



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

1.1.4

MAY 26, 2021

EFFECTIVE DATE

(05-26-2021)

PURPOSE

- (1) This transmits revised IRM 1.1.4, Organizational Planning.

BACKGROUND

- (1) This IRM provides guidance on organizational planning. The guidance applies to all business units undergoing an organizational change.
- (2) The IRM further defines the roles and responsibilities, documentation required, and the level of reviews, concurrences, and approvals required when an IRS organization(s) is undergoing an organizational change initiative.

MATERIAL CHANGES

- (1) All IRM sections updated to clarify the process when requesting approval for organizational change.
- (2) Major changes to the Organizational Change request, Authorities to Approve IRS Organizational Change, Action, Organizational Input, Required Review, and Approval/Authority to Approve.
- (3) Revisions to Purpose, Definitions, and Responsibilities.
- (4) Updates to organizational titles throughout.
- (5) Editorial changes made throughout the document as needed.

EFFECT ON OTHER DOCUMENTS

This guidance supersedes the guidance provided in IRM 1.1.4, Organizational Planning, dated August 16, 2013, and Interim Guidance HCO-06-0618-0008, dated August 17, 2018.

AUDIENCE

All business units

Robin D. Bailey Jr.
IRS Human Capital Officer

1.1.4
Organizational Planning

Table of Contents

- 1.1.4.1 Program Scope and Objectives
- 1.1.4.2 Policy
 - 1.1.4.2.1 Exceptions to the Six-Month Rule
- 1.1.4.3 Definitions
- 1.1.4.4 Responsibilities
- 1.1.4.5 Organizational Change Request
- 1.1.4.6 VERA and/or VSIP Requests (if applicable)
- 1.1.4.7 Authorities

Exhibits

- 1.1.4-1 Request for Organizational Change Template - Exhibit A

1.1.4.1
(05-26-2021)
Program Scope and Objectives

- (1) **Purpose:** The IRS continues to engage in a number of organizational change initiatives, some of which require approval of the Commissioner of Internal Revenue, or Deputy Commissioner(s), and/or may require Department of the Treasury (Treasury) level concurrence/approval. The types of organizational change initiatives and levels of approval required are outlined in the section below, Authorities to Approve IRS Organizational Changes. The review and approval process are dependent on the scope and magnitude of the changes. All organizational changes require a formal Request for Organizational Change (ROC), and must include the necessary reviews/concurrences, and approvals, as outlined in this guidance.
- (2) Each business unit has the discretion of supplementing this guidance to add additional internal levels of review and/or approval deemed necessary or required to support their business operations.
- (3) **Policy Owner:** The Human Capital Office (HCO), Office of HR Strategy (OHRS), Policy and Compliance (P&C), Employment, Restructuring, and Security Policy (ERSP) Office handles this policy.
- (4) **Program Owner:** The HCO, Office of HR Operations (OHRO), Talent Acquisition (TA), Program Execution Office (PEO), is responsible for overseeing the organizational planning and workforce structuring procedures and services related to organizational planning.

1.1.4.2
(05-26-2021)
Policy

- (1) When management identifies a need to undergo an organizational change, discussions within the business unit and with executives must occur prior to submitting a ROC for approval. The ROC must clearly describe why the change is needed (e.g., result of process re-engineering, balance Span of Control (SOC)) and the benefits derived. The objective of the organizational change is to enhance productivity and effectiveness in accomplishing the current and long-range goals of the IRS. Once a decision is made to change a business unit's current structure, it should be communicated and implemented in a manner that:
 - a. Supports the Strategic Vision;
 - b. Minimizes disruption to business operations;
 - c. Promotes efficiencies within the IRS; and
 - d. Ensures continuity of essential employee services.
- (2) The Deputy Commissioner for Operations Support (DCOS) instituted a six-month rule that freezes subsequent transitions affecting the same employees. Business units are not permitted to submit a ROC when there was a change in the employees' work, organizational structure, or transition efforts for six months from approval of the ROC.

1.1.4.2.1
(05-26-2021)
Exceptions to the Six-Month Rule

- (1) Business units are permitted to realign/reassign employees in the same post of duty (POD) from one group to another within the same business unit under the following situations:
 - a. When there is no change in organizational codes;
 - b. When there is a change in the organizational name;
 - c. Movement of an employee or group of employees corrects a staffing imbalance or SOC issue, where the resources did not materialize as

originally planned by the ROC and there is no change in working conditions to the employees being realigned/reassigned (e.g., series, grade or work).

1.1.4.3
(05-26-2021)
Definitions

- (1) **Directed Reassignment.** An involuntary action initiated by the agency to direct the movement of an employee from one position to another without promotion or change to lower grade (CLG) (e.g., movement to a new occupational series, or to another position in the same series and grade level), where an employee, and their position, is realigned to a location outside of the commuting area.
- (2) **Approving Official.** The management official authorized to approve or disapprove implementation of an organizational change proposal (see chart under Organizational Change Request section).
- (3) **Business Case.** This is the memorandum included in the ROC package that outlines the justification for the organizational change as required in this policy. The business case includes the desired outcome, and other facts (e.g., workforce plan) essential for the approving official to make a well-informed decision.
- (4) **Business Divisions.** The organizations responsible for providing services, support, direction and oversight of all compliance, taxpayer services, and enforcement programs and activities.
- (5) **Competitive Area.** The definition of competitive area, for Reduction in Force (RIF), has two components: organizational and geographic. Organizational is separated by administrative area and geographic is defined by the local commuting area.
- (6) **Job Abolishment.** The termination of a position, with the duties eliminated entirely or combined with duties of another position or positions. Job abolishment does not involve situations where:
 - a. There is no material change in official job duties and responsibilities;
 - b. The position is re-described;
 - c. A paperwork transaction eliminates one position and creates another;
 - d. There is a change in title and/or series only.
- (7) **Local Commuting Area.** A geographic area that usually constitutes one area for employment purposes. It includes any population center (or two or more neighboring ones) and the surrounding localities in which people live and can reasonably be expected to travel back and forth daily to their usual employment.
- (8) **Mitigation Strategies.** Strategies used to avoid or lessen the number and/or severity of involuntary personnel actions that result from an organizational change. Mitigation strategies include Career Transition Assistance Plan (CTAP), Interagency Career Transition Assistance Plan (ICTAP), Reassignment Preference Notice (RPN), Grade or Pay Retention, Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payment (VSIP), Job Swaps, Outplacement Services, etc.
- (9) **Operations Support Functions.** The organizations responsible for providing services, support, direction, and oversight of all operational and administrative functions that support the organization.

- (10) **Organizational Change.** Any change to an organization's structure, geographic boundaries, management structures, organizational mission or function, or business processes that may or may not result in a change in the workforce. The change may involve realignment, reorganization, or restructuring, and may result in abolishment of current positions, creating new positions that did not previously exist in the IRS, changes to position titles, series and grades, and/or excess employees.
- (11) **Proposing Official.** The management official authorized to facilitate the design and development of a proposed ROC.
- (12) **Realignment.** The movement of an employee from one organization to another. A realignment does not result in any impact to employees' current position or status (e.g., series or grade, work schedule, and/or pay (including locality pay)).
- (13) **Reassignment.** A change of an employee from one position to another without promotion or CLG (e.g., movement to a new occupational series, or to another position in the same series and grade level).
- (14) **Reduction in Force (RIF).** An agency is required to use RIF procedures when an employee is faced with separation or downgrading for a reason such as reorganization, lack of work, shortage of funds, insufficient personnel ceiling, or the exercise of certain reemployment or restoration rights. A furlough of more than 30 calendar days, or of more than 22 discontinuous workdays, is also a RIF action. A furlough of 30 or fewer calendar days, or of 22 or fewer discontinuous workdays, is an adverse action.
- (15) **Reorganization/Restructuring.** An organizational change, which eliminates, adds, or redistributes the functions or duties of an organization. The change may affect the organization's mission, function, structure, geographic boundaries, jurisdiction, and reporting lines. The change may result in excess employees.
- (16) **Request for Organizational Change (ROC).** The package submitted for approval for every reorganization, which includes: the memorandum/business case request, current and proposed organizational charts for all affected organizations, Form 14036 Notice to National Treasury Employees Union (NTEU), any NTEU notification, certifications from Chief Financial Officer (CFO) and Equity, Diversity and Inclusion (EDI), current communications plan, Form 13839, Note to Reviewer, and Form 14074, Action Routing Sheet.
- (17) **Transfer of Function.** A transfer of function takes place when a function ceases in one competitive area and moves to one or more other competitive areas that do not perform the function at the time of transfer. This covers the rights of non-temporary employees who have the rights to move with their work to another organization if the alternative is separation or downgrading by a RIF.
- (18) **Workforce Planning.** The systematic process for identifying and addressing gaps between the workforce of today and the human capital needs of tomorrow. The data collected is used to align, budget, and shape the workforce to the mission, develop targeted hiring and development plans, anticipate contingencies, and better allocate resources.

1.1.4.4
(05-26-2021)
Responsibilities

- (1) The **Commissioner of Internal Revenue** is responsible for the sound organizational structure of the IRS. Per Title 26, United States Code (USC), Subtitle F, Chapter 80, Subchapter A, Section 7802(d)(3)(c), Internal Revenue Oversight Board, the Commissioner of Internal Revenue consults with the IRS Oversight Board, if applicable, on plans for any major reorganization of the IRS. To view, go to <https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title26-section7802&num=0&edition=prelim>
- (2) The **Deputy Commissioner(s)** is responsible for the sound organizational structure of their organization(s) and for oversight of any reorganization within their jurisdiction.
- (3) The **Approving Official** has authority to approve or disapprove implementation of proposed changes (restructuring) to an organization. With this, the Approving Official is responsible for ensuring:
 - a. Proposed organizational changes support the goals and strategies of the IRS;
 - b. Organizational change proposals follow all regulatory requirements, directives, executive orders, and all other policies and relevant guidance;
 - c. Treasury, IRS Oversight Board, and/or Executive Resources Board are informed and concur with, if applicable, proposed organizational changes;
 - d. Deputy Commissioner(s) is informed of, and concurs with, all levels of proposed organizational changes;
 - e. The DCOS Transformation Program Management Office (TPMO) is informed of, and concurs with, all levels of proposed organizational changes;
 - f. The IRS Human Capital Officer is informed of, and concurs with proposed organizational changes requiring Deputy Commissioner or above approval, and affirms that the initiative complies with Treasury Directive (TD) 21-01, Organizational Changes, including concurrence with organizations within HCO, as appropriate (i.e., TA, P&C, Labor/Employee Relations and Negotiations (LERN), etc.). To view, go to <https://www.treasury.gov/about/role-of-treasury/orders-directives/Pages/td21-01.aspx>;
 - g. The TA, PEO and Position Management/Classification (PM/C) serve as consultants on proposed organizational changes for ROCs, as appropriate;
 - h. Organizational change efforts for all ROCs are coordinated with the CFO or business unit finance function; the necessary concurrence must be obtained confirming the change is within the IRS's budgetary authorities, complies with the Office of Management and Budget (OMB) Circular Number (No.) A-123, Management's Responsibility for Enterprise Risk Management and Internal Controls, and that the proper data elements are established within the IRS financial system to track budget and expenditures. To view, go to <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2016/m-16-17.pdf> ;
 - i. Organizational change efforts for all ROCs are coordinated with EDI, and the necessary concurrence is obtained affirming all federal Equal Employment Opportunity (EEO) principles, policies, and laws are reflected the organizational change processes and decisions, managing diversity, and that no protected group or class is targeted or unfairly affected; and
 - j. Organizational changes are shared with the Human Capital Board (HCB), when the IRS Human Capital Officer deems it necessary due to potential impact to other business units, and that any concerns raised by the HCB are addressed.

- (4) **Proposing Official is responsible for ensuring, where applicable, the following:**
- a. A workforce analysis is conducted affirming that the organizational change is in line with the organization's strategic direction (workforce planning);
 - b. Planning, proposing, and obtaining the review(s) and approval(s) of organizational changes as required;
 - c. Coordination with the appropriate business representatives, HCO, DCOS TPMO, Finance organizations, and all other internal IRS stakeholders;
 - d. All changes affecting other business units are coordinated with those business units;
 - e. Organizational change proposals follow all regulatory requirements, directives, executive orders, and all other policies and relevant guidance;
 - f. Appropriate communications and notification for (NTEU) are prepared and implemented following agency procedures;
 - g. All budgetary implications are addressed, OMB Circular No. A-123, Management's Responsibility for Enterprise Management and Internal Controls, are considered, and the proper data elements, including Work Planning & Control (WP&C) and Form 3081, Employee Time Report, data is established within the IRS financial system to track budget and expenditures. To view, go to <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2016/m-16-17.pdf>
 - h. Federal EEO principles, policies, and laws are considered and reflected and/or addressed in the organizational change;
 - i. Deputy Commissioner(s) is informed of, and concurs, with all levels of proposed organizational changes; the DCOS TPMO ensures all packages are shared with and/or concurred by the DCOS;
 - j. Appropriate coordination has occurred with Communications and Liaison (C&L), Legislative Affairs, congressional and external stakeholder implications are identified, and a plan is established to ensure the necessary communications occur and/or are underway (only if approval is required by the Deputy Commissioner or above);
 - k. Organizational changes are inclusive of a process for tracking and monitoring affected employee movement from the current organization to the end state organization and that the Personnel Action Requests (PAR) and/or Mass Update Modules (MUMs) necessary to implement the organization change are initiated;
 - l. Organizational changes are evaluated with results on how they relate to stated business case goals; and
 - m. The necessary reviews, concurrences, and/or certifications of the organizational change request within the HCO, DCOS TPMO, C&L (Legislative Affairs), EDI, CFO, Information Technology (IT), and Facilities Management and Security Services (FMSS) occurred prior to effecting any changes.
- (5) **The Program Execution Office (PEO) is responsible for the following:**
- a. Providing Service-wide organizational change guidance;
 - b. Providing guidance and direction in the development of business case, organizational change initiative implementation, tracking, monitoring and evaluation;
 - c. Ensuring the necessary coordination occurs with all responsible areas of the HCO to support the business units throughout the design/development and implementation of the restructuring initiative; in addition

- to PEO (and Workforce Restructuring Services (WRS)), this includes LERN, PM/C, Office of Executive Services (OES), Employment, Payroll, and P&C, where applicable;
- d. Ensuring organizational changes are shared with the HCB where it is determined the initiative will affect other business units;
 - e. Ensuring the necessary reviews and concurrences of the organizational change request within the HCO, DCOS TPMO, C&L (Legislative Affairs), EDI, CFO, IT, and FMSS occur prior to effecting any changes;
 - f. Providing expert advice, guidance, and support for changes resulting in a RIF, directed reassignments, transfer of function, position abolishment, use of mitigation strategies, and employee separation policy and implementation;
 - g. Providing expert advice, guidance, and support for requesting, obtaining, and monitoring VERA/VSIP authority as deemed appropriate;
 - h. Supporting the development of a labor relations strategy and serving as a subject matter expert during negotiations;
 - i. Overseeing all aspects of reorganizations that result in a RIF, to include facilitating preparation of the business case, determining use of mitigation strategies, obtaining VERA/VSIP authority, delivering RIF briefings, preparation for all notices and letters (i.e., Reassignment Preference Notice (RPN), VERA/VSIP offers, Certificate of Expected Separation (CES), RIF, etc.), and responsible for ensuring all regulatory requirements are adhered to;
 - j. Ensuring the necessary coordination occurred with Payroll to certify an accounting of all employees and PARs associated with the final implementation of any restructuring initiative, and generating a final report for the business unit that confirms the accounting of all employees and PARs, if necessary, to include that PARs and/or MUM requests are initiated and/or submitted to implement the organizational change;
 - k. Ensuring organizational changes are documented, updated, and tracked through a centralized tracking system (e.g., PeopleTrak);
 - l. Ensuring the organizational change package is prepared for the Treasury Assistant Secretary (ASM) for Management approval when it is determined that the change met the criteria outlined in TD 21-01, Organizational Changes. To view, go to <https://www.treasury.gov/about/role-of-treasury/orders-directives/Pages/td21-01.aspx>; and
 - m. Assisting business units with their final report, evaluating, and documenting the results of the organizational change, as appropriate.

(6) **The DCOS (TPMO)** is responsible for the following:

- a. Providing support and advice for organizations undergoing transformations;
- b. Ensuring all packages are shared with and/or concurred by the DCOS;
- c. Ensuring coordination with the appropriate business representatives, HCO, Finance organizations, and all other internal IRS stakeholders;
- d. Ensuring all changes affecting other business units are coordinated with those units;
- e. Ensuring coordination occurred with C&L, Legislative Affairs;
- f. Ensuring congressional and external stakeholder implications are identified;
- g. Ensuring a plan is established to ensure the necessary communications occurred and/or are underway (only if Deputy Commissioner or above approval is required);

- h. Ensuring the necessary coordination occurs with all responsible areas, including coordination of signature packages when the Deputy Commissioner or Commissioner of Internal Revenue must approve.
- (7) **Facilities Management and Security Services (FMSS)** is responsible for the following:
 - a. Providing support and services in the areas of real estate and equipment, and facilities management; and
 - b. Providing guidance, support, and direction to the business units regarding any architecture, engineering and relocation planning, furniture and equipment, logistics management, real estate management, and/or any other facilities management or physical security services needed to achieve the initiative.
- (8) **Communication and Liaison (C&L), Legislative Affairs** is responsible, if applicable, for the following:
 - a. Ensuring organizational changes are communicated with the appropriate audiences and stakeholders, such as employees, business units, NTEU, OMB, Treasury, the American Public, Congress, IRS Oversight Board, public interest groups, tax practitioner groups, Treasury Inspector General for Tax Administration (TIGTA), etc.; and
 - b. Providing consultative services to the initiating organization, evaluating each request to determine, develop, and manage communications relative to the specific initiative.
- (9) **Equity, Diversity, and Inclusion (EDI)** is responsible for the following:
 - a. Ensuring each request protects the IRS's interest of being inclusive of different perspectives, improving engagement of employees, and diversity;
 - b. Ensuring the request integrates diversity and inclusion into all aspects of the business, protects the civil rights of taxpayers, provides EEO for all employees, and protects and considers employees with disabilities; and
 - c. Ensuring federal EEO principles, policies and laws are reflected in organizational change processes and decisions, managing diversity, and ensuring no protected class/group is targeted or unfairly affected.
- (10) **Information Technology (IT)** is responsible, if applicable, for assessing the effect of the proposed change on Enterprise and/or IT applications and providing support during implementation.
- (11) **The Chief Financial Officer (CFO)** is responsible for:
 - a. Informing business units of potential effects on the operating budget and assisting with implementation plans to address budget concerns;
 - b. Coordinating with business units for the establishment of identifiers or codes required by IRS financial systems to track budgetary and financial activities and/or relevant appropriations;
 - c. Ensuring the new financial coding structure aligns to the proper appropriation code;
 - d. Ensuring the identifiers and codes are available for budget authority when the organizational change is implemented;
 - e. Coordinating with business units on the establishment of cost allocations in the IRS accounting system in time for the start of the fiscal year in which the organizational change is implemented;

- f. Ensuring details on planned reorganizations, job reductions, or increases in offices and activities are reported in the IRS Operating Plan so congressional appropriations committees can be properly notified; and
- g. Ensuring compliance with OMB Circular No. A-123, Managements' Responsibility for Enterprise Risk Management and Internal Controls, identifying deficiencies and overseeing development of a corrective action plan to address deficiencies identified. To view, go to <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2016/m-16-17.pdf>.

(12) **The Human Capital Board (HCB)** is responsible for the following:

- a. Reviewing and providing support for organizational change initiatives which:
 - i. Impact service provided to taxpayers;
 - ii. Impact service provided to other business units (e.g., mail function in Submission Processing supports all business units in a campus - when consolidating, function must continue and is moved to a continuing organization); or
 - iii. Results in impacted employees requiring the use of mitigation strategies potentially affecting other business units. As a general guiding principle, if the outcome from the use of the available mitigation tools results in anything other than impacted employees placed voluntarily, the initiative must be brought before the HCB for vetting and concurrence.
- b. Providing a forum for all business units to jointly address issues and challenges emerging during the development and implementation of organizational change initiatives; and
- c. Identifying and addressing issues requiring cross-functional or Service-wide resolution.

1.1.4.5

(05-26-2021)

Organizational Change Request

(1) **Request for Organizational Change (ROC)**

- a. Regardless of scope, all organizational changes begin with:
 - i. an identified need for change;
 - ii. gathering and analyzing data;
 - iii. considering alternatives; and
 - iv. preparing a business case to fully inform the approving official.
- b. The review and concurrence of a business case depends on the scope and effect of the organizational change. All ROCs are documented and approved as outlined in the chart below.
- c. To accomplish this, a business case requiring Deputy Commissioner or above approval, must comply with, and address, specific criteria and contain all information and attachments as outlined in the ROC Template, Exhibit A.

(2) **Authorities to Approve IRS Organizational Change.** Any questions concerning approval authority should be directed to PEO.

- a. Authority to approve organizational changes at the Business-Owner level/ Business Unit Commissioner, unless otherwise indicated, is whomever has the authority to affect a reorganization. This should be done in consultation with the appropriate official(s) within the business unit.

Action	Organizational Impact	Required Review and Approval/ Authority to Approve
Reassignment - Non-RIF	Change of an employee(s) from one position to another, when an Organizational Change (such as a reorganization) occurs without promotion or CLG	Consultation: LERN; TA; DCOS TPMO Certification: CFO; EDI
Realignment	Movement of employee(s) and employee's position when an Organizational Change (such as a reorganization) occurs, the employee stays in the same agency, and there is no change in the employee's position, grade or pay: <ul style="list-style-type: none"> • Realigning an employee or group of employees to other groups or territories within the same business unit, POD, series, grade, and position description (PD); • Renaming a department; • Create new permanent or temporary groups to accommodate new hires or employees where funding was previously authorized by the appropriate Finance office. 	Consultation: LERN; TA; DCOS TPMO Certification: CFO, EDI
Job Abolishment (of vacant position only)	Eliminating or abolishing a vacant/unoccupied position. (Note: Requires consultation with PM/C)	Consultation: LERN; TA; DCOS TPMO Certification: CFO, EDI

Note: Business units ensure all organizational changes are well documented, monitored, and evaluated. The organizational changes are documented and tracked through to completion, if appropriate. All impacted business units keep results and documentation.

- b. Authority to approve organizational changes at the Deputy Commissioner level.

Action	Organizational Impact	Required Review and Approval/ Authority to Approve
Directed Reassignment (Outside the Commuting Area) - Non-RIF	Change in a position, with duties eliminated in one geographical area or combined with duties of another position or positions in another geographical area. May result in Job Abolishment. See Job Abolishment definition above.	<p>Initiator: Business Unit Commissioner/Designee</p> <p>Review/Concurrence: LERN; TA; DCOS TPMO; Chief, C&L; IRS Human Capital Officer; Chief Technology Officer, Chief, FMSS; HCB; Senior Executive Team (SET)</p> <p>Certification: CFO; EDI</p> <p>Approval: Deputy Commissioner</p>
Reorganization/ Restructuring Deputy Commissioner Functions	<p>An organizational change, which eliminates, adds, or redistributes the functions or duties of an organization. The change may affect the organization's mission, function, structure, geographic boundaries, jurisdiction, and reporting lines. The change may result in excess employees. Examples may include:</p> <ul style="list-style-type: none"> • Create new positions that did not previously exist in the specific business unit; • Changes to position titles, series, and grades, and/or excess employees; • Changes that affect National Labor Agreements, service provided to taxpayers, or other business units as part of a formal reorganization 	<p>Initiator: Business Unit Commissioner/Designee</p> <p>Review/Concurrence: LERN; TA; DCOS TPMO; Chief, C&L; IRS Human Capital Officer; Chief, Technology Officer; Chief, FMSS; HCB; SET</p> <p>Certification: CFO; EDI</p> <p>Approval: Deputy Commissioner</p>
Transfer of Function	Transfer management and program responsibility from one organization (competitive area) to another organization (different competitive area) within the same Deputy Commissioner directorate	<p>Initiator: Business Unit Commissioner/Designee</p> <p>Review/Concurrence: LERN; TA, PM/C; DCOS TPMO; Chief, C&L; IRS Human Capital Officer; Chief, Technology; Chief, FMSS; HCB; SET</p> <p>Certification: CFO; EDI</p> <p>Approval: Deputy Commissioner</p>

- c. Authority to approve organizational changes at the Commissioner of Internal Revenue level.

Action	Organizational Impact	Required Review and Approval/ Authority to Approve
<p>Reorganization/ Restructuring</p> <p>DCOS/Deputy Commissioner for Services and Enforcement (DCSE) Functions</p>	<ul style="list-style-type: none"> Significant organizational changes in which the scope and impact directly affect other business units and/or internal or external stakeholders (e.g., adding positions, grade/series, program activities, work processes, or geographic locations) Creation, abolishment, or substantial change in the organization at a level that reports to the Deputy Commissioner. Create new positions that did not previously exist in the IRS Changes to position titles, series, and grades, and/or excess employees. Changes that affect National Labor Agreements, service provided to taxpayers, or other business units as part of a formal reorganization Changes in IRS management of senior executive service (SES) and/or critical pay positions as part of a formal reorganization. 	<p>Initiator: Business Unit Commissioner/Designee or Deputy Commissioner</p> <p>Review/Concurrence: LERN; TA; DCOS TPMO; Chief, C&L; IRS Human Capital Officer; Chief, Technology Officer; Chief, FMSS; HCB; SET</p> <p>Certification: CFO; EDI</p> <p>Review: DCOS/Assistant DCOS (as appropriate); DCSE/Assistant DCSE (as appropriate)</p> <p>Approval: Commissioner of Internal Revenue</p>

Transfer of Function	Transfer management and program responsibility from one Deputy Commissioner directorate to the other.	<p>Initiator: Business Unit Commissioner/Designee or Deputy Commissioner</p> <p>Review/Concurrence: LERN; TA; DCOS TPMO; Chief, C&L; IRS Human Capital Officer; Chief, Technology Officer; Chief, FMSS; HCB; SET</p> <p>Certification: CFO; EDI</p> <p>Review: DCOS/Assistant DCOS (as appropriate); DCSE/Assistant DCSE (as appropriate)</p> <p>Approval: Commissioner of Internal Revenue</p>
----------------------	---	--

- d. Authority to approve organizational changes within the scope of Treasury ASM.

Action	Organizational Impact	Required Review and Approval/ Authority to Approve
Reorganization/ Restructuring Commissioner's Direct Reports, major changes	<ul style="list-style-type: none"> • Commissioner's Office. • IRS Servicewide changes in authority, function or scope of activities. • Highly visible and/or controversial changes affecting internal or external customers (e.g., closing or moving an IRS office that assists taxpayers). • Creation, abolishment, or substantial change in the organization at the level that reports to a bureau head (Commissioner of Internal Revenue) or deputy bureau head (Deputy Commissioner). • Changes in Mission Critical programs. • Major change in field structures. • Changes that will cause controversy or have a major impact on the organization's budget, personnel, stakeholders, or Congress. • Changes involving involuntary actions, the use of mitigation strategies, or resulting in RIF. 	<p>Initiator: Business Unit Commissioner/Designee; Deputy Commissioner; or Commissioner of Internal Revenue</p> <p>Review/Concurrence: LERN; TA (PEO/WRS, PM/C); DCOS TPMO; Chief, C&L; IRS Human Capital Officer; Chief, Technology Officer, Chief FMSS; HCB; SET; DCOS/Assistant DCOS (as appropriate); DCSE/Assistant DCSE (as appropriate)</p> <p>Certification: CFO; EDI</p> <p>Approval: Commissioner of Internal Revenue; Treasury's ASM; IRS Oversight Board</p>

(3) **Business Case Requirements/Justification:** Organizational changes that meet criteria for approval above the business owner level must adhere to the following guidance.

- a. The initiating office must develop the appropriate level business case and/or documentation to substantiate the need for the proposed change(s) and identify potential effects. As part of the business case development, the initiating office consults with their respective Finance office and other internal business stakeholders, as appropriate.
- b. The business unit designates a Business Representative to consult and coordinate with HCO, CFO, and C&L (Legislative Affairs), as applicable.
- c. All organizational change proposals must address the following factors/criteria or explain why they are not applicable.
 - i. **Description of Initiative.** State the purpose of the proposed organizational change. This must include description of how the proposal enhances the mission of the organization, improves alignment with the

strategic plan and organizational goals, improves customer service, and improves efficiencies, use of resources, and/or saves money. The business need and expected outcomes must be clearly articulated.

ii. Justification (of Proposed Changes). Describe the proposed changes. Explain the differences between the proposed new structure and present structure. Present the advantages resulting from the change. Address impact on SOC, position management, and/or authorized staffing pattern or allocations. Clearly articulate advantages of the change as it relates to alignment with interdependent organization(s), improved accountability, elimination of duplication, and impact on customers and/or internal or external stakeholder.

iii. Current Structure. Describe the current structure(s) of the organization(s) affected by the proposed change. Include the current number of positions, including vacancies, within the impacted organization(s) and the number of bargaining and/or non-bargaining employees.

iv. Proposed Structure. Describe the proposed structure(s) of the organization(s) affected by the proposed change. This section must clearly describe the new and/or impacted organizational structures, and provide a comprehensive overview of the types of positions, changes in SOC, any impact on authorized staffing patterns, any increases or decreases in employee, manager or executive positions, changes in reporting requirements, etc.

v. Realigned Organization (if applicable). Describe the new and/or restructured organization(s). If approved, how will the organization benefit? Focus on the benefits to internal or external stakeholders and customers. Identify products, programs, or services that benefit or change because of the organizational change. Who is accountable and what they are accountable for? The goal is to convey the benefits resulting from the change, should it be approved.

vi. Impact on Employees, Managers, Executives, Authorized Personnel Ceilings, Grades, and Span of Control (SOC). Specifically address any implementation or mitigation strategies used to address staffing implications (i.e., use of directed reassignments, transfer of function, job swaps, grade or pay retention, RIF). Statements would be needed regarding any changes to position descriptions, critical job elements (CJEs), telework eligibility, tour of duty (TOD), POD, alternative work schedules (AWS).

vii. Challenges and Risks. Identify the effect of the organizational change on other organizations or agencies, and describe any coordination planned or completed. Identify associated risks (e.g., disruption of workforce, duplication of service, scheduling, transfer of work, etc.) and proposed strategies for addressing risk. Summarize any stakeholder engagement already taken place and any additional required stakeholder engagement and identify the appropriate point in the process for that engagement.

viii. Functional Statements. Identify and address whether a new or revised functional statement is required. If applicable, provide the new

functional statement, and a summary to show how the function(s) will change as a because of the proposed change.

ix. Possible Controversies with Members of Congress, Employee Unions, the Public, other Agencies, or other Special Interest Groups.

Identify possible controversies and what the IRS intends to do to address and/or mitigate the controversies.

x. Cost/Benefit Analysis (if applicable). Using an accepted format, identify and analyze costs, savings, and benefits. Consider costs and savings, such as personnel (including costs of mitigation strategies (e.g., VERA/VSIP, relocation allowances, etc.) and support costs (e.g., space, equipment, telecommunications, supplies)). Separate costs by budget line items. Explain or propose how additional costs will be funded and the points in time when funds are required.

xi. Communications. Describe the communications strategy, to include any communications already issued, and/or scheduled for release relative to the proposed change. Include a brief explanation, including a copy of the formal communications plan and any formal notice(s) to NTEU (includes Form 14036, Notice to National Treasury Employees Union (NTEU), and draft notice), if applicable, and/or any other critical communications.

xii. Functional Communications. Describe method of briefing the Deputy Commissioner or Designee and date concurrence received. Describe coordination with C&L, Legislative Affairs; ensure congressional and external stakeholder implications are identified and establish a plan to ensure the necessary communications occur and/or are underway (only if approval is required by the Deputy Commissioner or above).

xiii. Legal Requirements or Conditions Applicable to the Change.

Describe any legal requirements, or compliance obligations, mandating or influencing the need for the proposed change. Identify any changes to delegations of authority, IRMs, etc., that may result from the proposed change. In addition, address compliance with OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Controls, IRS Operating Plan, and budgetary and financial activities planned and/or underway. Any deficiencies identified must be addressed and corrective actions provided that are planned and/or underway. Include a brief explanation, to include financial and organizational crosswalks, and the MUM that will affect the organizational change in the personnel and related systems, as applicable. To view, go to <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2016/m-16-17.pdf>

xiv. Conclusion. Describe the timeline for completion and how the organizational change will be evaluated and/or tracked (if applicable). Any tracking system or process used should ensure that all financial, and employee systems, PARs, IRMs, etc., are processed and accounted for promptly. All mitigation strategies will be tracked using PeopleTrak and/or other equivalent tool approved by the HCO.

- d. All organizational change proposals must address and include the following attachments:
 - i. Attachment XX - Current Organizational Chart(s).**
 - (1) High level organizational chart(s); and
 - (2) Detailed organization chart(s). **Note:** Must reflect permanent position of record for employees and identify:
 - a. employee names;
 - b. position titles;
 - c. PDs;
 - d. pay plans (e.g., General Schedule (GS), Wage Grade (WG) IR, etc.);
 - e. series;
 - f. grade;
 - g. work schedules (e.g., full time (F/T), part time (P/T), day shift (D/S), night shift (N/S), if applicable;
 - h. bargaining unit (BU) or non-bargaining unit (NBU);
 - i. number of positions for each organizational segment (including vacant funded positions);
 - j. clearly reflect direct lines of supervision;
 - k. enough detail to clearly identify SOC; and
 - l. clearly identify temporary assignments or details.
 - ii. Attachment XX - Proposed Organizational Chart(s).** Provide proposed organizational chart(s), one high level and one detailed including information identified in item 2(d)(i) above. **NOTE:** A signature line will be added to the proposed organizational chart to include the Treasury approving official, if applicable.
 - iii. Attachment XX - Proposed Timeline.** Provide a timeline for implementation illustrating when the proposed organization will go into effect and highlighting critical milestones. Timeline must identify critical deadlines that if not met will significantly affect the IRS's ability to implement the organizational change initiative.
 - iv. Attachment XX - CFO Certification.** Provide information as to certification and date in the business case.
 - v. Attachment XX - EDI Certification.** Provide information as to certification and date in the business case.
 - vi. Attachment XX - Cost/Benefit Analysis** (if applicable). Identify and analyze costs, savings, and benefits. Consider costs and savings, such as personnel and support costs (e.g., space, equipment, telecommunications, supplies). Separate costs by budget line items. Explain or propose how additional costs will be funded and the points in time when funds are required.
 - vii. Attachment XX - Treasury/HCO Checklist** (if applicable).
 - viii. Attachment XX - Mass Update Module (MUM) Organizational Alignment Timeline** (if applicable). **Note:** Inadequate coordination/timing could affect personnel salary.
 - ix. Attachment XX - Form 14036, Notice to National Treasury Employees Union (NTEU)** (if applicable).
 - x. Attachment XX - NTEU Notification** (e.g., courtesy letter to NTEU), if applicable.

Note: If multiple business units are involved in reorganization, include all current organizational charts under Attachment XX, and all proposed organizational charts under Attachment XX, etc.

(4) Review and Approval Process of ROC:

- a. The Associate Director, PEO and/or DCOS TPMO facilitated the review and coordination of all parties in the concurrence process, as applicable.
 - i. All proposals are reviewed for staffing (voluntary or involuntary) implications, workforce relations issues/labor management obligations, impact on position management and SOC, mitigation strategies, impact on workforce planning, succession planning, and employee development concerns, and to ensure all other applicable regulatory, policy, and/or procedure requirements are met.
 - ii. A determination is made as to whether the initiative needs to go the SET, HCB, and/or any other oversight or organizational boards in advance of the initiative implementation. A determination is also made as to whether Treasury approval is required.
 - iii. All concurrences are tracked, concerns are documented and addressed, and a final package is submitted to the appropriate Approving Official for review and signature. If the IRS offers separation incentives under any other statutory authority, a description of how the IRS is using that authority is included.
- b. Organizational changes requiring Deputy Commissioner or above approval also include the approval and/or concurrence of the CFO, Chief, C&L, IRS Human Capital Officer, Chief Technology Officer, Chief Diversity Officer, Chief, FMSS (if space implication), Director, TPMO, Assistant DCOS, DCOS, and DCSE, if applicable, based on the type and scope of the ROC. These reviewers will analyze those aspects of the proposal specific to their responsibilities.
- c. A proposal requiring approval of the Commissioner of Internal Revenue must include the concurrence of the Business Owner (e.g., Business Unit Commissioner/Director) who initiated the proposed change and their respective Deputy Commissioner. When the proposed change affects multiple business units, the other Business Owners and their respective Deputy Commissioner must concur in advance of submission to the Commissioner of Internal Revenue. All proposals must adhere to the approving authorities in the Authorities chart.

(5) Implementation of ROC Initiative (if applicable)

- a. The business unit will implement a plan(s) to track and monitor pre- and post-implementation activities.
 - i. Pre-activities may include detailed timeline identifying major milestones, including financial and system changes, processing PARs, notification to NTEU and negotiations (if applicable), mitigation strategies, etc.; Post activities may include detailed timeline identifying major milestones, system changes, updating IRMs, delegation orders, permissions on mailboxes and SharePoint sites, migrating Leadership Succession Review (LSR) records, etc.;
 - ii. Defined roles and responsibilities for business unit functions including embedded human resources (if applicable), major stakeholders, and support functions;
 - iii. Identified risks and planned responses and contingencies; and
 - iv. A communication plan addressing information needs of project team members, affected employees, customers, and NTEU.
- b. Business unit specific initiatives, without involuntary actions and/or the use of mitigation strategies, are coordinated and implemented through routine support channels. For example, business units ensure all PARs

reflecting placement action and/or change in data element(s) are submitted timely, and all other systems are updated to reflect the new organizational structure.

- c. The business unit is responsible for reporting the organizational change to the CFO. Budgetary and financial issues are coordinated with the CFO, as outlined under Responsibilities.
- d. Any new organization or reorganization request for establishing identifiers/codes in the IRS financial and accounting systems meeting the following criteria must be submitted to the CFO by the annual master data call deadline in the year prior to the fiscal year the organizational change is to be implemented. Criteria includes:
 - i. Deputy Commissioner approval or above;
 - ii. Establishment of a new Financial Plan; or
 - iii. Moving established cost offices (centers) from one budget office (fund center) to another budget office.
- e. Changes in identifiers/codes in the IRS financial accounting systems that do not meet any of the criteria listed above may be submitted to the CFO anytime during the fiscal year, but at least 45 days in advance of the re-organization's effective date.
- f. The business unit is responsible for ensuring that all IRMs, delegation orders and organization charts are updated to reflect changes in the organization. Changes to competitive areas must also be reported and documented on the annual request for updates.

(6) **Evaluation of Completed Initiative** (if applicable).

- a. As part of the organizational change process, the business unit is responsible for evaluating the effectiveness of the implemented organizational change.
- b. For initiatives with impact beyond the initiating business unit, the initiator is responsible for preparing a final report addressing the completed organizational change.
- c. Evaluation criteria should be consistent with those identified in the business case proposal.
- d. The completed evaluation is shared with HCO, CFO, C&L, and Legislative Affairs.
- e. Evaluation should include a final reconciliation of all employee/position movements.
- f. The HCO will assist the business unit with the final evaluation.
- g. Business unit specific organizational changes should include a final report documenting implementation and completion, if appropriate. This report is maintained by the business unit with the original business case for change.

1.1.4.6
(05-26-2021)
**VERA and/or VSIP
Requests (if applicable)**

- (1) **Requests for use of VERA and/or VSIP.** Organizational change requests that include the use of VERA and/or VSIP authority.
 - a. Business units should begin planning for VERA/VSIP as soon as it appears likely that the organizational change cannot be accomplished through less severe methods (e.g., hiring freeze, normal attrition, reassignments).
 - b. Requests for use of VERA/VSIP is required per Article 19 of the National Agreement when a RIF is anticipated, subject to Office of Personnel Management Agreement (OPM) approval.

- c. Early planning by the business unit in partnership with WRS ensures that the VERA/VSIP authority is available in time to make the most effective use of the option. Lead-time is necessary to develop the data to support the VERA/VSIP request, submit the request through required IRS and Treasury approval levels, and formally request OPM approval.
- d. The VERA/VSIP package, which is different than the ROC, must outline the intended use of the VSIP incentive payments, and must include:
 - i. Identification of the specific positions and functions to be reduced or eliminated, identified by organization, geographic location (city/state), pay plan, occupational series, grade, and any other factors related to the position.
 - ii. A description of the categories of employees offered separation incentives identified by organization, geographic location, occupational series, grade and any other factors, such as skills, knowledge, or retirement eligibility.
 - iii. The timeframe during which separation incentives are paid and date by which employees will be off the rolls
 - iv. The number and maximum dollar amounts of the separation incentives offered.
 - v. A description of how the organization will operate without the eliminated or restructured positions and functions (i.e., strategic workforce plan).
 - vi. A proposed organizational chart displaying the expected changes in the organizational structure after the organization completes the incentive payments as well as a current organizational chart must be included.
 - vii. If the IRS requests, or will request, VERA, an explanation of how the IRS will use that authority in combination with separation incentives.
 - viii. If the IRS offers separation incentives under any other statutory authority, a description of how the IRS is using that authority.

(2) Review and Approval Process of VERA and/or VSIP Request

- a. Once the ROC is reviewed and approved, and if the use of VERA/VSIP is requested, WRS facilitates the creation of a VERA/VSIP request and business case which is reviewed and coordinated with all parties.
- b. All proposals include concurrence of the IRS Human Capital Officer and Treasury.
- c. Final approval authority falls with OPM.

**1.1.4.7
(05-26-2021)
Authorities**

- (1) Under Title 31, USC, Subtitle I, Chapter 3, Subchapter II, Section 321(c), General authority of the Secretary, the duties of officers and employees of the IRS are vested in the Secretary of the Treasury. To view, go to <https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title31-section321&num=0&edition=prelim>
- (2) **Under TD 21-01, Organizational Changes**, these include any:
 - a. Creation, abolishment, or substantial changes in the organization at the level that reports directly to an Assistant Secretary or above (in Departmental Offices) or a bureau head and/or a deputy bureau head;
 - b. Proposed changes in mission critical programs;
 - c. Major changes in field structures; or
 - d. Changes that will cause controversy or have a major impact on the organization's budget, personnel, stakeholders, or Congress.

- (3) **Treasury Directive 102-01. Delegation of Authority Concerning Personnel Management.** The Commissioner of Internal Revenue Service is delegated most of the revenue and personnel functions and authorities. The Commissioner of Internal Revenue determines the organizational structure of the IRS except as reserved for the Secretary, above, or as otherwise specified by legislation or executive order. To view, go to <https://www.treasury.gov/about/role-of-treasury/orders-directives/Pages/to102-01.aspx>
- (4) **Title 26, USC, Subtitle F, Chapter 80, Subchapter A, Section 7802(d)(3)(C). Internal Revenue Service Oversight Board.** The IRS Oversight Board's responsibilities include the review and approval of the Commissioner of Internal Revenue's plans for any major reorganization of the IRS. To view, go to <https://www.treasury.gov/about/role-of-treasury/orders-directives/Pages/to102-01.aspx>
- (5) **VSIP Authority.** Title 5, USC, Part III, Subpart B, Chapter 35, Subchapter II, Sections 3521-3525, Voluntary Separation Incentive Payments; OMB Bulletin No. 97-02, Voluntary Separation Incentives for Employees of Certain Federal Agencies, Title 5, Code of Federal Regulations, Part 575, Subpart A, Section 576.102, Voluntary Separation Incentive Payment implementation plans; Treasury Guidance; and IRM 6.350.1, Use of Non-Reduction in Force (RIF) Job Abolishment Procedures. To view, go to <https://uscode.house.gov/browse/prelim@title5/part3/subpartB/chapter35/subchapter2&edition=prelim>, https://www.whitehouse.gov/wp-content/uploads/2017/11/1997_OMB_Bulletin_No_97_02.pdf, https://www.ecfr.gov/cgi-bin/text-idx?SID=db08f430a707c5f2391d27d4d9330757&mc=true&node=pt5.1.576&org=div5#se5.1.576_1102, and <http://irm.web.irs.gov/Part6/Chapter350/Section1/IRM6.350.1.aspx>
- (6) **Delegation Order 6-1, Authority to Create and Abolish Positions.** Information can be found in IRM 1.2.2.7.1, Delegation Order 6-1 (New), Authority to Create and Abolish Positions. The Commissioner of Internal Revenue has assigned certain organizational authority to the Deputy Commissioners and other IRS officials. In general, an organizational change proposal requires approval by an executive at the second level or higher above the highest level affected by the organizational change. To view, go to <http://irm.web.irs.gov/Part1/Chapter2/Section2/IRM1.2.2.aspx#1.2.2.7.1>

Exhibit 1.1.4-1 (05-26-2021)**Request for Organizational Change Template - Exhibit A**

MEMORANDUM FOR [APPROVING OFFICIAL TITLE]

THRU: Name, if applicable

FROM: Name

Title

SUBJECT: Reorganization Request - Proposal to Restructure or Realign

[Business Unit or Title of Initiative(s)]

Description of Initiative: State the purpose of the proposed organizational change. This must include description of how the proposal enhances the mission of the organization, improves alignment with the strategic plan and organizational goals, improve customer service, and improve efficiencies, use of resources, and/or saves money. The business need and expected outcomes must be clearly articulated.

Justification of Proposed Changes: Describe the proposed changes. Explain the differences between the proposed new structure and present structure. Present the advantages resulting from the change. Address impact on SOC, position management, and/or authorized staffing pattern or allocations. Clearly articulate advantages of the proposed change as it relates to alignment with interdependent organization(s), improved accountability, elimination of duplication, and impact on customers and/or internal or external stakeholders.

Current Structure(s): Describe the current structure(s) of the organization(s) affected by the proposed change. Include the current number of positions, including vacancies, within the affected organization(s) and the number of bargaining unit and/or non-bargaining unit employees. Note: This section must clearly describe the current organizational structure(s) and comprehensive position listing(s) included as Attachments.

Example: The current XYZ (business unit) high-level organizational structure is outlined in **Attachment A**. There are currently a total of XXX positions, including XXX vacancies, within the XYZ organization. There are XXX bargaining unit and XXX non-bargaining unit employees within the XYZ organization. A detailed organizational structure, which includes a comprehensive listing of the occupations and grade levels currently within the XYZ organization is outlined in **Attachment B**

Proposed Structure(s): Describe the proposed structure(s) of the organization(s) affected by the proposed change. This section must clearly describe the new and/or affected organizational structure(s) and provide a comprehensive overview of the types of positions, changes in SOC, any impact on authorized staffing patterns, any increases or decreases in employee, manager, or executive positions, changes in reporting requirements, etc.

Example: The proposed ABC structure, with the XYZ realignment added, is outlined in **Attachment C**. The detailed XYZ organizational structure, which includes a comprehensive listing of the occupations and grade levels in the proposed organization, is outlined in **Attachment D**. The proposed organizational structure increases the number of positions reporting directly to Manager/Executive A by # positions, for a total of ## positions. In addition, the change results in a title change for the Manager/Executive A, from Current Title, to New Title. With this, ### employees are realigned intact, # frontline management positions will be eliminated, and # new senior management positions are established.

Realigned Organizations (if applicable): Describe the new and/or restructured organization(s). If approved, how will the organization benefit? Focus on the benefits to internal or external stakeholders and customers. Identify products, programs, or services that benefit or change as a result of the organizational change. Who is accountable and for what they are accountable for? The goal is to convey the benefits resulting from the change, should it be approved.

Exhibit 1.1.4-1 (Cont. 1) (05-26-2021)**Request for Organizational Change Template - Exhibit A**

Impact on Employees, Managers, Executives, Authorized Personnel Ceilings, Grades, and/or SOC: Specifically address the impact the proposed change will have on the workforce and/or position management controls. Address any implementation or mitigation strategies used to address the staffing and placement implications (i.e., directed reassignments within or outside the commuting area, transfer of function, grade or pay retention, RIF, VERA, VSIP, job swaps, etc.). When assessing the impact of the proposed change, consideration must be given to the impact the change will have on employee engagement, diversity, and ensuring no protected class/group is unfairly affected.

Challenges and Risks: Identify the effect the change has on other organizations or agencies, and describe any coordination planned or completed. Identify associated risks (e.g., disruption of workforce, duplication of service, scheduling issues, transfer of work, etc.), and proposed strategies for addressing each risk. Summarize additional stakeholder engagement already taken and/or planned in advance of implementation. Summarize additional required stakeholder engagement planned in advance of implementation and identify the appropriate point in the process for that engagement.

Functional Statements: Identify and address whether a new or revised functional statement is required. If applicable, provide the new functional statement and a summary of how the function(s) change because of the proposed change.

Possible Controversies with Members of Congress, Employee Unions, the Public, other Agencies, or other Special Interest Groups: Identify anticipated controversies and what the IRS intends to address and/or mitigate the controversies.

Cost/Benefit Analysis (if applicable): Using an accepted format, identify and analyze costs, savings, and benefits. Consider costs and savings, such as personnel (including costs of mitigation strategies (e.g., VERA/VSIP, relocation allowances, etc.)) and support costs (e.g., space, equipment, telecommunications, supplies). Separate costs by budget line items. Explain or propose how additional costs will be funded and the points in time when funds are required.

Communications: Describe the communications strategy, to include communications already issued and/or scheduled for release relative to the proposed change. Include a reference to each **Attachment**, with a brief explanation, including a copy of the formal communications plan and any formal notice(s) to NTEU and/or any other critical communications.

Legal Requirements or Conditions Applicable to the Change: Describe any legal requirements, or compliance obligations, mandating or influencing the need for the proposed change. Identify any changes to delegations of authority, IRMs, etc., that come because of the proposed change. In addition, address compliance with OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Controls, IRS Operating Plan, and budgetary and financial activities planned and/or underway. Any deficiencies identified must be addressed, as well as the corrective actions planned and/or underway. Include a reference to each **Attachment**, with a brief explanation, including financial and organizational crosswalks, and the MUM affecting the organizational change in the personnel and related systems, as applicable. To view, go to <https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/memoranda/2016/m-16-17.pdf>

Organizational Change Tracking/Evaluation (if applicable): Describe the measures in place to track and monitor implementation. The plan should address the system or processes used to monitor and track the updating of all financial systems, employee systems, etc. and that all PARs are processed and accounted for promptly, etc. All mitigation strategies are tracked using PeopleTrak and/or other equivalent tool approved by HCO. Include a reference to each **Attachment** with a brief explanation, to include implementation plan, deliverable, responsible parties, and timelines.

Exhibit 1.1.4-1 (Cont. 2) (05-26-2021)**Request for Organizational Change Template - Exhibit A**

Conclusion: Describe how, when, and by whom the effect of the organizational change is evaluated and timeline for completion. Evaluation criteria should be consistent with the scope, purpose, and effect of the change identified in the organizational change proposal.

