



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

SMALL BUSINESS/SELF-EMPLOYED DIVISION

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MEMORANDUM FOR DIRECTORS, COLLECTION AREA OPERATIONS

FROM: Kristen E. Bailey  
Director, Collection Policy

SUBJECT: Interim Guidance for Revenue Officers regarding Changes for Securing a Collection Information Statement

Kristen E. Bailey

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The purpose of this interim guidance memorandum is to provide clarification for revenue officers when securing collection information statements and viewing assets for verification. Securing a completed financial statement provides the basis for determining a taxpayer's ability to pay delinquent tax liabilities, which enables employees to make appropriate collection decisions to resolve cases.

The guidance provided in the revised paragraphs in IRM 5.15.1.1(2) and (5) below and in the new paragraphs 6, 7 and 8 will be effective on the date of this memorandum.

**IRM 5.15.1.1**  
**Overview and Expectations**

(2) An interview should be conducted in order to determine the appropriate case resolution. Request full payment of the tax liability. Encourage taxpayers to pay off the tax liability as quickly as possible. If taxpayers are unable to pay in full (and do not qualify for a Guaranteed, Streamlined or In-Business Trust Fund Express Installment Agreement) secure a complete Collection Information Statement (CIS).

**NOTE:** If a taxpayer states during any interview that he or she wishes to consult with an authorized representative, the employee will suspend the interview to permit such consultation. See IRM 5.1.10.7.1, Rights During Interviews.

(5) Revenue officers will attempt to secure, review and discuss financial statements in person in the field. If you are unable to secure a financial statement on the initial contact, schedule a face-to-face follow-up appointment to complete, review and discuss the financial statement in the field. This face-to-face interview should be conducted at the taxpayer's business, residence or representative's office unless meeting with the taxpayer at the taxpayer's business or residence will put the revenue officer at risk. If a risk is identified and documented, an appointment should then be scheduled at the revenue officer's post of duty. If the representative is not in the local area, refer to the Note in IRM 5.15.1.1(8).

**NOTE:** Do not give or mail financial statements to the taxpayer or the taxpayer's representative prior to the initial contact.

(6) If the taxpayer refuses to meet face-to-face with the revenue officer to complete, review and discuss the financial statement, but agrees to provide financial information, the financial statement may be secured by phone or correspondence. In these situations, the revenue officer must make a field call to verify assets early in the financial statement review process, if not physically verified previously or unless a field call will put the revenue officer at risk or the taxpayer does not have any assets to verify. Whenever possible, the field call should be conducted in the presence of the taxpayer and/or the taxpayer's representative. If the representative is not in the local area, refer to the Note in IRM 5.15.1.1(8).

**NOTE:** If the taxpayer is unable to complete a financial statement at the time of the initial contact (e.g. health issue, scheduling conflict, taxpayer is out of town, etc.) , but can meet face-to-face with the revenue officer within a reasonable amount of time (e.g., 2-3 weeks) that does not constitute refusal to meet. The face-to-face meeting should be rescheduled for the future date. If a face-to-face meeting is not conducted, the revenue officer must document the reason the financial statement was not secured during a face-to-face meeting in the ICS history.

**REMINDER:** Verification of assets through on-line or courthouse records does not replace the physical verification of assets during a field call.

(7) If the taxpayer refuses to complete the financial statement, the revenue officer must inform the taxpayer of enforcement action that may take place for failure to comply with the requests for information. The revenue officer will proceed with appropriate enforcement and/or administrative actions if the taxpayer is still unwilling to comply. Appropriate enforcement action may include serving a summons to interview the taxpayer and/or to produce the records needed to complete the financial statement. The revenue officer will set the taxpayer's business or residence as the location for the interview in the summons unless meeting with the taxpayer at the taxpayer's business or residence will put the revenue officer at risk. See Treas. Reg. 301.7605-1(d)(3).

Follow the guidance in IRM 5.17.6, Legal Reference Guide for Revenue Officers, Summons.

**NOTE:** If the taxpayer requests a change to the place of appearance, advise the taxpayer the request must be in writing. A taxpayer's written request to change the location from the taxpayer's residence or business to an IRS office or a representative's local office should be accepted in accordance with Treas. Reg. 301.7605-1(e).

(8) When the taxpayer is represented and the representative affirmatively states that the taxpayer will not be present at the initial face-to-face interview, the revenue officer will interview the taxpayer's representative at the representative's office to complete, review and discuss the financial statement. If the taxpayer's representative needs time to secure the necessary information from the taxpayer, the revenue officer will schedule a follow-up appointment with the representative at the representative's office.

- If the representative cannot secure the information needed to complete the financial statement, ask the representative for permission to contact the taxpayer directly. If the representative consents to contacting the taxpayer directly, document the consent in the ICS history. If the representative does not consent to contacting the taxpayer directly, consider issuing a summons. Follow procedures in IRM 5.17.6, Legal Reference Guide for Revenue Officers, Summons, to summons the taxpayer in order to interview the taxpayer to provide testimony and/or produce the records needed to complete and verify the financial statement. The revenue officer will set the taxpayer's business or residence as the location for the interview in the summons unless meeting with the taxpayer at the taxpayer's business or residence will put the revenue officer at risk. See Treas. Reg. 301.7605-1(d)(3) & (f).

**NOTE:** If the taxpayer requests a change to the place of appearance, advise the taxpayer the request must be in writing. A taxpayer's written request to change the location from the taxpayer's residence or business to an IRS office or a representative's local office should be accepted in accordance with Treas. Reg. 301.7605-1(e).

- If the representative does not comply and causes unreasonable delays to the investigation, consider by-passing the representative. Follow the guidance in IRM 5.1.23.5, By-Passing a Taxpayer's Representative.

**NOTE:** If a taxpayer's representative is not located in the local area, ask the representative to travel to the taxpayer's business or residence to conduct the interview or participate in your interview of the taxpayer at the taxpayer's business or residence by speakerphone or conference call. If the representative refuses to travel or allow the revenue officer to interview the taxpayer directly, the revenue officer will inform the representative that the financial statement may be secured by phone or correspondence but that the revenue officer will need to make a field call to verify the taxpayer's assets. Once the financial statement has been secured, the revenue officer must make a field call to verify assets, if not physically verified previously or unless a field call will put the revenue officer at risk or the taxpayer does not have any assets to verify. Whenever

possible, the field call should be conducted in the presence of the taxpayer and/or the taxpayer's representative.

This guidance will be incorporated in [IRM 5.15.1.1., Overview and Expectations](#), in the *Financial Analysis Handbook*, within one year of the date of this memorandum.

If you have questions, please contact me, or a member of your staff may contact Senior Program Analyst, Cynthia Cooper. Field personnel should direct any questions, through their management staff to the appropriate Area contact.

cc: National Taxpayer Advocate  
Director, Field Collection  
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