SMALL BUSINESS/SELF-EMPLOYED DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, DC 20224

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MEMORANDUM FOR: William Smits
Director, Campus Collection – Andover
Director, Field Collection – North Atlantic Area

FROM: Thomas Kramer
Director, Collection Policy

Thomas D. Kramer
Digitally signed by Thomas D. Kramer
Date: 2026.08.12 16:11:04 -07'00'

SUBJECT: IRM Deviations and Interim Procedural Guidance for the Resolution of IRS Employee Cases Covered Under the IRS Employee Case Resolution Pilot

This memorandum outlines temporary procedural guidance for the Campus Collection employees participating in the IRS Employee Case Resolution Pilot. Please ensure this information is distributed to all impacted employees within your organization.

Purpose: The purpose of this memorandum is to implement interim procedural guidance and temporary deviation procedures in accordance with Internal Revenue Manual (IRM) 1.11.2.2.4, *When Procedures Deviate from the IRM*, to guide the Campus Collection employees assigned to the pilot.

Background: Generally, the delinquent tax accounts of IRS employees are assigned to Field Collection revenue officers (RO). These cases require special handling due to their sensitive nature and specialized procedures. A group of Campus Collection employees has been selected to participate in a pilot program designed to evaluate the effectiveness of using Campus Collection resources to work IRS employee cases.

The pilot will assess whether certain IRS employee case- inventory can be effectively worked and resolved by Campus Collection employees while maintaining applicable employee protection requirements, taxpayer rights, and case processing standards, thereby allowing Field Collection resources to focus on other high-priority inventory.

Source(s) of Authority: The Standards of Ethical Conduct for Employees of the Executive Branch, 5 C.F.R. § 2635.101(b)(12), and Section 1203(b) of the IRS Restructuring and Reform Act of 1998 establish IRS employee tax compliance requirements. Delegation Order 1-20, pursuant to IRC § 7804(c) and Title 26 of the United States Code, delegates authority to carry out certain actions associated with the collection of taxes owed by IRS employees. This pilot does not alter the underlying statutory or delegated authorities but temporarily modifies the organizational assignment of IRS employee collection cases from Field Collection ROs to Campus Collection Employees.

Procedural Change: While existing Field Collection and Automated Collection System (ACS) procedures continue to apply to IRS employee cases, the IRS Employee Case Resolution Pilot requires the use of hybrid procedures that incorporate certain aspects from each program and establish deviations where necessary. These procedures address taxpayer contact requirements, case resolution alternatives, the use of the Integrated Collection System (ICS) by Campus Collection employees, and other related case processing requirements. The attachment provides end-to-end processing instructions, references applicable IRM provisions, and identifies pilot-specific requirements and approved deviations for IRS employee cases. Employees assigned to the pilot must follow the procedures included in the attachment.

Effect on Other Documents: This guidance will remain in effect through the tentative pilot expiration date shown at the top of this memo and may be extended, if necessary.

Effective Date: The guidance in this memo is effective as of the date of this memo.

Contact: If you have any questions regarding the guidance in this memorandum you may contact Matthew Brody, Deputy Program Manager – Employment Tax, or your employees may elevate any questions regarding the procedural guidance to Collection Policy through the normal management channels.

Distribution:
Director, Collection
Director, Quality Technical Services (QTS)
Director, Collection Inventory Delivery & Selection (CIDS)
Taxpayer Advocate Service
IRS.gov

Attachment to IGM SBSE-05-0826-0050

Introduction

Employees assigned to cases under the pilot should follow the guidelines below and rely on the cited IRM sections for processing IRS employee cases. The framework for case resolution should generally follow sequentially through the following stages:

1. Case Assignment Receipt and Pre-contact Analysis
2. Initial Contact
3. Case Resolution Options
4. Return Delinquencies (TDI)
5. Closing Procedures, Documentation, and Managerial Approval

1. Case Assignment Receipt

(1) Upon receipt of a case assignment, conduct all the necessary case research and determine the most appropriate plan of action, based on the facts and circumstances of the case.

(2) The initial research will also assist in identifying cases erroneously coded as IRS employee cases, or cases meeting escalation criteria.

(3) Begin the initial case analysis with researching the IRS Employee indicator to determine if the cases are coded appropriately. ICS will reflect the literal "IRS-EMP" when the coding is present on IDRS and AMS will display "ALERT INDICATOR" on the primary screen. IDRS command codes (CC) ENMOD, TXMOD, and IMFOL will all reflect the literal "IRS-EMP" with the following Employee Codes:

"1" or "P"	Primary taxpayer is an IRS employee
"2" or "S"	Secondary taxpayer is an IRS employee
"3" or "B"	Both taxpayers are IRS employees

(4) IDRS CC LEVYS and IRPTR may also show the IRS as an employer. See IRMs 5.1.7.9(1)-(3) and 5.19.18.3(1) for additional information on identifying IRS employee accounts. If research confirms the IRS Employee indicator is erroneous, refer to the following chart for instructions on reversing the indicator.

If…	**Then…**
The taxpayer is no longer an IRS employee	Input TC 972, AC 191 to turn off IRS Employee indicator
The Secondary coded case is on an ex-spouse and there are no outstanding joint liabilities with the IRS employee	Input TC 972, AC 191 to turn off the IRS Employee indicator
The taxpayer is no longer an IRS employee AND is not a retiree	Input TC 972, AC 51 to remove the FED indicator

Removal of the IRS employee indicator is applicable, but the FED indicator still applies, and the UBA is under $999,999.00	Proceed with input of the TC 972 AC 191 followed by input of CC STAUP 22/00 to route the case to the ACS call site

Note: For cases with a UBA > $999,999.00, coordinate transfer to the field through your approving official.

(5) The identification of certain criteria during the initial research may require escalation of the case to a Field Collection revenue officer (RO). If any escalation criteria are identified, discuss the case with the appropriate approving official. Escalation criteria that may be evident from the initial research includes:

- Cases outside of Campus authority levels (IRM 5.19.13.2.4)
- "Active" RO involvement (RO contact already established in ICS history)

1.1 Pre-Contact Analysis

(1) Research for a pre-contact analysis will include any prior or archive AMS and ICS case history narratives and a review of Integrated Data Retrieval System (IDRS) records for account details, compliance factors, filing and withholding requirements, and the presence of any account indicators that may impact the case or dictate the required actions.

(2) Research IDRS for the presence of account indicators that may be related to the delinquent module(s) or may impact or direct case actions and progression. Some potential IDRS research includes:

- FPLP Status (may require blocking or unblocking)
- Freeze Conditions (e.g., -A Freeze, -L Freeze, -V Freeze – additional considerations may be needed based on freeze codes present)
- Pending IA requests -TC 971>043 (Review for legitimacy – see IRM 5.14.1.3.1(1) step e. for pending IA criteria not met. Letter 1058 and Levy Issuance are prohibited when IA is pending – see IRM 5.11.1.4.8 for guidance on prohibited levy action, IRM 5.11.1.3.3.3(7) for guidance on restricted L1058 issuance, and IRM 5.19.1.6.4.10 for guidance on Independent Review requirement for proposed rejection pending IAs)
- Open Claims/Amended returns (TC 976 and/or TC 971>010 present on module may indicate and adjustment is required or imminent)
- Imminent CSED – 12 months or less remaining (See IRM 5.1.19.5.2, *Working Imminent CSEDs*, IRM 5.1.19.5.3, *Documenting Imminent CSEDs*, and IRM 5.1.19.6, *Collection Statute Review*)
- PDT or CAU indicators (See IRM 5.18.1.9.1.3)
- -C Freeze – Combat Zone (See IRM 5.1.7.10 for additional information)
- Special Handling for -S or -O Freeze (See IRM 5.1.12 for additional guidance on taxpayers impacted by a disaster)
- Power of Attorney (POA) authorization See IRM 5.1.23.4.2.2, *Form 2848 Facts to Consider*)
- Active Criminal Investigation on any module (TC 914/-Z Freeze may indicate the need to apply parallel investigation procedures - See IRM 5.1.5.2)
- Status of L3164 issuance for Third-Party Contacts (TC 971>611 on each module)

(3) Conduct a full compliance check (FCC) during the pre-contact analysis by addressing all filing requirements, all payment requirements and compliance issues (Estimated Tax Payment

(ES), Federal Tax Deposit (FTD), Withholding (W/H)) and complete a cross-compliance check when applicable. Conduct cross-compliance check on sole-proprietorship or general partnership by verifying IMF filing and paying compliance - refer to IRM 5.1.10.3.2(11). Cross-compliance research on a corporation should be conducted on a case-by-case basis and is not required on all cases – refer to IRM 5.1.10.3.2(10) for additional guidance.

Note: All outstanding balance due periods and unfiled tax years identified in IDRS research must be addressed.

(4) Create ICS Only modules for any Bal Due (TDA) modules in notice status and input CC STAUP 22/00 to accelerate the modules.

Note: Before creating an ICS Only Del Ret (TDI) modules for any unfiled returns that are not in TDI status, review the module information to determine if the case circumstances meet IRM 5.1.11.12(2) criteria.

(5) Review CC IRPTR and posted prior year returns to identify potential income sources and conduct taxpayer and asset locator research, as applicable. See IRM 5.1.18, *Locating Taxpayers and their Assets*, for additional information. Research for alternate phone numbers if none are present on the account.

Note: Follow the procedures in IRM 25.27.1, *Third-Party Contact Program*, as they pertain to respecting taxpayer rights in accordance with IRC 7602(c) when you use various locator sources. If the L3164 was not previously issued, (TC 971>611 not present on modules) determine if issuance is appropriate.

(6) Refer to IRM 5.1.18, *Locating Taxpayers and their Assets*, IRM 5.19.2.5, *Return Delinquency Research*, and IRM 5.1.10.2, *Pre-Contact*, for additional guidance on pre-contact analysis.

(7) Confirm the Notice of Federal Tax Lien (NFTL) status on ICS and notate the NFTL determination date for input of a timely determination following taxpayer contact attempt(s). See IRM 5.12.2.2(1), *Taxpayer Contact*, for additional guidance on NFTL filing and taxpayer contact. The chart on the following page reflects the literals ICS will display in the *FTL* column to provide the NFTL status for each tax period.

Literal	Meaning
“?”	No NFTL determination made
“N”	Do Not File determination input
“Y”	NFLT filed
“D”	NFTL determination deferred
“E”	NFTL determination extended

1.2 Plan of Action

(1) While preparing for the initial taxpayer contact, review the results of your research and analysis to develop a preliminary plan of action and identify a possible path toward resolution; the resolution plan should be appropriate based on the case facts. Although the plan may change after speaking with the taxpayer and gathering additional information, it provides a starting point for working the case and helps focus actions toward achieving a timely resolution. Document all pre-contact analysis details and the tentative plan of action in the ICS case history.

(2) The pre-contact analysis will help to identify the issues that need to be addressed during the initial investigative interview. You may use the Form 10365, *Investigation History - Initial Contact*, to help prepare for the initial investigative interview.

(3) When it's determined that an appointment letter is needed, use Letter 725-B, *Meeting with Taxpayer –Confirmation*, or Letter 725-D, *Meeting with Representative – Confirmation*, to schedule a telephone meeting, and list the phone number for the taxpayer to call, along with the scheduled date/time. Both the pre-contact analysis and a telephone contact attempt should be completed within **15 days** from the case assignment date; this will provide for mailing of the appointment letter and Form 9297 while allowing the time for receipt by mail and an appropriate amount of time for the taxpayer to complete the required actions/compile all requested documents for submission at the scheduled meeting.

Note: Before sending 725-B or 725-D, modify the letter to remove the first sentence stating, "*My name is Revenue Officer [insert name]*" and change "*Location or phone number*" in the meeting details to "*Phone number for meeting*" since in-person meetings are not applicable for this pilot. Employees without access to Secure Messaging and/or Document Upload Tool (DUT) should also remove the related content under the "*How to send information*" section.

(4) Prepare all applicable forms, letters, and publications for mailing to the taxpayer. Include Pub 1, *Your Rights as a Taxpayer*, Pub 594, *The IRS Collection Process*, Pub 1660, *Collection Appeal Rights*, and Form 9297, *Information and Document Request*. If any of the pre-contact research indicated that third-party contacts may become necessary (including levy action) then consider including the applicable Letter 3164 as well. Provide a deadline that coincides with the scheduled appointment date when an appointment letter is issued, so proof of the required actions and the requested documents can be received for discussion during the scheduled telephone meeting.

(5) For Bal Due or Combo Case, include Letter 1058, *Final Notice Reply Within 30 Days* and send the correspondence via Certified Mail. Document the ICS history that L1058 was issued and input issuance information in ICS for systemic upload of the TC 971>069 on the applicable modules.

Note: When a taxpayer has an authorized representative, we must adhere to the limitations of IRC 6304, Fair Tax Collection Practices, as outlined in IRM 5.1.10.6 and IRM 5.1.10.6.1 and exercise caution to ensure there is no communication with the taxpayer in connection with the collection of any unpaid tax or unfiled returns. Sending copies of certain POA-directed correspondences such as Letter 725-D and Form 9297 may be interpreted as an attempt at collection from a represented taxpayer and a violation of IRC 6304; do not forward such copies without the receipt of prior consent from the representative. However, IRC 6304 does not apply to notices the Code explicitly requires to be mailed to the taxpayer. These Notices include IRC 6303 Notice and Demand, IRC 6320/6330 CDP notices, IRC 7602(c)(1) third-party contact, IRC 6331(d) Notice of Intent to Levy, etc. When determining whether to send a letter/notice to a represented taxpayer, reference the IRM section that contains the guidance for that letter/notice. If there is a POA covering all periods on a letter/notice required to be sent to a taxpayer, then send the POA a copy. See IRM 5.1.23.4.2.3.

(6) Recommend the use of Secure Messaging (SM) and/or the Document Upload Tool (DUT) as alternatives to mail or fax to expedite the receipt of any requested documentation. Refer the taxpayer to Publication 5425 and/or IRS Document Upload Tool | Internal Revenue Service, for additional guidance on these digital tool options.

2. Initial Contact

(1) The initial taxpayer contact must be made within 55 calendar days from the date the case is assigned on ICS. You should attempt initial contact via telephone first and then proceed with sending an appointment letter if the telephone attempt did not result in a successful contact, and you receive no response from the taxpayer within three business days.

Note: The timely initial contact requirement is met as long as the telephone appointment scheduled via Letter 725-B or 725-D falls within the 55-day timeframe, even if the taxpayer fails to make the appointment.

(2) You must observe disclosure requirements, Fair Tax Collection Practices, and Taxpayer Rights during your initial contact and throughout the case assignment. Do not attempt to contact the taxpayer or send any correspondence via their IRS Outlook email, MS Teams account, or their IRS work phone/fax number unless you have permission from the employee for contact at work.

(3) Refer to the following chart for guidance on attempting/completing a timely initial contact and requesting the required documentation and proof of timely actions.

Complete pre-contact analysis and initiate telephone contact with the taxpayer or representative no later than **15 days** following case assignment on ICS:

If…	**Then…**
The taxpayer answers, or returns the call the same/next day you should conduct the initial contact interview and advise the taxpayer that correspondence is forthcoming including Form 9297 listing all required actions/documents and a deadline, ask the taxpayer if they consent to contact at work, document ICS and AMS, and,	Send publications, Letter 1058 if applicable, and Form 9297 listing all required actions/documents. Provide a 30-day deadline and clear consequences for the failure to comply. Provide your fax number or other electronic methods for submitting a response and document ICS and AMS with the correspondence sent.
The taxpayer answers or returns the call but cannot proceed with the initial contact interview at that time you should advise the taxpayer that correspondence is forthcoming including an appointment letter and Form 9297 listing the documents/actions required for the appointment, ask the taxpayer if they consent to contact at work, document ICS and AMS, and,	Send publications, Letter 1058 if applicable, Form 9297 listing all required actions/documents and an appointment letter for a telephone meeting. The scheduled meeting date should match the Form 9297 deadline and should be no less than 30 days from the contact, but no more than 55 days from the date of case assignment. Provide your fax number or other electronic methods for submitting a response document and document ICS and AMS with the correspondence sent. Secure the requested documentation and conduct the scheduled initial contact interview.
The taxpayer can't be reached and doesn't return the call,	Send publications, Letter 1058 if applicable, Form 9297 listing all required actions/documents and an appointment letter

	for a telephone meeting. The scheduled meeting date should match the Form 9297 deadline and should be no less than 30 days from the date of the attempted contact, but no more than 55 days from the date of case assignment. Provide your fax number or other electronic methods for submitting a response and document ICS and AMS with the correspondence sent. Secure the requested documentation and conduct the scheduled initial contact interview.
The telephone contacts are unsuccessful, and the taxpayer fails to appear for the scheduled telephone meeting,	Document the ICS and AMS history regarding the taxpayer's failure to respond and what the next the planned action will be. Refer to IRM 5.1.10.3 and procedures for Levy and FPLP in sections **3.2** and **3.4** below.

Note: When issuing Form 9297, document the ICS history listing the specific information being requested. Document the expectation(s), deadline(s), and consequence(s) using the ICS picklist items "*Form 9297 Provided*" and "*Deadline Communicated*."

(4) If the taxpayer calls to confirm or reschedule the initial contact appointment per the Letter 725 received, you must address the taxpayer's receipt of Pub 1, confirm the taxpayer's contact information, and attempt to secure levy sources/confirm the sources on file. Ask the taxpayer about their communication preferences for subsequent contacts; ask if they consent to receiving contact at work and document the ICS and AMS history with the contact times and communication methods they agreed to. Follow procedures in IRM 5.1.10.3(6) (If/Then Chart) for details on the information/actions required during the *pre*-appointment contact.

Note: Be sure to select the "*Pub 1 Verified*" picklist item under *Taxpayer Rights Publications*, when documenting ICS with the details of the taxpayer contact.

(5) Make arrangements with the taxpayer to submit the documents and/or proof of the actions previously requested via Form 9297 at the beginning of the scheduled telephone appointment or just prior to its start, so the documents and actions can be reviewed and confirmed during the meeting. Instructions on submitting the documents can be provided on the Form 9297 as well. Provide additional time (extend deadline for receipt) if the taxpayer failed to meet the deadline and their justification is appropriate. A Warning of Enforcement Action (WOEA) should be communicated to the taxpayer whenever some type of action is required and should be appropriate based on the facts of the case. Ensure the taxpayer understands the consequences of their noncompliance. All WOEA should be sufficiently documented in the ICS history; do not simply document "WOEA provided."

(6) For the initial taxpayer contact, whether via the initial telephone contact attempt or during the scheduled telephone meeting, refer to IRM 5.19.18.5.10, *Telephone Contact Procedures* and IRM 5.1.10.3.2, *Initial Investigative Interview*, paragraphs (4) through (7).

Note: Verify/Document Pub 1 was received and address any questions/concerns regarding Taxpayer Rights during initial contact and as the case progresses. Be sure to select the "*Pub 1*

Verified" picklist item under *Taxpayer Rights Publications*, when documenting ICS with the details of the taxpayer contact.

(7) Full compliance must be addressed during initial contact including filing compliance, the status of ES/Withholding requirements, and cross-compliance issues, when applicable, and monitored throughout the case assignment. Address Cause & Cure as well.

(8) The objective of the initial contact is to secure full payment, and the filing of any delinquent returns **TODAY**. During discussions with the taxpayer, attempt to secure full or partial payment first before offering any case resolution alternatives. Provide information regarding available forms of payment (check, money order, electronic payment, credit card, EFTPS, etc.) If full payment is not possible, discuss alternatives including installment agreements and discuss the possibility of enforcement actions if they are unwilling to voluntarily comply. Follow normal collection and tiered interview procedures and authority Levels per IRM 5.19.13.2.4, *Authority Levels – ACS and ACSS Employees.* Follow the guidance in IRM 5.19.1.6, *Methods of Payment*, and related subsections for case resolution options.

(9) When there is tax due, the taxpayer is unable to pay in full, and the UBA requires a financial analysis, then a complete CIS must be attempted during the initial taxpayer contact. If unable, an attempt to secure basic financial information at a minimum must be made. When financial information is required, follow procedures in IRM 5.19.13.3, *Securing Financial Information*. Omit paragraphs (4) and (5) and follow *ACS* in paragraph (6) If/Then Chart. Review the financial documents submitted by the taxpayer during the meeting and clarify any discrepancies identified.

(10) If a collection determination cannot be made during the initial contact because additional financial information is needed, clearly explain what information is required, provide a specific deadline for submitting it, and advise the taxpayer of the consequences of failing to comply, such as possible levy action. Document these expectations on Form 9297, *Information and Document Request*, and provide or mail the form to the taxpayer.

(11) If not previously addressed, ask the taxpayer about their communication preferences for subsequent contacts; ask if they consent to receiving contact at work and document the ICS and AMS history with the contact times and communication methods they agreed to.

(12) In accordance with IRC 6103, all returns and return information shall be kept confidential. Exercise judgment when contacting the taxpayer and ensure protection against inappropriate disclosures; ensure all employee privacy protections. Ensure the appropriate delegations/authorizations are provided when the taxpayer claims to have a representative, or a third-party claims to be representing the taxpayer.

2.1 Post-Contact Actions

(1) In those situations where there is no response to Letter 725-B or Letter 725-D, the next planned follow up action should be taken within **15 days** from the attempted contact. See IRM 5.1.10.9, Timely Follow-ups.

(2) All Follow up action is required within **15 days** after a deadline has elapsed. Deadline extensions may be granted based on the facts and circumstances of the case, however repeated requests for extensions may indicate an attempt to delay collection or impede resolution.

(3) Following the initial contact, create a plan to move the case toward resolution and clearly document that plan in ICS. As the case develops, update the plan as needed and complete as many required actions as possible at the same time to keep the case moving and avoid delays.

(4) Keep the taxpayer or representative informed of the case status throughout the case investigation, including resolution determinations, and issue closing letters, as appropriate.

(5) A NFTL Determination is required **within 10 days** of taxpayer contact or attempted contact, whichever is earlier. Make the NFTL determination based on the following:

- A timely actual contact (initial investigative interview) with the taxpayer or representative. *Example: You speak with the taxpayer and conduct the interview by phone on June 1. The NFTL determination must be made by June 11.*

- A timely attempted contact with the taxpayer or representative. *Example: You send the L725B to the taxpayer scheduling the appt for June 1 but do not receive a response on June 1. The NFTL determination must still be made by June 11.*

- The date initial contact was required to be made, if no contact occurred. *Example: Initial contact was due on June 1, but no contact attempt was made. The NFTL determination must still be made by June 11.*

The 10-day timeframe begins with whichever of these events occurs first. Make a NFTL determination within 10 days of a timely actual or attempted contact or the date initial contact was due, whichever is earlier. See IRM 5.1.10.3.1, *Timely Initial Contact*, IRM 5.12.2.2(1), *Taxpayer Contact*, for additional guidance on NFTL filing and taxpayer contact.

Note: A NFTL determination on additional assessments is required within **30 days** of the ICS assignment or the next calendared touch, whichever is sooner.

(6) Refer to IRM 5.19.4.5, *Notice of Federal Tax Lien Determinations and Filing Criteria***,** and its subsections for additional information on filing criteria, determinations, and exceptions.

Caution: For NFTL filing instructions, **do not follow** IRM 5.19.4.6.1; **NFTLs will be requested through ICS**. Refer to IRM 5.12.7.10, *Filing the NFTL*, and consult OJI for assistance, as needed.

(7) If the NFTL determination date meets criteria for extension or deferral per IRM 5.12.2.3.3, *Determination Date Extension*, or IRM 5.12.2.4.3, *Defer Criteria,* the request must be input within the timeframe specified above as well, and the decision (based on case circumstances) must be sufficiently documented in ICS.

Note: A lien should not be filed for a UBA less than $10,000 unless managerial approval has been secured.

(8) Following taxpayer contact and throughout the case progression, you may identify escalation criteria not immediately identified during the pre-contact analysis. If any criteria are noted throughout the case, reassignment may be necessary. Discuss with the appropriate approving official. Additional examples of escalation criteria include:

- Complex business entities (multi-layer LLCs, etc.)
- Indicators of pyramiding (liabilities accruing while assigned)

- Potential fraud indicators
- Cases outside of campus authority levels
- Repeated noncompliance (defaulted IA, repeater cases)
- Potential workplace security concerns (colocation)
- Cases requiring seizure, summons, or in-person investigation

(9) If any conflicts or potential conflicts of interest are identified, such as colocation with the taxpayer, contact the appropriate approving official to discuss possible reassignment to another pilot employee.

(10) If consent is secured for contact via internal IRS Email or MS Teams, it may be used to provide and/or confirm upcoming appointment times, due dates, etc. Do not send emails that include SBU data (including PII and tax information) to taxpayers or their authorized representatives, even if requested, because of the risk of improper disclosure or exposure. See IRM 10.5.1.6.8.1, Emails to Taxpayers and Representatives. Additionally, electronic interactions with taxpayer become federal records subject to the record management guidance in IRM 1.15.6, Managing Electronic Records.

3. Case Resolution Options

(1) Per IRM 5.14.1.2(1), full payment or partial payment of the balance due should be requested when taxpayers have the means to pay from income or equity in assets and taxpayers should be encouraged to pay the liability as quickly as possible.

Follow the guidance in IRM 5.19.1.6, *Methods of Payment*, and related subsections for case resolution options. Conduct a financial analysis only when necessary.

3.1 Installment Agreement/Payment Plans

When an installment agreement should be considered, refer to the ACS/ACSS authority in IRM 5.19.1.2.6.3.4.

(1) IA's may be made by payroll deduction (PDIA), direct debit (DDIA), check, money order, EFTPS or other electronic payment methods. DDIAs or PDIAs should be encouraged but are not required. NSIAs with a SUMRY balance > $50,000 and eligible PPIAs with a SUMRY balance < $25,000 both require managerial approval. Required approvals will be facilitated through ICS.

(2) If the FPLP is already in place and the amount equals or exceeds the collection determination amount, convert the FPLP to a paper levy and pursue CWL closure.

(3) Short-term payment plans (within 180-days) are *not* an option for IRS Employee cases included in this pilot.

(4) Refer to IRM 5.19.1.6.4.1, *Determining the Appropriate IA*, and IRM 5.19.1.6.4, *Payment Plan/Installment Agreements (IA),* for additional information including criteria, requirements, and conditions and IRM 5.14.5.2 for additional guidance on Streamlined IA installment agreements. For all requests meeting pending IA criteria but for which an IA cannot be immediately input, follow the procedures in IRM 5.19.1.6.4.7(4) to input the TC 971 AC 043 via IDRS CC REQ77/FRM77.

(5) Independent Administrative Review (IAR) is required for all proposed IA rejections prior to communicating the rejection to the taxpayer but only when a pending IA indicator is present on

the account. Input of a pending IA indicator is required within 24 hours of receipt of the request(when eligibility exists) and will be input through ICS, along with IAR actions; refer to IRM 5.14.1.3, *Identifying Pending, Approved and Rejected Installment Agreement Proposals on IDRS***,** and IRM 5.14.9.2.1, *Revenue Officer Responsibility.*

(6) Refer to IRM 5.14.10.4(7) for guidance on Direct Debit Installment Agreements (DDIA) (Form 433-D) including terms, processing and DDIA closures on ICS, however, do not proceed to the steps in paragraph (8) for submission of the Form 433-D to CCP. Instead, proceed with input of the installment agreement via IDRS CC IAGRE, using ALN XX code of "03" and the appropriate ALN YY code.

(7) Refer to IRM 5.19.1.6.4.14 for guidance on Payroll Deduction Installment Agreements (PDIA) (Form 2159), IRM 5.1.7.9, *IRS Employee Cases*, paragraph (7) for instructions on submitting PDIAs for processing, and IRM 5.14.10.3(5) for instructions on PDIA closures on ICS.

(8) For IAs that will not be Direct Debit or Payroll Deduction, refer to IRM 5.19.1-10 for the appropriate ALN (XXYY) codes and use Option B - IA (ICS Closure Only) on ICS. Certain IA terms require manual monitoring – refer to IRM 5.19.1.6.6, *Manually Monitored Installment Agreement (MMIA),* for additional information.

3.1.1 Partial Pay Installment Agreement (PPIA)

(1) Partial Pay Installment Agreements are an option following the guidance in IRM 5.19.1 however, PPIA cases meet escalation criteria if the taxpayer owns assets. If PPIA criteria exists per financial statement analysis (IRM 5.19.1.6.5.1), then follow the procedures to grant the PPIA when a No Asset/No Equity determination is made; see IRM 5.19.1.6.5.2(1). When assets exist, a review of the financial statement indicates the taxpayer can pay by borrowing against assets/equity, and the criteria in IRM 5.19.1.6.5.2(6) does not apply, then contact the appropriate approving official to pursue case transfer to a Field Collection revenue officer.

3.2 Resolution Alternatives

(1) When voluntary payment or an installment agreement are not options, consider the following alternative collection options:

- Offer in Compromise, See IRM 5.19.17.3
- CNC – For combo cases, unfiled returns should be requested prior to pursuing a CNC Hardship closure however, if hardship criteria is established, the account must be placed in CNC status even if del rets cannot be secured. See IRM 5.16.1 and 5.19.18.5.10.2 for additional guidance on CNC-Hardship, and IRM 5.16.1.2.1 for additional information on CNC-Unable to Contact (UTC). **IRS employee cases are blocked from CNC-Unable to Locate (UTL) closure.**
- Levy – Ensure that all CDP and Third-Party Contact requirements are met prior to issuing levies and consider the FPLP status to determine if blocking/unblocking actions are required. See IRM 5.11.1.3.1, *Pre-Levy Consideration*, and IRMs 5.11.5, 5.19.4, and 5.19.18.5.5.2 for additional guidance on issuing levies.

Note: Enforcement actions should be taken when appropriate and via the appropriate type. Ensure managerial approval is secured, when applicable, based on the specific enforcement action.

3.3 Financial Analysis, Form 433-A/Form 433-F

(1) For guidance on conducting a financial analysis, follow the procedures in IRM 5.19.13.3.1, *Income Determination,* through IRM 5.19.13.3.4, *Making the Collection Decision*. Also refer to IRM 5.15.1.4, *Verifying Financial Information*, paragraph (1) for pertinent financial questions to ask during taxpayer interview.

(2) The analysis and verification of a Collection Information Statement (CIS) and supplemental supporting documentation for a collection determination should take place shortly after obtaining the CIS and documentation. Refer to Exhibit 5.19.13-2, *Verify Financial Statement*, and IRM 5.15.1.6, *Internal Sources and Online Research*, for additional guidance, as needed.

Note: Submitted information should be no older than the prior six months.

(3) Verification is required for assets/encumbrances, equity, and income and expenses; future ability to pay and assets placed beyond the reach of the government must also be considered. Apply the National and Local allowable expense standards and document the ICS history with any deviations. See IRM 5.15.1.4, *Verifying Financial Information*, and IRM 5.15.1.17, *Making the Collection Decision*, for additional guidance, as needed.

3.4 Federal Payment Levy Program (FPLP)

(1) When considering paper levy issuance, conduct appropriate research on the FPLP status and determine if a block is appropriate. Refer to IRM 5.1.7.8.3.2, *Federal Employee Levy Procedures*, for additional information on FPLP including blocking/releasing.

(2) If paper levy issuance is applicable for a federal agency that may meet FPLP criteria, pursue FPLP block via ICS.

(3) Do Not serve Form 668-A or Form 668-W to a federal agency source or establish a PDIA via Form 2159 when the FPLP is simultaneously levying the same source. If a PDIA or Notice of Levy is the preferred method of collection, pursue a block or electronic release of the FPLP through ICS. See IRM 5.11.7.3.6, *Blocking or Releasing FPLP Levy*.

(4) Refer to IRM 5.19.9.4.5.1, *FPLP vs ACS Paper Levy*, and IRM 5.19.18.5.5.2.2, *Issuing a Paper Levy on the Federal Source*, for additional information.

4. Return Delinquencies (TDI)

(1) IRS employee delinquent return investigations are worked like any other delinquent return investigations, aside from several exceptions. Follow the procedures below for any standalone return delinquency cases or for any combo cases that includes both balance due and return delinquency modules.

4.1 Research

(1) Refer to the following IRM sections for guidance on researching standalone return delinquency cases and/or combo cases:

- IRS Employee Return Delinquency, See IRM 5.1.11.5.7(5) through (7)

- Determining Liability, See IRM 5.19.2.6.4.5

4.2 Closure

(1) Refer to the following IRM sections for guidance on closing standalone return delinquency cases and/or combo cases. All del ret closures will be input through ICS.

- Delinquent Return Investigation Closures, See IRM 5.1.11.8
- Return Secured, See IRM 5.1.11.6
- Taxpayer Liable, See IRM 5.19.2.6.4.5.4
- Little or No Tax Due – If criteria per IRM 5.19.2.6.4.5.3.2 is met, refer to IRM 5.1.11.8.3 for guidance on ICS closure
- Taxpayer Not Required to File – If criteria per IRM 5.19.2.6.4.5.1 is met, refer to IRM 5.1.11.8.3 for guidance on ICS closure
- Return Previously Filed – If criteria per IRM 5.19.2.6.4.5.10 is met, refer to IRM 5.1.11.8.7 for guidance on ICS closure
- Exam and ASFR referral are not applicable for IRS Employee cases. If enforcement criteria is met, refer to IRM 5.1.11.7.3.2.1 for guidance on IRS Employee Referrals

5. Closing Procedures, Documentation, and Managerial Approval

5.1 Closing Procedures

(1) In addition to maintaining inventory and initiating certain case actions, all dispositions and case closure actions, with or without a manager approval requirement, will be facilitated through ICS. A Closing Narrative should be prepared prior to closing the case on ICS, documenting all completed actions, the case resolution type, and the status of the taxpayer's compliance. Guidance on installment agreement and CNC closures in ICS, as well as delinquent return investigation closures, can be found in the associated IRM references provided throughout these procedures.

5.2 Documentation

5.2.1 ICS History and AMS Documentation

(1) Throughout the case assignment, document all taxpayer/representative contacts, case actions, and any additional pertinent information in the ICS history and copy the pertinent history documentation to AMS as well, including the closing narrative.

(2) A history entry should be made to reference an action even when a form or document relative to the action is already present in the case file.

(3) The details of all taxpayer contacts and case actions must be documented clearly, accurately, and completely in ICS, in chronological order and the day the action occurs, or as soon as practicable thereafter.

(4) The use of certain pick list items in ICS are *required*. For example, when documenting the ICS history, you must select the following pick list items whenever the action is taken or the topic is discussed:

- Taxpayer Contact – use to document all contacts with the taxpayer or their authorized representative
- Taxpayer and Asset Location Activity – use to document taxpayer or asset location research conducted
- FTD verification – use to document the results of ongoing FTD compliance checks during case assignment, when applicable
- Deadline Communicated – use to document a deadline communicated for specific action(s)
- Form 9297 Provided – use to document the issuance of Form 9297 to a taxpayer to provide specific action(s) required, deadline(s) for completion, and the consequence(s) communicated for failure to comply
- BMF Closing Narrative – use to document the full compliance check conducted prior to the closure of a BMF case and to summarize case closing actions, case resolution, and any other relevant case information
- IMF Closing Narrative – use to document the full compliance check conducted prior to the closure of an IMF case and to summarize case closing actions, case resolution, and any other relevant case information

Note: The required use of the *IMF Closing Narrative* picklist item and copying the Closing Narrative to AMS are only applicable for this pilot

(4) Not every pick list item will apply in every case. However, if a topic is addressed (e.g., initial analysis, Publication594 is discussed, a resolution plan is established, a deadline is provided, Form 9297 provide, taxpayer compliance is discussed, enforcement action is explained, or financial information is analyzed), the appropriate pick list item must be used to document it in ICS. If the topic is not discussed or the action is not taken, no entry is required. Use of the pick list items is similar to documenting AMS and selecting an *Issue* to record the narrative under. Refer to IRM 5.1.10.8, *Case Histories*.

5.2.2 Case File Documentation

(1) All correspondence exchanged with the taxpayer and case-related documents must be retained in the ICS digital case (ICS DSS) file including, but is not limited to:

- Letters/correspondence sent to the taxpayer (incl. Certified Mail substantiation, when applicable)
- Correspondence received from the taxpayer (e.g., Form 433-A/Form 433-F, supporting financial documentation, copies of tax returns secured, CDP/CAP requests, etc.)
- Case-related documents (e.g., Forms 668-A/668W, Forms 433-D/2159, Forms 4844, Forms 3870
- IDRS *Request Completed* prints (e.g., REQ54/ADJ54, REQ77/FRM77, ADD24/34/48, IAGRE/IAORG/IAREV) When a transaction is input directly to IDRS (in lieu of Form 3870, 2424 request to CCP) a copy of the screen print should be retained in the case file

5.3 Manager Approval

Some case actions including certain adjustments and dispositions require managerial approval. When required, these actions are specified in the applicable IRM procedures and when

required, will be facilitated through ICS. Refer to the guidance in IRM 5.19.1 and other IRMs, where specified, for actions requiring managerial approval.

- Case actions: NFTL determinations to extend/defer/Do Not File, certain enforcement actions (IRA Levy)
- Case dispositions: Non-simple installment agreements (NSIA), CNC closures, certain TDI closures, abatement closures
- Certain adjustments: Penalty abatements (RCA Overrides)