



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

1.11.3

MARCH 31, 2020

EFFECTIVE DATE

(03-31-2020)

PURPOSE

- (1) This transmits revised IRM 1.11.3, Internal Management Document (IMD) System, Servicewide Policy Statement Process.

MATERIAL CHANGES

- (1) This revision includes the following changes:
 - a. Revised section title to Servicewide Policy Statement Process to reflect content.
 - b. IRM 1.11.3.1 - Added information on the program scope and objectives, purpose, audience, roles, management controls and terms related to the IRM content. Updated content to reflect new functional office name, RAAS. Subsequent subsections renumbered.
 - c. IRM 1.11.3.2 - Changed title to Purpose and Contents of Policy statements to reflect content. Changed "Service" Policies to "IRS" Policies based on Style guide. Merged content from content previously contained in Designation of Policy Matters. Updated IRM 1.2 series to IRM 1.2.1, as IRM 1.2.1 houses all Servicewide Policy Statements. Clarified content. No procedural changes made.
 - d. IRM 1.11.3.3 - Clarified language on coordinating Policy Statements. Changed terminology from "Headquarter Officials" to "Senior executives" based on current terminology of these officials. No procedural changes made.
 - e. IRM 1.11.3.4 - Added content to document the process for Revising and Issuing Policy Statements. Included Policy Statement publishing schedule and instructions for requesting a new Policy Statement and number.
 - f. IRM 1.11.3.4.1 - Added new subsection on Procedures for Clearing Policy Statements to clarify steps for forwarding the Policy Statement for review and approval.
 - g. IRM 1.11.3.4.2 - Added subsection on package requirements when sending to Office of Servicewide Policy, Directives and Electronic Resources (SPDER). Added table to display policy statement package content requirements, clarified content, and merged SPDER review actions within this subsection. Added inclusion of a track change file for revisions and submission of paper and electronic version of the final review package to SPDER. Added use of appropriate letterhead stationary for Commissioner/Deputy Commissioner signature.
 - h. IRM 1.11.3.5 - Added new subsection on editorial changes of policy statements.
 - i. Exhibit 1.11.3-1 - Updated the example for clarity and consistency with existing IRM 1.2.1 format.
 - j. Exhibit 1.11.3-2 - Added an example of a revoked policy statement for clarity and understanding.

EFFECT ON OTHER DOCUMENTS

This supersedes IRM 1.11.3, dated April 15, 2014.

AUDIENCE

All Divisions and functions

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Director, Office of Servicewide Policy, Directives and Electronic
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Research, Applied Analytics and Statistics

1.11.3

Servicewide Policy Statement Process

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1.11.3.1
(03-31-2020)
Program Scope and Objectives

- (1) Purpose: This IRM section defines the official Policy Statements of the Internal Revenue Service and describes how to prepare, clear and issue them.
- (2) Audience: These procedures apply to IRS employees who are responsible for developing, creating, revising and revoking IRS Policy Statements for their Business Unit.
- (3) Policy Owner: The Office of Servicewide Policy, Directives and Electronic Resources (SPDER), is under Research, Applied Analytics and Statistics (RAAS).
- (4) Program Owner: SPDER is the program office responsible for overseeing the Internal Management Document (IMD) process and providing guidance.

1.11.3.1.1
(03-31-2020)
Background

- (1) This IRM section enables the IRS to meet certain federal requirements to document, publish and maintain records of policies, authorities, procedures and organizational operations described in IRM 1.11.1.1.2, Authority.
- (2) The IRS Restructuring and Reform Act of 1998 resulted in a complete restructuring and reformatting of the IRM to align with IRS business processes. One of the primary goals of IRS modernization was to restore and maintain the IRM as the single, official compilation of IRS policies, procedures and guidelines.
- (3) In 1999, IRS formed the Office of Servicewide Policy, Directives and Electronic Resources (formerly Servicewide Policy, Directives and Electronic Research). SPDER is responsible for designing, implementing and monitoring a strategic approach to managing and setting Servicewide policy for internal management directives. See IRM 1.11.1, Internal Management Document (IMD) Program and Responsibilities, for information about the affect of these changes.

1.11.3.1.2
(03-31-2020)
Authority

- (1) By law, federal agencies are expected to document, publish and maintain records of policies, authorities, procedures and organizational operations. The IRM is the source for the IRS. See IRM 1.11.1.1.2, Authority for the authorities and legal obligations of IMDs.
- (2) The Freedom of Information Act (FOIA), 5 USC 552(a)(2)(c), requires each agency to maintain and make available for public inspection and copying a current index providing identifying information for the public. The publication of the Policy Statement on IRS.gov and in IRM 1.2.1, Servicewide Policy Statements fulfills this legal responsibility.

1.11.3.1.3
(03-31-2020)
Roles and Responsibilities

- (1) The Director, Research Applied Analytics and Statistics (RAAS) is the executive responsible for the IMD program.
- (2) The Director, Strategic Business Solutions, is the program manager for SPDER.
- (3) Senior executives of each IRS organization are responsible for the IRS Policies (i.e. Policy Statements) for their respective programs.
- (4) The Commissioner or Deputy Commissioner review, approve and sign service-wide Policy Statements.

1.11.3.1.4
(03-31-2020)

**Program Management
Review**

- (1) Senior executives of each IRS organization are responsible for reviewing, maintaining and archiving Policy Statements for their respective programs.
- (2) Beginning in FY 2021, SPDER will annually request the executives of each IRS organization to indicate the current status of their Policy Statement content through the SPDER annual certification. SPDER compiles the results into a report for Senior executives, managers, IMD coordinators, and staff which is used to support and improve IMD program management.

1.11.3.1.5
(03-31-2020)

Terms and Acronyms

- (1) Policy Statement - An official IRS document conveying an important value to the IRS that governs and guides IRS personnel in the administration of the IRS.
- (2) Internal Management Documents (IMDs) -Official communications that designate policies, authorities and deliver instructions to IRS officials and employees.
- (3) Freedom of Information Act (FOIA) - A federal law (5 USC 552) that provides the right of the public to request access to federal agency records or information including administrative procedural manuals and instructions to staff, unless the documents are exempt from disclosure.

1.11.3.2
(03-31-2020)

**Purpose and Contents
of Policy Statements**

- (1) Policy Statements publicize views concerning an important value of the IRS. These "IRS policies" govern and guide IRS personnel in the administration of the IRS. The designation of any item as an "IRS Policy" concerns an issue of sufficient importance to warrant consideration, approval and signature by the Commissioner or Deputy Commissioners.
- (2) "IRS Policies" are issued as "Policy Statements" and are published in IRM 1.2.1, Servicewide Policy Statements. They can form the basis for procedures and instructions in the IRM. Policy statements are not, however, the appropriate vehicle to convey:
 - Instructions to staff
 - IRS interpretations of substantive tax provisions, or
 - Directions to the public.
- (3) Similarly, Policy Statements do not cover areas where basic decisions are proclaimed by another government agency or are settled by law. An exception may be made, for purposes of clarity and understanding, to combine Service and other policies if they are so interrelated that omitting those policies originating outside of the Service might cause an erroneous or misleading impression.

Note: Any Policy Statement submitted for approval that contains procedural guidance will be returned to the originator for correction.

- (4) The only policies which can be issued as Policy Statements are those initiated by the Commissioner or Deputy Commissioners, or those initiated and submitted for their approval by:
 - Senior executives, chiefs and directors directly reporting to the Commissioner and Deputy Commissioners
 - The Chief of Appeals
 - The National Taxpayer Advocate

- (5) All Policy Statements must be coordinated with and reviewed by the Office of Servicewide Policy, Directives and Electronic Resources (SPDER) **PRIOR TO SIGNATURE** of the Commissioner or Deputy Commissioners.
- (6) The Commissioner or one of the Deputy Commissioners approves and signs all Policy Statements on behalf of the IRS.
- (7) Policy Statements are numbered by the business processes to which they belong. For instance IRM 1.2.1.2, *Policy Statements for Organization, Finance and Management Activities*, contains all of the Policy Statements that relate to IRS administrative activities. IRM 1.2.1.5, *Policy Statements for the Examining Process*, contains all of the Policy Statements that relate to the Examining Process.
- (8) Policies established by the Department of the Treasury or other offices of the executive branch, or by the legislative and judicial branches **are not** designated as "IRS Policy Statements."
- (9) Except where specifically stated, all references to the Commissioner and Deputy Commissioners are to the Commissioner of Internal Revenue, the Deputy Commissioner for Services and Enforcement and the Deputy Commissioner for Operations Support.
- (10) The words "servicewide policy" should not be used to designate an IRS position or procedure unless a Policy Statement on the matter has been issued or the IRS intends to establish one. Procedures established in conformance with approved Servicewide policies should be designated as procedures, instructions, guidelines, positions, etc.
- (11) Policies issued from Divisions/Functions **should not** be called "Servicewide policies" and will not be published as such in the Policy Statement IRM section 1.2.1. Deputy Commissioners, Chiefs, Division Commissioners or equivalent may elect to issue Division or Function policies which offer a Servicewide position on matters within their jurisdictions. For example, the Chief Human Capital Officer may elect to issue a functional policy on specific acceptable personnel practices, or the Chief Financial Officer may issue policies to guide the IRS toward good financial management. The official may propose the policy as a Servicewide policy if it meets the standards set forth in paragraph (1) above or if, under other circumstances, the policy requires higher visibility.

1.11.3.3 (03-31-2020) Preparing and Coordinating Service Policy Statements

- (1) Senior executives are responsible for Servicewide Policy Statements within their organization and clearing them through impacted offices, the Office of Chief Counsel and then the Office of SPDER, prior to submitting to the Commissioner or Deputy Commissioners for approval and signature.

Caution: SPDER will not process any Policy Statement packages without Chief Counsel review.

Note: All Policy Statements must be cleared through the Office of SPDER before forwarding to the Commissioner's office for signature.

- (2) Senior executives are responsible for conducting a periodic review of the Policy Statements initiated by their organizations and then consulting among the appropriate executives concerning proposals to revise or rescind Policy Statements when necessary.

- (3) Policy Statement authors must coordinate with their organization's IMD Coordinator.
- (4) The Commissioner and Deputy Commissioners are the only officials authorized to approve/sign Policy Statements.
- (5) When published in IRM 1.2.1, the approval date will be printed with each servicerwide Policy Statement, but a signature facsimile will not be printed.

1.11.3.4
(03-31-2020)
**Revising and Issuing
Policy Statements**

- (1) Contact your organization's IMD Coordinator for assistance in revising or creating Policy Statements.
- (2) Revisions to current Policy Statements and new Policy Statements must be coordinated among affected offices and Chief Counsel. See IRM 1.11.3.4.1 for procedures on clearing policy statements.
- (3) For revisions, use the existing Policy Statement as your source document located in IRM 1.2.1, Servicewide Policy Statements. See Exhibit 1.11.3-1 and Exhibit 1.11.3-2 for sample Policy Statements and the required format to use.
- (4) Policy Statements are numbered based on business processes to support the modernization of the IRS. For example, IRS Policy relating to the examining process was renumbered P-4-XX; IRS Policy relating to human capital management was renumbered P-6-XX, etc. Although Policy Statements are numbered to correspond to the processes represented by the IRM part numbers, the policies apply to any and all IRS personnel and activities according to their terms. For a complete listing of IRM part numbers see IRM 1.11.1.5.
- (5) For new Policy Statements, contact *SPDER to request and receive a number. See Exhibit 1.11.3-1 for a sample Policy Statement and format.

1.11.3.4.1
(03-31-2020)
**Procedures for Clearing
Policy Statements**

- (1) IRM 1.11.9, Clearing and Approving Internal Management Documents (IMDs) describes the procedures for the clearing IMDs. However, in addition, there are specific actions which apply only to policy statements.
- (2) Use Form 2061, Document Clearance Record to document the review and approval by management, affected offices and Counsel.
- (3) Complete Form 13839 , Note to Reviewer to state the change, purpose and reason for the revision/issuance.
- (4) All Policy Statements must be routed for approval through the originating office's IMD coordinator or their delegation order point of contact. Approvals must be dated on Form(s) 2061 in the following order:
 - a. All reviewers and the originating organization's Senior Executive
 - b. Chief Counsel
 - c. SPDER
 - d. Commissioner or Deputy Commissioner

1.11.3.4.2
(03-31-2020)
**Policy Statement Review
Package**

- (1) Once the Policy Statement has been cleared through all of the required and impacted offices it must be submitted to SPDER for review. It is the responsibility of SPDER to review, process, obtain approval/signature, and publish it in the IRM Chapter 1.2, *Servicewide Policies and Authorities*.

(2) The completed Policy Statement final package must contain the following:

	Document	Contents
a.	Form 2061, Document Clearance Record and reviewers' comments	Form 2061s documenting the approval of all reviewers and their comments. including the originating organization's Senior Executive and Chief Counsel. Note: Chief Counsel's approval must be no more than 60 calendar days from the date the package is received by SPDER.
b.	Final Word file with no tracked changes using Deputy Commissioner or Commissioner letterhead with an approval line for Commissioner/Deputy Commissioner's name, title and date of approval and signature. Go to the M&P Letterhead Stationary web page to access the Commissioner or Deputy Commissioner letterhead stationary template at http://publish.no.irs.gov/pubsys/letterhead/ltrhead.html .	Reflects the new or proposed revision for signature and approval.
c.	Track changes Word file (for revised/revoked Policy Statements) using Deputy Commissioner or Commissioner letterhead.	Reflects the changes for signature and approval.

	Document	Contents
d.	Form 13839, Note to Reviewer	Contains a clear and concise explanation of the change being made or, if new, why the Policy Statement is being issued. It should identify any major issues, and the significance of any change or reason for cancellation. Note: Any package submitted for approval/signature without a Note to Reviewer will be returned to the initiator as this is a requirement of the Commissioner's Office and SPDER.
e.	Form 14074, Action Routing Sheet	Lists the names and signatures of reviewers of the Delegation Order package.
f.	Necessary background information	Assists in explaining the new, revised or rescinded/canceled Policy Statement.

- (3) Forward the completed and final package both electronically and in paper to SPDER for final review, approval by the Commissioner or Deputy Commissioner and posting and issuance to IRS.gov and incorporation into IRM 1.2.1, Servicewide Policy Statements.
 - a. Send the completed paper package to SPDER at:
Internal Revenue Service
OS:RAAS:SBS:SPDER/ 77K-3100;
1111 Constitution Ave., NW
Washington, DC 20224-0002; and
 - b. Send the completed package electronically to **SPDER*
- (4) A SPDER analyst will verify the entire package before approval and signature and request any needed corrections. SPDER will verify the following:
 - a. Numbering is correct;
 - b. Format conforms to the format of IRS Policy Statements; and
 - c. Chief Counsel reviewed the Policy Statement.
- (5) The SPDER office will prepare a Form 14074, Action Routing Sheet, with signature lines for:
 - a. Director, Servicewide Policy, Directives and Electronic Resources;
 - b. Assistant Deputy Commissioner(s), if Deputy Commissioner approves;
 - c. Deputy Commissioner(s);

- d. Staff Assistant, if Commissioner approves;
 - e. Commissioner
- (6) SPDER will forward the package and Form 14074 to approving official's office.
- (7) After signed policy statement has been returned to SPDER, within seven calendar days SPDER will:
 - a. Include the "approval date" as the revision or issue date in the document posted to IRS.gov and SPDER website;
 - b. Notify the submitter and IMD Coordinator of the signature and approval;
 - c. Request Online Services to post the new/revised Policy Statement to FOIA Library on IRS.gov;
 - d. Scan the signed Policy Statement; and
 - e. Forward the final package to the IRS Historical Research Library.
- (8) SPDER will incorporate the new/revised Policy Statement into IRM 1.2.1 based on the semi-annual schedule (January/July).

1.11.3.5 (03-31-2020) **Editorial Changes for Policy Statements**

- (1) In very limited situations, authors may request modifications to a published Policy Statement for editorial changes that do not change the meaning of the content.
- (2) Editorial changes are limited to:
 - Updating organizational terms and titles to current terms or titles
 - Correcting typographical errors, e.g., spelling or grammatical errors
- (3) For editorial change considerations, forward the following to **SPDER*:
 - a. Track changes Word file of the Policy Statement
 - b. Final Word file with no tracked changes
 - c. Completed Form 13839, Note to Reviewer indicating the reason for the change
 - d. Form 2061 signed by the organization's Executive approving the change
- (4) After review and agreement, SPDER will update the Policy Statement in IRM 1.2.1 based on the semi-annual schedule (January/July) and notate the editorial correction in the Manual Transmittal.
- (5) The published Policy Statement effective date and revision number will remain the same.
- (6) SPDER will retain the files and forward to the IRS Historical Research library for record retention and documentation.

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Exhibit 1.11.3-1 (03-31-2020) Sample Policy Statement

Policy Statement 1-27, Protection from Reprisal for Whistleblowing

Effective Date: (leave blank; date will be inserted once approved)

(1) Protection from Reprisal for Whistleblowing

(2) The Internal Revenue Service recognizes and endorses the rights of employees to raise issues and to file complaints, subject to applicable law and regulations. The Service is committed to a work environment that is free from retaliation and reprisal, including reprisal for whistleblowing.

(3) The Service will foster a climate for employees where issues can be discussed openly and where allegations of misconduct and impropriety are immediately reported and appropriately acted on.

(4) Managers and supervisors are responsible for ensuring that the personnel actions they take conform to civil service laws and regulations. Those laws and regulations include retaliation for whistleblowing on the list of prohibited personnel practices. Managers and supervisors will take vigorous corrective action when a prohibited personnel practice occurs.

(5) The Service will not tolerate any type of reprisal or retaliation.

(6) Signed: Approving Official Name, Title and Date (Leave blank for Commissioner or Deputy Commissioner signature)

Approving Official Name, Title

Date

Exhibit 1.11.3-2 (03-31-2020)**Sample Rescinded Policy Statement****Policy Statement 1-44 (Rescinded), Monitoring of Employee Telephone Conversations**

Rescinded: (leave blank; date will be inserted once approved)

(1) Monitoring of Employee Telephone Conversations

(2) This policy statement is rescinded. Since approximately 2004, the Service has been using a telephone software system for recording interactions between IRS customer service personnel and taxpayers or their representatives. The recordings are then made available through a browser-based interface to managers and quality reviewers, enabling remote assessment of employee performance and customer service quality. The use of the telephone software system was negotiated between the Service and the National Treasury Employees Union (NTEU) for all appropriate areas of implementation.

(3) Signed: Steven T. Miller, Deputy Commissioner for Services and Enforcement