

IRM PROCEDURAL UPDATE

DATE: 05/18/2016

NUMBER: WI-03-0516-0946

SUBJECT: Batching and Processing CP 54B Responses

AFFECTED IRM(S)/SUBSECTION(S): 3.21.263

CHANGE(S):

IRM 3.21.263.5.2.1(4) "White Mail" added CP 54B.

4. Certain mail requires a secondary sort upon receipt. See the table below.

RCO Secondary Sort Requirements	
Mail Type	Sorts
CP 566	<ul style="list-style-type: none">○ Place notices in DLN order; stagger and staple together each family pack○ Count the volume, limiting each box to 150.○ Complete Inventory Sheet Box entries for box #, Julian date (IRS received date), count, English or Spanish, and sort categories. See Figure 3.21.263-1.○ Attach inventory sheet to the front of the box.○ Place for routing to ITIN Clerical○ Identify each box as 1 of 3, 2 of 3, 3 of 3, etc., when sequenced CP 566 files more than one box
Expedites (Form W-7 with Return with an IRS received date older than what is currently being worked by the ITIN tax examiners)	<ul style="list-style-type: none">○ Batches should only contain applications meeting the Expedite guidelines○ Sort and batch following normal batching guidelines except batches can have any number of applications up 25 (not required to have a batch of 25)○ Check Expedite on the ITIN Batch Slip and place an expedite cover sheet on top of the batch folder○ Place batches on the designated Expedite Batch Cart to be entered into RTS and placed on the next shipment to the ITIN Operation.

Form W-7 with Returns	New applications or applications received with CP 567
Form W-7 (SP) with Returns	New applications or applications received with CP 567
Form W-7 without Returns	New applications or applications received with CP 567
Form W-7 (SP) without Returns	New applications or applications received with CP 567
TAC	<ul style="list-style-type: none"> ○ Require a RED ITIN Clerical Received date stamp on all Form W-7 and attached correspondence, including CP notices, other IRS forms, etc. Do NOT stamp tax returns. ○ Receipts contain mixed Julian dates and may include work considered as "expedites". ○ After date stamping and sorting expedites, place remaining work in a box with the cover sheet listing the contents as "TAC" with mixed dates. Notate the date and time the box was received from Extraction and the SEID of the clerk that completed the secondary sort.
Undelivered Mail	Correspondence returned as unopened with incorrect address
White Mail (also known as CORR)	<ul style="list-style-type: none"> ○ Correspondence received directly from the applicant or representative ○ CP 565, CP 567, CP 574, CP 54B notices and Form 14415 without Form W-7 attached ○ Loose documents: These are loose identification documents with no attachments (Form W-7, tax return with ITIN applicant, letter referencing an ITIN, or envelope). Do NOT batch but place in a confidential envelope (E-20) and route to the designated ITIN team maintaining the supporting identification documentation files. ○ Miscellaneous CP notices from other IRS departments ○ Tax returns without Form W-7 attached

IRM 3.21.263.5.10.8(2) added CP 54B; (6) added instructions for processing name change requests for assigned status; (9) added instructions to update the Comments Field.

1. Correspondence Inventory is solicited and unsolicited requests for action to the ITIN Unit. It may come from both internal (e.g., other functional areas) and external (e.g., taxpayers or representatives) sources.
2. Correspondence is batched into two (2) main types:
 - o CP 566 notices (see also IRM 3.21.263.5.10.5)
 - o All other correspondence, such as CP 565, CP 567, CP 574, CP 54B, and Form 14415 responses as well as unsolicited mail (known as "white mail"), and Forms 4442. See also IRM 3.21.263.4.9 for a complete description of ITIN notices.

Any follow-up correspondence received for an application that is currently in suspense status must be associated with the suspended case and the RPD determined (if needed). Complete and attach a Clerical Action Sheet (CAS) for Clerical to pull the case from the Suspense Wall.

If the correspondence is in reply to a R 98 case with Form 14415 sent, attach a CAS for clerical to pull the case.

3. The following types of reject notice responses will not be worked as correspondence but processed as follows:

If...	And...	Then...
CP 567 or CP 574 is one year or older from the application date	No Form W-7 is attached and application is still incomplete,	Send the local letter and return all application documentation.
CP 567 or CP 574 is one year or older from the application date,	New Form W-7 is attached and all required information is now present,	Complete and attach a Clerical Action Sheet (CAS) to the case (one per family pack). Leave in the batch for clerical to batch as a new receipt.

4. Locate the application in RTS by using the W-7 Search Screen. See IRM 3.21.263.8.4.1. Before entering the DLN or ITIN as your initial search criteria, always try to locate the applicant by performing a name search in RTS. If unable to locate in RTS, research IDRS CC "Names".

This will ensure that any multiple submissions on the part of the applicant are identified and prevent possible multiple ITIN assignment. If research reveals multiple ITIN assignment for the same applicant a merge action is required. Pull the application from the batch and refer to your Lead. Refer to IRM 3.21.263.5.7 and IRM 3.21.263.5.7.1.

5. Once the application is located in RTS, use the *W-7 History Screen* to verify the last action taken or notice issued. Use the *W-7 Application View Screen*

to compare the information provided to the information on file and to request a specific edit action. Select the appropriate *Reason for Change* (see also IRM 3.21.263.8.4.3) based on the type of correspondence you are working and the specific action requested.

EXAMPLE: You are working notice correspondence inventory. The current status is Reject and the correspondence is a CP 567 response. You would select "Correspondence Received-R Status" as your *Reason for Change*.

Include the correspondence received date in the "Comments Field" with entries such as *TP corr recd 06012015*.

6. If the taxpayer requests a name or DOB change, the following copies are required:
 - o Name change: copies of a legal document substantiating the name change such as a marriage certificate, divorce decree, or court order. If the account is in assigned status and the required documentation is received, update the name and notate in the "Comments Field" the type of supporting documentation received for the name change. If the required documentation is **NOT** received, select "Name Change" but make no name change. Notate in the "Comments Field" that no documents were received to support the name change.
 - o DOB change: copy of a birth certificate or copies of two (one if a passport) acceptable ID substantiating the change.
7. When the following "Reasons for Change " are selected on the "W-7 Application View Screen," RTS automatically reissues the notice (sends CP 565 B) for cases in assigned status:
 - o Name Change Only
 - o Current Mailing Address Only
 - o Name and Address Change Only
 - o Reissue Notice

Changes input to the DOB require a second input action to issue a notice. Select "Reissue Notice" as the "Reason for Change" to generate a notice.

8. Process applications in reject status as shown below. If applicant is:
 - o Currently in reject status **AND**
 - o New Form W-7 is attached **AND**
 - o New Form W-7 application has all required data to allow ITIN assignment, then process the new application.

If the application will **NOT** assign, place the new Form W-7 on the front of the case for Clerical to re-batch.

We can not re-issue a notice or change an address for a rejected account. Process the application request as shown above.

If account is in R 98 status with Form 14415 sent (see IRM 3.21.263.8.3.4), process as follows:

- If requested documentation is enclosed, process to allow ITIN assignment.
 - If requested documentation is **NOT** enclosed, stamp or annotate in the applicant's TIN boxes on the tax return. If the primary or secondary taxpayer has a TIN, the return will be sent to processing. If the primary or secondary applicant has a DOB edited next to their TIN box, the return will be sent to Entity. Send Form 14413 to the applicant. Update the "Remarks Screen" to show Form 14413 sent (if applicable) and disposition of the return(s).
9. Applicants may request address changes to have a CP 565 re-issued. If the applicant is in suspended status, see also IRM 3.21.263.5.10.5. If the applicant is in reject status, see IRM 3.21.263.5.10.8(3) and (6). Address change requests require clear and concise written notification that includes:
- ITIN
 - Taxpayer's full name
 - Old address
The old address must match the RTS address. If the address does not match RTS, review IDRS. If the IDRS address matches either the old address or the new address and all 5 elements are present, change the RTS address.
 - New address
 - Taxpayer's signature or signature of their authorized representative.
For example, you are working unsolicited correspondence (white mail) and have a complete request for an address change. The request includes the ITIN, taxpayer full name, both old and new address, and the taxpayer signature is present. Select "Current Mailing Address Change Only" as the "Reason for Change."

Taxpayer signatures are **NOT** required when the taxpayer uses an IRS generated notice to inform of an address update. For example, if an ITIN notice is used by the applicant to provide a response and the old address is replaced with a new address, change the address.

Address changes do not require additional substantiation for correction of typos or transposed numbers. For example, "Baker Street" was input as "Maker Street" or "123 Any Street" was input as "213 Any Street".

When changing the address, you **MUST** enter the old address in the "Comments Field" or "Remarks Screen" with entries such as *old adrs 1234 Main St Mytown TX 12356*.

If any of the above items is missing, Form 8822, Address Change Request, is required. Record in the "Remarks Screen" or "Comments Field" the new address, identify the missing element, and note that the correspondence was forwarded to Entity. Complete and attach a Form 1725 to the correspondence

for routing to Entity for processing. Leave the Form 1725 and attachments in the batch.

10. If Form 8822 is received for an account in assigned status and taxpayer requests CP 565 re-issuance, take the following steps:
- Complete and attach Form 1725 to send the Form 8822 and correspondence to Entity
 - Notate on Form 1725 for Entity to return the Form 8822 and correspondence once the Form 8822 is processed
 - Record the actions taken in the Comments Field and the potential new address.

If Form 8822 is returned from Entity notated that the address was changed or that the new address is already on IDRS, update the RTS address and record the old address in the "Comments Field". See IRM 3.21.263.8.4.3. If Form 8822 shows the address was **NOT** changed, classify the Form 8822 and correspondence with a large "C" in red ink

11. If primary or secondary applicant files Form 1040X and
- RTS shows applicant was previously rejected **AND**
 - Preliminary W-7 Applicant Data Screen shows same tax year previously submitted, **AND**
 - Applicant does not satisfy all unresolved suspense conditions on the rejected application, applicant does not qualify for an ITIN. Edit "ITIN Reject" for primary/secondary. See IRM 3.21.263.5.4.1 and edit the DOB beside the primary and secondary applicant TIN if applicable and route to the Pipeline or Entity as applicable.

If applicant satisfied all unresolved suspense conditions on the rejected application, update RTS to resolve the suspense conditions. Edit the TIN on the 1040X for routing to the Pipeline.