



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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

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MEMORANDUM FOR: Ron Takakjy
Director, Civil Enforcement Advice & Support Operations

FROM: Thomas Kramer
Director, Collection Policy

Thomas D. Kramer
Digitally signed by Thomas D. Kramer
Date: 2026.06.17 14:12:25 -0700

SUBJECT: Interim Guidance on the Receipt, Digitization, Processing, and Retention of Trust Fund Recovery Penalty (TFRP) Cases and Case Files from Field Collection Revenue Officers (RO)

Purpose: The rollout of new SB/SE Collection systems, including the Virtual Trust Fund Recovery Penalty (VTFRP) system, requires procedural changes for processing and handling Trust Fund Recovery Penalty (TFRP) cases, related protests, and associated case files. In accordance with Internal Revenue Manual (IRM) 1.11.2.2.4, *When Procedures Deviate from the IRM*, this memorandum provides guidance to Control Point Monitoring (CPM) employees on the receipt, digitization, processing, and retention of TFRP cases and case files until the IRM 5.7.10 revision is published. Please ensure this information is distributed to all affected employees within your organization.

Source(s) of Authority: The statutory authority for the Trust Fund Recovery Penalty is 26 U.S.C. 6672, Failure to collect and pay over tax, or attempt to evade or defeat tax. Additionally, the following procedural deviations align with the Zero Paper Initiative.

Background: Historically, TFRP cases have been created manually or by using the Automated Trust Fund Recovery (ATFR) system and required the existence of a physical (paper) case file containing hard copy, supporting documentation. When CPM received a paper TFRP file from a revenue officer, they were responsible for submitting the assessment request to the Ogden Service Center (SC) for input and for shipping the cases containing a related responsible person's (RRP) protest to Appeals. Additionally, CPM employees used the ATFR system to monitor the inventory of TFRP assessments

forwarded to the SC for input, the status of assessment transactions while in process, and to input final protest determinations and their respective action(s), following receipt of Form 5402 from the Independent Office of Appeals (Appeals). CPM was also responsible for the retention of paper case files for the two-year period following assessment, forwarding the paper case files for subsequent storage at the Federal Records Center (FRC) for an additional 10 years, and for processing requests for files maintained in storage, when needed by various business units such as the Taxpayer Advocate Service, Appeals, and Disclosure.

Procedural Change: To align with the IRS’ modernization goals including the digitization of all paper case files and case-related documentation, Field Collection has begun their transition to VTFRP for the processing of TFRP investigations and assessments. On the Enterprise Case Management (ECM) platform, the VTFRP application provides a new level of automation, increased functionality, and streamlining of the TFRP assessment process while introducing the electronic case file in support of modernization goals and the Zero Paper Initiative. The transition to VTFRP warrants a revision of various procedures related to the processing and monitoring of TFRP investigations and assessments for ROs and group managers (GM) as well as CPM technicians who monitor and process TFRP cases received from Field Collection ROs. The chart below lists the updated procedures for facilitating the storage of TFRP case files and routing of TFRP protests based on case origination factors and CPM employees should refer to this chart for guidance during the period of transition when both ATFR and VTFRP are in use. Once the remaining ATFR cases have been fully resolved, VTFRP will remain as the only application for TFRP case processing. Revisions to the procedures for assessment processing and monitoring are also provided herein; refer to the attachment, *Impacted IRM 5.7.10 Subsection(s)*, and the chart on the below until the IRM 5.7.10 revisions are published.

IF CPM RECEIVES A TFRP CASE AND...	TFRP WAS PROTESTED	TFRP WAS NOT PROTESTED	ACTIONS FOR TFRP CASE FILE DOCUMENTS	CPM TRANSMITTAL	CPM FOLLOW-UP
-the TFRP was completed in ATFR and is -supported by a physical (paper) case file		<input checked="" type="checkbox"/>	-No digitization required -Follow procedures in IRM 5.7.10.10	-Follow procedures in IRM 5.7.10.4.3	-Follow procedures in IRM 5.7.10.6 for monitoring

-the TFRP was completed in ATFR and is -supported by a physical (paper) case file	<input checked="" type="checkbox"/>		-Digitize the entire contents of the TFRP file which includes the protest, in accordance with IGM SBSE-05-0226-0009 -Retain the physical files and follow procedures in IRM 5.7.10.10	-Transmit to Appeals via upload to the ECR SharePoint site -Follow procedures in IRM 5.7.10.7(1)	-Follow procedures in IRM 5.7.10.8
-the TFRP was completed in ATFR and is -supported by an electronic case file in VTFRP		<input checked="" type="checkbox"/>	-No digitization required -Access corporate case in VTFRP using Case.Search by Corp TIN -Secure F2749 from Case Documents file	-Follow procedures in IRM 5.7.10.4.3	
-the TFRP was completed in ATFR and is -supported by an electronic case file in VTFRP	<input checked="" type="checkbox"/>		-No digitization required -Access corporate case in VTFRP using Case.Search by Corp TIN -Secure entire contents of each TFRP file containing a protest	-Transmit to Appeals via ECR SharePoint site -Follow deviation procedures in IRM 5.7.10.7(1)	-Follow deviation procedures in IRM 5.7.10.8 for actions in VTFRP
-the TFRP was completed in VTFRP and is -supported by an electronic case file in VTFRP		<input checked="" type="checkbox"/>	-No digitization required -Access corporate case in VTFRP using Case.Search by Corp TIN -Secure Assessment Detail Report	-Regular assessments – No transmittal actions required -Q, P, J, assessments - follow deviation procedures in IRM 5.7.10.5	-Follow deviation procedures in IRM 5.7.10.6
-the TFRP was completed in VTFRP and is -supported by an electronic case file in VTFRP	<input checked="" type="checkbox"/>		-No digitization required	-Receive email from RO GM confirming upload of a protest to ECR - Confirm protest case in CPM's Appeals Queue	-Follow deviation procedures in IRM 5.7.10.8 for actions in VTFRP

Effect on Other Documents: The sections of this guidance that pertain to TFRP investigations established and completed in ATFR, and that are supported by paper case files, will remain in effect until all paper files have been appropriately digitized and/or forwarded per retention procedures. The remaining sections of this guidance that address the receipt, processing and retention of TFRP case files established and completed in VTFRP and/or supported by digital case files will be incorporated into IRM 5.7.10 within two years of the effective date of this memo.

Effective Date: This guidance will become effective as of the date of this memo and will remain in effect unless withdrawn or superseded.

Contact: If you have any questions regarding the guidance in this memorandum, you may contact Matthew Brody, Collection Project Manager – VTFRP or Andra Kullman, Acting Program Manager – Employment Tax. A member of your staff may contact Mindy Murphy, Senior TFRP Program Analyst.

Attachments: See Attachment 1 – #SBSE-05-0626-0040, Impacted IRM 5.7.10 Subsection(s)

Distribution:
Director, Collection
IRS.gov

Attachment Interim Guidance: SBSE-05-0626-0040, Impacted IRM 5.7.10 Subsection(s)

This attachment identifies the impacted IRM 5.7.10 subsections and provides the revised procedures in accordance with the interim guidance. The changes to IRM 5.7.10 are reflected in **bold type** and are hereby effective as of the date of this memo, for VTFRP cases.

Note: For any remaining ATFR cases, CPM employees should continue to follow the original procedures in IRM 5.7.10.

5.7.10, Control Point Monitoring (CPM) Trust Fund Recovery Penalty (TFRP) Case Processing

5.7.10.2 (MM-DD-YYYY)

Virtual Trust Fund Recovery Penalty (VTFRP) *Subsection Title Change

(1) The **Virtual Trust Fund Recovery Penalty (VTFRP)** program on the **ECM platform** is used to control TFRP case inventories. **VTFRP capabilities include processing of TFRP assessment and maintenance of the TFRP investigation action records, digital retention of TFRP-related documentation, and final disposition records.** Upon completion of all required actions, the case status on VTFRP will update accordingly.

(2) Within VTFRP, CPM has the ability to access all TFRP-related documents, historical records of case actions, and TFRP assessment information and is responsible for recording Appeals' final protest determinations transmitted via Form 5402/Printable View and inputting the actions associated with the determination, including:

- **Completing assessment actions following a *fully sustained* determination**
- **Adjusting tax periods and trust fund amount data and completing assessment actions following a *partially sustained* determination**
- **Removing all liabilities and updating case status to "resolved" following a *not sustained* determination**

(3) For TFRP assessments that originated in the legacy ATFR system, CPM has the ability to record the following information in ATFR:

- **Processing dates for Form 2749, Request for Trust Fund Recovery Penalty Assessment(s)**
- **Date TFRP file was sent to the Federal Records Center (FRC)**
- **Closed TFRP file requests**

5.7.10.4 (MM-DD-YYYY)
Case Processing

(1) When “Submit Recommendation for Assessment” is selected in VTFRP, the assessment transactions are pushed to IDRS and will be viewable as pending immediately. The VTFRP case is systemically removed from the assigned RO’s inventory. The status of each RRP’s Assessment Case (A-Case) and Individual Case (I-Case) is updated to *Open-Pending Assessment*, and the status of the Business Case (B-Case) will reflect *Pending-Proposed Assessment*. The pending assessments are systemically monitored by VTFRP until successfully posted to master file (MF).

(2) For cases with imminent ASEDs, ROs must select “Submit Recommendation for Assessment” no later than 30 days before the ASED; this will ensure timely posting of the assessment to master file (MF) based on the ASED. Cases with 29 days or fewer remaining on the statute will require quick assessment procedures.

Note: VTFRP programming will not permit the selection of “regular” for assessment type, when 29 or fewer days remain on the earliest ASED. The case statuses described in (1) above will be reflected following the input of both *regular* and *quick* assessment types.

~~5.7.10.4.1 (07-03-2017)~~

~~*ATFR Case in Pending Inventory - No Case File Received*~~

~~*This subsection has been removed as TFRP assessments are initiated by VTFRP and there is no longer a physical TFRP case file for shipping to CPM.~~

Note: CPM Employees should continue to follow these procedures for TFRP assessments processed through ATFR.

~~5.7.10.4.2 (07-03-2017)~~

~~*ATFR Case Not in Pending Inventory - Case File Received*~~

~~*This subsection has been removed as TFRP assessments are initiated by VTFRP and there is no longer a physical TFRP case file for shipping to CPM.~~

Note: CPM Employees should continue to follow these procedures for TFRP assessments processed through ATFR.

5.7.10.4.3 (07-03-2017)

ATFR Case in Pending Inventory - Case File Received

***This subsection has been removed as TFRP assessments are initiated by VTFRP and there is no longer a physical TFRP case file for shipping to CPM.**

Note: CPM Employees should continue to follow these procedures for TFRP assessments processed through ATFR.

5.7.10.5 (MM-DD-YYYY)

***Processing Quick and Prompt Assessments* *Subsection Title Change**

- (1) Both Field Collection ROs and CPM employees may process assessments requiring the use of quick or prompt procedures in accordance with the procedures in IRMs 5.7.6.13 and 5.7.6.13.1.**
- (2) Upon selection of “quick” or “prompt” for assessment type, VTFRP will prompt the user to upload the required forms/documentation to the case documents file, including:**
 - Form 3210, *Document Transmittal*, listing each manually assessed period, one per line and in chronological order from oldest to most current, so the assessment DLN can be written next to the period and faxed back to the originator**
 - A separate Form 2859, *Request for Quick or Prompt Assessment*, for each tax period being assessed**
 - A separate Form 3552, *Prompt Assessment Billing Assembly*, for each tax period assessed, with proof of certified mailing attached**
- (3) Upon completion of the actions in VTFRP, the status of each RRP’s Assessment A-Case and I-Case is updated to *Open-Pending Assessment* and the B-Case status will update to “Pending-Proposed Assessment.” No additional actions are required - VTFRP will systemically monitor for posting of quick assessments to MF.**

5.7.10.6 (MM-DD-YYYY)

***Monitoring Pending Assessment Inventory* *Subsection title change**

- (1) The systemic input of TFRP assessments by VTFRP systemically removes pending assessment cases from the assigned RO’s inventory following completion of all required assessment-related inputs. VTFRP will monitor the pending transactions and transfer a case into a specialized queue if issues have been identified as requiring**

intervention (e.g. unpostable periods, calculation problems, CI Freeze). These cases must be reviewed to determine the assessment problem and the required resolution.

- (2) When an unpostable assessment is identified, VTFRP will create and assign a task to the Ogden Service Center Assessment Unit. The task will include a “GO” button and when selected, will take the Assessment Unit employee directly to the step for immediate input of the required corrective action.
- (3) Systemic monitoring by VTFRP will also identify cases with successfully posted assessments for upload of DLN and 23-C date information and updating of the status on VTFRP.

Reminder: Once VTFRP verifies posting of the TC 240 DLN, 23C date, assessed balance, and TC 971 AC 097 on IDRS, an updated Assessment Detail Report will be generated, and the case status will be updated to *Open-Assessment Posted*. The Assessment Detail Report may be retrieved later on for review of the full assessment-related case details.

5.7.10.7 (MM-DD-YYYY)

ATFR Appeals Case Processing

- (1) Upon receipt of a **physical** TFRP file containing a responsible person’s protest, CPM will take the following actions to process to Appeals:
 - a. Within **five** business days of receipt of case file, open an Integrated Collection System (ICS) Code 176 Non-Field Other Investigation (NF OI) module. ICS can be used to establish systemic follow up dates for Appeals cases.
 - b. Annotate Form 2749 in red ASER extended by TBOR-2.
 - c. **Scan and save the entire TFRP protest file into one digital file.**

Note: Files should be named “TFRP Protest” with the date the protest was received, the Name Control of the RRP, and the last four digits of the RRP’s TIN.

Example: An RRP with the last name Fisher (last four of TIN is 1111) submits a protest on January 2, 2026. The naming convention of the protest file will be “TFRP Protest 01022026 FISH 1111.”

- d. Transmit the digital protest file to Appeals using the following steps:

Step	Action
1.	Access the Appeals Shared Programs Hub
2.	Select “Add New Electronic Case Receipts”
3.	Input the required information for the protesting RRP <ul style="list-style-type: none"> ○ Business Unit: SB/SE ○ RRP Name ○ RRP TIN ○ MFT and Tax Periods (ex. 55 YYYYMM)
4.	Input case type for “TFRP – Trust Fund Recovery Penalty”
5.	Attachments: Click to Attach File: <ul style="list-style-type: none"> ○ Select the TFRP Protest File that is being transmitted to Appeals
6.	Click Submit

- e. Retain the email confirmation of the TFRP protest submission, receipt, and assignment with the electronic case file documents.
- f. Enter the date sent to Appeals in ATFR. This action automatically moves the case from the “Accepted” inventory to the “Appeals” inventory.

5.7.10.4.1 (MM-DD-YYYY) **New Subsection**
VTFRP Appeals Cases – Acknowledging and Monitoring

- (1) Upon receipt of an Electronic Case Receipt (ECR) confirmation from the group manager (GM), CPM will access the business case on VTFRP to confirm the B-Case’s “Pending-Proposed Assessment” status, and “Record/Update Appeal Decision” To Do task for the assessment case on each RRP who filed a protest.
- (2) Each assessment case under Appeals’ jurisdiction will be listed in the *Appeals Queue* tab of *My Work*, which can be sorted using available filters for inventory monitoring purposes.
- (3) CPM will monitor the inventory of Appeals cases and initiate actions including upload of Forms 5402/Printable View to VTFRP’s case documents file as determinations are finalized and forwarded by Appeals.

5.7.10.8 (MM-DD-YYYY)

Appeals Cases – Processing Final Determinations *Subsection Title Change

(2) When a final determination is rendered, Appeals will **forward Form 5402/Printable View to CPM, reflecting the Appeals decision. CPM employees will access the case in VTFRP from the *Appeals Queue* in the *My Work* list and click the “GO” button associated with the *Record Appeals Decision To Do* task.**

(3) Click “Recalculate” to ensure the trust fund amounts include any payments/credits that may have posted while the case was under Appeals’ jurisdiction.

(4) If Appeals sustains the original proposed assessment in full or in part, **CPM will update the TF amount fields in VTFRP for each tax period, as applicable, following input of the determination in the *Record/Update Appeal Decision* window.**

(5) CPM is responsible for completing any assessment action **and ensuring the ASED is protected on all Appeals cases. All assessments will be input no later than 10 calendar days after receiving Appeals’ final determination. If 29 or fewer days remain on the ASED, quick assessment procedures are required. See IRM 5.7.6.13, *Assessments on Tax Periods with Less than 30 Days Remaining on the ASED (above)*, for additional guidance.**

(6) For *regular* assessments, take the following steps to complete the assessment:

- **No Change, i.e., fully responsible (F):**
 1. **Select “Sustained” and input the Form 5402 ATM signature date.**
 2. **Upload Form 5402/Printable View to the case documents file. Click “Submit.”**
 3. **Select “Regular” from the assessment type dropdown menu and click “Sumit.” VTFRP will push the assessment information to IDRS, provide confirmation of the completed action and update the A-Case status to *Open-Pending Assessment*.**

- **Partially Responsible (P):**
 1. **Select “Partially Sustained” and adjust the RRP Liability/amounts for each applicable tax period.**
 2. **Input the Form 5402 ATM signature date and upload Form 5402/Printable View to the case documents file. Click “Submit.”**

3. Select “Regular” from the assessment type dropdown menu and click “Sumit.” VTFRP will push the assessment information to IDRS, provide confirmation of the completed action and update the A-Case status to *Open-Pending Assessment*.
- Not Responsible (N):
 1. Select “Not Sustained” and confirm the RRP Liability reflects “None.”
 2. Input the Form 5402 ATM signature date and upload Form 5402/Printable View. Click “Submit.”
 3. VTFRP will record the protest response, provide confirmation and update the A-Case status to *Pending-TFRPZero*.

Note: All cases with *Not Responsible* determinations will be closed no later than 10 calendar days after receiving Appeals’ determination not to assess.

Select “Submit Recommendation for Assessment” in VTFRP; this will result in the systemic input of the TFRP assessment and the systemic transfer of the VTFRP case from “Appeals” inventory status to “Pending Assessment” inventory status.

7. Refer to IRM 5.7.10.6, Monitoring Pending Assessment Inventory above, for guidance on VTFRP monitoring.

(6) While the ASER was extended by TBOR-2 for the time the case was pending in Appeals and under their jurisdiction, it is only protected for an additional 30 calendar days from the date of the final Appeals determination as indicated by the managerial signature on Form 5402, *Appeals Transmittal and Case Memo/Printable View*, Form 866, *Agreement as to Final Determination of Tax Liability*, or Form 906, *Closing Agreement on Final Determination Covering Specific Matters*. Take the following steps to complete a **quick** assessment no later than 10 calendar days after receiving Appeals’ final determination.

1. Click “Recalculate” to ensure the trust fund amounts include any payments/credits that may have posted while the case was under Appeals’ jurisdiction.
2. Make the appropriate selection based on Appeals’ determination; update the TF amount fields in VTFRP for each tax period, as applicable, if the determination was (P).

3. Select “Quick” from the assessment type dropdown menu and click “Submit.”

Note: Upon selection of the assessment type, VTFRP will systemically generate an assessment detail report which can be found in the RRP’s case documents file. The assessment detail report replaces Form 2749 and will be included in the package faxed to the Ogden Manual Assessment Unit.

4. Generate and print Form 2859, *Request for Quick or Prompt Assessment*, from VTFRP including all required information as well as the requestor’s full address, phone number, and ICS assignment number.
5. Generate Form 3210, *Document Transmittal*, from VTFRP listing the responsible person’s name, last four digits of their TIN, and each period to be assessed. Include CPM requestor’s fax number. (This page will be faxed back to CPM with the assessment date and the DLN for each period assessed.)
6. Prepare a fax cover sheet with the responsible person’s name and last four digits of their TIN, and fax it to the Ogden Manual Assessment Unit. Include the following documents:
 - Form 3210, complete with all information
 - Assessment Detail Report
 - One copy of Form 2859 for each period to be assessed, with group manager’s signature
7. For fax assessments, the Ogden Manual Assessment Unit will prepare Form 3552, *Prompt Assessment Billing Assembly*, and return it to the initiator, along with Form 3210 showing the assessment date and DLN for each tax period listed.
8. Immediately deliver or mail certified Parts 3 and 4 of Form 3552, along with Pub 1, *Your Rights as a Taxpayer*, to the responsible person. Notice 960, *Explanation of Penalty Assessment on Form 3552 (Part 3)*, *Notice of Tax Due on Federal Tax Return*, will also be included with Form 3552 to remind the responsible person of the procedures to follow in order to file a claim for refund and request abatement of the liability. Multiple Forms 3552 for the same responsible person may be mailed together.

9. Upload the completed Form 2859 and Form 3210 to the case documents file and input the dates the forms were sent to/received from Accounting, as prompted. Click “Submit.”
10. Upload Form 3552 and input the Certified Mail details. Click “Submit.”
11. Upon completion of the actions in VTFRP, the status of each RRP’s Assessment A-Case and I-Case is updated to *Open-Pending Assessment* and the B-Case status will update to “Pending-Proposed Assessment.” No additional actions are required – VTFRP will systemically monitor for posting of quick assessments to MF.

Note: Accounting Control/Services will also forward copies of the Assessment Detail Report and Form 3552 to the TFRP unit in Compliance Services Collection Operations (CSCO) for input of the appropriate cross-referencing information and UNLCER information.

5.7.10.9 (MM-DD-YYYY)

VTFRP Inventory Management and Reports

(1) The accuracy of the VTFRP inventory is dependent upon maintaining an accurate employee control structure. CEASO CPM management should determine the most effective manner of inventory assignment based on the roles and responsibilities of CPM employees within VTFRP. The manner of inventory assignment will determine the *My Inventory* output in VTFRP.

(2) VTFRP provides the following inventory screens and reports:

VTFRP Report:	Displays:
My Inventory	Within the <i>My Work</i> tool, the <i>My Inventory</i> tab lists all cases assigned to a user with columns for a hyperlinked Case ID providing direct case access and Taxpayer Name/TIN, Case Type ,, case status, and other relevant information; additional columns/features vary per tab and can be sorted or filtered based on reporting needs.
My Tasks	Within the <i>My Work</i> tool, the <i>My Tasks</i> inventory lists all assigned cases with overdue action items or tasks

VTFRP Report:	Displays:
	coming due as well as a hyperlinked Case ID providing direct case access and Taxpayer Name/TIN, Case Type, task due date/days remaining and other relevant information; additional columns/features vary per tab and can be sorted or filtered based on reporting needs.
Appeals Queue	Within the <i>My Work</i> tool, the <i>Appeals Queue</i> lists all TFRP protests under Appeals' jurisdiction for monitoring by CPM until determination is finalized by Appeals and forwarded for input in VTFRP. In addition to a hyperlinked Case ID, cases in the Appeals queue also have a "GO" button for direct access to the <i>Record Appeals Decision</i> task, easily accessible upon receipt of Form 5402/Printable View from Appeals. Columns can be sorted or filtered based on reporting needs.
Earliest ASED Report	From the Reports tool, the earliest ASED report also includes the assigned RO information as well as the earliest ASED and the work status. Column information can be sorted or filtered.

(3) Quarterly reconciliations **should** be conducted to reconcile the "Appeals Queue" inventory with the Appeals Centralized Database System (ACDS) and **Appeals Centralized Management System (ACMS)** to ensure that cases are still open in Appeals.

(4) CEASO CPM management should review **VTFRP** inventories/reports monthly to identify any aging cases requiring attention.

5.7.10.10 (MM-DD-YYYY)
Case Retention and Retirement

(1) **Electronic TFRP** case files are retained **within VTFRP** for the period of retention.

(2) **Physical TFRP** case files from assessments that originated in ATFR will remain in CPM until retirement to the FRC after two years have passed from the assessment date.

- (4) Once all cases originating in ATFR have been forwarded to CPM, there will no longer be any physical case files created. All TFRP records will be electronic and retained with VTFRP.**
- (5) Once all cases originating in ATFR have passed their two-year CPM retention period, they will be forwarded for permanent storage at the FRC and CPM will no longer be responsible for storing and/or fulfilling requests for closed TFRP case files.**