



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

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

Date June 30, 2025

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Affected IRM: 4.70.14

MEMORANDUM FOR TAX EXEMPT AND GOVERNMENT ENTITIES (TE/GE)  
EXAMINATION EMPLOYEES

FROM: Robert Malone, Acting *Is/ Robert Malone*  
Deputy Commissioner, Tax Exempt and Government Entities

SUBJECT: Interim Guidance for Pilot Program Changes to TE/GE Fast Track  
Settlement (FTS) Program

This memorandum issues guidance on TE/GE Fast Track Settlement Program until the required updates to IRM 4.70.14 are published. Please ensure that this information is distributed to all affected employees within your organization.

**Purpose:** This memorandum issues temporary guidance for a pilot program to test changes to the TE/GE Fast Track Settlement (FTS) program (FTS pilot program) currently available to taxpayers being examined by TE/GE. The changes made by the FTS pilot program will increase the usage and oversight of the FTS program within TE/GE.

**Background/Source(s) of Authority:** Announcement 2025-06, *Pilot Program Changes to Fast Track Settlement*, was issued on January 15, 2025. This announcement introduces pilot programs aimed at improving existing Alternative Dispute Resolution (ADR) programs, including enhancements to FTS that align with the IRS Strategic Operating Plan Initiative 2.4. The pilot changes to FTS incorporate and rely upon existing FTS guidance found in Announcement 2012-34, 2012-36 I.R.B. 334, which established TE/GE FTS as a permanent program used in TE/GE examinations.

The piloted changes will be evaluated during a two-year period to determine the degree to which the updates should be discontinued, adjusted, or made permanent. The evaluation of the changes will be based on usage data, experiences of IRS personnel, and taxpayer satisfaction. This FTS pilot program is available to taxpayers nationwide who have cases within TE/GE. LB&I, SB/SE, and the Independent Office of Appeals (Appeals) will update their programs in separate guidance under this same ADR Announcement.

IRM 4.70.14.2.3 provides procedures of the FTS program for TE/GE. IRM 4.70.14.2.3.2 describes the duties and responsibilities of TE/GE Examiners and Managers and states, in part, that FTS Applications are reviewed by both the Group Manager and Area Manager before it is sent to the Appeals FTS Program Manager for final approval. Current procedures further state

that the examiner is to offer FTS for all eligible unagreed cases, and the manager notifies the taxpayer of acceptance into or rejection (i.e., denial) from the FTS program.

**Procedural Change:** All existing procedures for commencing and conducting FTS, including criteria establishing eligibility to participate in FTS not specifically modified by Announcement 2025-06 remain in place and continue in operation.

Under the pilot program described in Announcement 2025-06,

1. FTS can be applied to one or more issues in a case. Previously, if a taxpayer had one issue that was ineligible for FTS, the entire case was ineligible.
2. Requests to participate in FTS will not be denied without the approval of a first-line executive. These first line executives include but are not limited to:
  - For TE/GE: Director Exempt Organizations (EO) Examinations; Director EO Rulings & Agreements; Director Government Entities; Director Employee Plans (EP) Examinations; Director EP Rulings & Agreements.
3. Finally, the pilot program removes the pre-FTS managerial conference requirements for TE/GE taxpayers.

**Effect on Other Documents:** This guidance is effective immediately. These procedures may be extended, modified, or made permanent and incorporated into IRM 4.70.14, Resolving the Examination, within two years from the date of this memorandum.

**Effective Date:** June 30, 2025

**Contact:** If you have any questions, please contact Jonathan Limes (EP) at (443) 853-5520, Lori Stieber (EO) at (651) 361-1641 and Mildred L. Jordan (GE) at (689) 285-6178.

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