone has been a long-standing policy, we are changing our practice in response to today's environment of phone scams, phishing, and identity theft. Please ensure this information is distributed to all affected employees within your organization.

Effective immediately, examiners will use an appropriate initial contact letter to notify taxpayers of their selection for examination and will not make initial contact by telephone. After mailing the contact letter, and allowing sufficient time for the taxpayer to respond (14 calendar days from mailing the letter), employees can then initiate contact by telephone with the taxpayer as needed. The letter used depends on the type of BSA case/examination, as follows:

- IRM 4.26.6 BSA Examiner Responsibilities – Issue IG-Letter 4313, BSA MSB Appointment Letter. This letter is not yet available on the Forms Repository. Examiners are directed to secure the letter from the BSA SharePoint at the following link entitled "[Letter 4313 BSA Title 31 Appointment Letter](#)" until it is officially approved and published on the Forms Repository.
- IRM 4.26.6 BSA Examiner Responsibilities – Issue Letter 3494, Bank Secrecy Act (Title 31) Casino Appointment Letter.

- IRM 4.26.11 BSA Examiner Responsibilities (Form 8300/6050I Examinations) – Issue Letter 2277, Section 6050I Appointment Letter.
- IRM 4.26.12, BSA Examination Techniques (Form 8300 Industries) – Issue Letter 2277, Section 6050I Appointment Letter.

When a valid Form 2848, *Power of Attorney and Declaration of Representative*, or Form 8821, *Tax Information Authorization*, is on file for the taxpayer, the appropriate initial contact letter will be mailed to the taxpayer and a copy of that letter will be mailed to the representative with Letter 937, *Transmittal Letter for Power of Attorney*.

The revised guidance appearing within the Attachment will be incorporated into IRM 4.26.6, 4.26.11, 4.26.12, within one year of issuance.

If you have questions concerning this interim guidance, contact Calvin D. Moon, Acting Program Manager, BSA Policy.

Distribution:  
IRS.gov ([www.irs.gov](http://www.irs.gov))

Attachments:

IRM Revisions IRM 4.26.6, IRM 4.26.11, and IRM 4.26.12

Attachment  
SBSE-04-0916-0043  
BSA Initial Contact

**IRM 4.26.6**

**4.26.6.4.1.4, Initial Contact**

(1) Initial contact should be made by mailing to the business entity [Letter 4313](#), *BSA MSB Appointment Letter*, or [Letter 3494](#), *Bank Secrecy Act (Title 31) Casino Appointment Letter*, with the scheduled date and time for the compliance review.

If the taxpayer responds by providing a valid specific use [Form 2848](#), *Power of Attorney and Declaration of Representative*, or [Form 8821](#), *Tax Information Authorization*, (not recorded on the Centralized Authorization File), a copy of initial contact letter will be mailed to the representative with [Letter 937](#), *Transmittal Letter for Power of Attorney*. The examiner may not make an initial examination contact via telephone. On limited occasions, cold call visits may be appropriate with management approval. See [IRM 4.26.11](#), *BSA Examiner Responsibilities for Form 8300/6050I Examinations*.

(2) When the initial contact is made by letter, the BSA examiner will need to:

- Prepare an initial IDR and Letter 3494 or Letter 4313.

**4.26.6.4.8.6, Workpaper #130 Initial Title 31 Contact Check Sheet**

(2) The BSA examiner should use the *Initial Title 31 Entity Contact Check Sheet* when:

- First contact is made with the entity.
- Preparing and mailing [Letter 3494 or Letter 4313](#).
- Performing a cold call visit (with managerial approval).

**4.26.6.4.8.6.1, Initial Title 31 IDR ([Form 4564](#))**

(1) The BSA examiner should prepare the initial IDR using all the relevant information that is available at the time the appointment is scheduled.

**IRM 4.26.11**

**4.26.11.4.1.2, Initial Contact**

(1) The initial contact for a Form 8300 compliance review should be made by mailing to the business entity [Letter 2277](#), *Section 6050I Appointment Letter*, with the scheduled date and time date for the review. If the taxpayer responds by providing a valid specific use [Form 2848](#), *Power of Attorney and Declaration of Representative*, or [Form 8821](#), *Tax Information Authorization*, (not recorded on the Centralized Authorization File), a copy of initial contact letter will be mailed to the representative with [Letter 937](#), *Transmittal Letter for Power of Attorney*. The examiner may not make an initial examination contact via telephone. On limited occasions, cold call visits may be appropriate with management approval. See [IRM 4.26.11](#), *BSA Examiner Responsibilities for Form 8300/6050I Examinations*.

(2) The BSA examiner must:

- Prepare an initial IDR and [Letter 2277](#); and
- Mail to the business entity the appointment letter and IDR.

#### **4.26.11.5.2.5, Workpaper #130 Initial 8300 Entity Contact Check Sheet**

(2) The BSA examiner should use the *Initial 8300 Entity Contact Check Sheet* when:

- First contact is made with the entity;
- Preparing and mailing [Letter 2277](#); or
- Performing a cold call visit (with managerial approval).

#### **4.26.11.5.2.5.1, Initial 8300 IDR ([Form 4564](#))**

(2) The BSA examiner should prepare the initial IDR using all relevant information that is available at the time the appointment is scheduled.

### **IRM 4.26.12**

#### **4.26.12.2.4.2, Initial Contact**

(1) The initial contact for a Form 8300 compliance review should be made by mailing to the business entity [Letter 2277](#), *Section 6050I Appointment Letter*, with the scheduled date and time for the review. If the taxpayer responds by providing a valid specific use [Form 2848](#), *Power of Attorney and Declaration of Representative*, or [Form 8821](#), *Tax Information Authorization*, (not recorded on the Centralized Authorization File), a copy of initial contact letter will be mailed to the representative with [Letter 937](#), *Transmittal Letter for Power of Attorney*. The examiner may not make an initial examination contact via telephone. On limited occasions, cold call visits may be appropriate with management approval. See [IRM 4.26.11](#), *BSA Examiner Responsibilities for Form 8300/6050I Examinations*.

#### **4.26.12.3.4.3, Initial Contact**

(1) The initial contact for a Form 8300 compliance review should be made by mailing to the business entity [Letter 2277](#), *Section 6050I Appointment Letter*, with the scheduled date and time for the Form 8300 compliance review. If the taxpayer responds by providing a valid specific use [Form 2848](#), *Power of Attorney and Declaration of Representative*, or [Form 8821](#), *Tax Information Authorization*, (not recorded on the Centralized Authorization File), a copy of initial contact letter will be mailed to the representative with [Letter 937](#), *Transmittal Letter for Power of Attorney*. The examiner may not make an initial examination contact via telephone. The letter can be either mailed or hand-delivered to the business. On limited occasions, cold call visits may be appropriate with management approval. See [IRM 4.26.11](#), *BSA Examiner Responsibilities for Form 8300/6050I Examinations*.

#### **4.26.12.4.4.2, Initial Contact**

- 1) The initial contact for a Form 8300 compliance review should be made by mailing to the business entity [Letter 2277](#), *Section 6050I Appointment Letter*, with the scheduled date and time for the review. If the taxpayer responds by providing a valid specific use [Form 2848](#), *Power of Attorney and Declaration of Representative*, or [Form 8821](#), *Tax Information Authorization*, (not recorded on the Centralized Authorization File), a copy of initial contact letter will be mailed to the representative with [Letter 937](#), *Transmittal Letter for Power of Attorney*. The examiner may not make an initial examination contact via telephone. On limited occasions, cold call visits may be appropriate with management approval. See [IRM 4.26.11](#), *BSA Examiner Responsibilities for Form 8300/6050I Examinations*.

#### **4.26.12.5.4.2, Initial Contact**

- (1) Any initial request for an appointment should be scheduled through the court's administrative office.
- (2) The initial contact for a Form 8300 compliance review should be made by mailing to the clerk [Letter 2277](#), *Section 6050I Appointment Letter*, with the scheduled date and time for the review. If the taxpayer responds by providing a valid specific use [Form 2848](#), *Power of Attorney and Declaration of Representative*, or [Form 8821](#), *Tax Information Authorization*, (not recorded on the Centralized Authorization File), a copy of initial contact letter will be mailed to the representative with [Letter 937](#), *Transmittal Letter for Power of Attorney*. The examiner may not make an initial examination contact via telephone. On limited occasions, cold call visits may be appropriate with management approval. See [IRM 4.26.11](#), *BSA Examiner Responsibilities for Form 8300/6050I Examinations*.

#### **4.26.12.6.4.2, Initial Contact**

- 1) The initial contact for a Form 8300 compliance review should be made by mailing to the business entity [Letter 2277](#), *Section 6050I Appointment Letter*, with the scheduled date and time for the review. The letter can be either mailed or hand-delivered to the business. If the taxpayer responds by providing a valid specific use [Form 2848](#), *Power of Attorney and Declaration of Representative*, or [Form 8821](#), *Tax Information Authorization*, (not recorded on the Centralized Authorization File), a copy of initial contact letter will be mailed to the representative with [Letter 937](#), *Transmittal Letter for Power of Attorney*. The examiner may not make an initial examination contact via telephone. On limited occasions, cold call visits may be appropriate with management approval. See [IRM 4.26.11](#), *BSA Examiner Responsibilities for Form 8300/6050I Examinations*.

#### **4.26.12.7.4.2, Initial Contact**

(1) The initial contact for a Form 8300 compliance review should be made by mailing to the business entity [Letter 2277](#), *Section 6050I Appointment Letter*, with the scheduled date and time for the review. The letter can be either mailed or hand-delivered to the business. If the taxpayer responds by providing a valid specific use [Form 2848](#), *Power of Attorney and Declaration of Representative*, or [Form 8821](#), *Tax Information Authorization*, (not recorded on the Centralized Authorization File), a copy of initial contact letter will be mailed to the representative with [Letter 937](#), *Transmittal Letter for Power of Attorney*. The examiner may not make an initial examination contact via telephone. On limited occasions, cold call visits may be appropriate with management approval. See [IRM 4.26.11](#), *BSA Examiner Responsibilities for Form 8300/6050I Examinations*.

#### **4.26.12.8.4.2, Initial Contact**

(1) The initial contact for a Form 8300 compliance review should be made by mailing to the business entity [Letter 2277](#), *Section 6050I Appointment Letter*, with the scheduled date and time for the review. The letter can be either mailed or hand-delivered to the business. If the taxpayer responds by providing a valid specific use [Form 2848](#), *Power of Attorney and Declaration of Representative*, or [Form 8821](#), *Tax Information Authorization*, (not recorded on the Centralized Authorization File), a copy of initial contact letter will be mailed to the representative with [Letter 937](#), *Transmittal Letter for Power of Attorney*. The examiner may not make an initial examination contact via telephone. On limited occasions, cold call visits may be appropriate with management approval. See [IRM 4.26.11](#), *BSA Examiner Responsibilities for Form 8300/6050I Examinations*.

#### **4.26.12.9.4.2, Initial Contact**

(1) The initial contact for a Form 8300 compliance review should be made by mailing to the business entity [Letter 2277](#), *Section 6050I Appointment Letter*, with the scheduled date and time for the review. The letter can be either mailed or hand-delivered to the business. If the taxpayer responds by providing a valid specific use [Form 2848](#), *Power of Attorney and Declaration of Representative*, or [Form 8821](#), *Tax Information Authorization*, (not recorded on the Centralized Authorization File), a copy of initial contact letter will be mailed to the representative with [Letter 937](#), *Transmittal Letter for Power of Attorney*. The examiner may not make an initial examination contact via telephone. On limited occasions, cold call visits may be appropriate with management approval. See [IRM 4.26.11](#), *BSA Examiner Responsibilities for Form 8300/6050I Examinations*.

#### **4.26.12.10.4.2, Initial Contact**

(1) The initial contact for a Form 8300 compliance review should be made by mailing to the business entity [Letter 2277](#), *Section 6050I Appointment Letter*, with the scheduled date and time for the review. The letter can be either mailed or hand-delivered to the business. If the taxpayer responds by providing a valid specific use [Form 2848](#), *Power of Attorney and Declaration of Representative*, or [Form 8821](#), *Tax Information Authorization*, (not recorded on the Centralized Authorization File), a copy of initial contact letter will be mailed to the representative with [Letter 937](#), *Transmittal Letter for Power of Attorney*. The examiner may not make an initial examination contact via

telephone. On limited occasions, cold call visits may be appropriate with management approval. See [IRM 4.26.11](#), *BSA Examiner Responsibilities for Form 8300/6050I Examinations*.

#### **4.26.12.11.4.2, Initial Contact**

- (1) The initial contact for a Form 8300 compliance review should be made by mailing to the business entity [Letter 2277](#), *Section 6050I Appointment Letter*, with the scheduled date and time for the review. The letter can be either mailed or hand-delivered to the business. If the taxpayer responds by providing a valid specific use [Form 2848](#), *Power of Attorney and Declaration of Representative*, or [Form 8821](#), *Tax Information Authorization*, (not recorded on the Centralized Authorization File), a copy of initial contact letter will be mailed to the representative with [Letter 937](#), *Transmittal Letter for Power of Attorney*. On limited occasions, cold call visits may be appropriate with management approval. See [IRM 4.26.11](#), *BSA Examiner Responsibilities for Form 8300/6050I Examinations*.