



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

1.18.5

FEBRUARY 1, 2021

EFFECTIVE DATE

(02-01-2021)

PURPOSE

- (1) This transmits revised IRM 1.18.5, Distribution, National Distribution Center.

MATERIAL CHANGES

- (1) Updated Signature to reflect current Distribution director.
- (2) IRM 1.18.5.1.2(1), Acronyms, updated table to correct typo to replace “ESP” with “ESN”, acronym table has been alphabetized.
- (3) IRM 1.18.5.1.3(2), Background, updated to add “Transportation Management System (TMS)”.
- (4) IRM 1.18.5.2.2, Customer Types, table has been alphabetized.
- (5) IRM 1.18.5.3.2(1), Public Order Fulfillment, revised content to clarify the source of products for public orders.
- (6) IRM 1.18.5.3.5(d), NDC Transportation Operations, clarified roles of COR and POC for NDC mail Pre-sort contracts.
- (7) Made editorial changes throughout to:
 - Update organizational information
 - Adhere to Plain Writing requirements

EFFECT ON OTHER DOCUMENTS

This update supersedes IRM 1.18.5 dated January 29, 2018.

AUDIENCE

IRS Employees

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1.18.5

National Distribution Center

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1.18.5.1
(01-29-2018)
Program Scope and Objectives

- (1) Purpose: This manual describes the National Distribution Center (NDC) responsibilities in providing order fulfillment services and distribution of products to IRS customers.
- (2) Audience: The manual is for all IRS employees especially those who make decisions in order fulfillment.
- (3) Policy Owner: Administration of the National Distribution Center falls under the direction of the Commissioner, Wage and Investment (W&I).
- (4) Program Owner: Media and Publication (M&P) is the program office responsible for overseeing and providing guidance for the NDC.

1.18.5.1.1
(02-01-2021)
Related Resources

- (1) The websites customers use when placing internal and external orders are:
 - website for internal orders: <http://caps-as.enterprise.irs.gov/osms/views/homePage.xhtml>
 - website for external orders: <http://www.irs.gov/forms-instructions>

1.18.5.1.2
(02-01-2021)
Acronyms

- (1) We use the following acronyms throughout the IRM:

Acronym	Definition
CAPS	Computer Assisted Publishing System
COTS	Commercial-off-the-shelf
DMS	Distribution Management System
ELITE	Enterprise Logistics Information Technology
ESN	Electronic Status Notice
EWCS	ELITE Warehouse Control System
FMS	Forecasting Management System
IMDDS	Internal Management Document Distribution System
M&P	Media and Publication
NDC	National Distribution Center
OMS	Order Management Systemr
OSMS	Order Subscription Management Systems
TAC	Tax Assistance Center
TFOP	Tax Assistance Center
TPDS	Training Publication Distribution System
VITA	Volunteer Income Tax Assistance
W&I	Wage and Investment
WMS	Warehouse Management System

1.18.5.1.3
(02-01-2021)
Background

- (1) The NDC provides order fulfillment services and distribution of products to IRS internal and external customers. The distribution center uses two software systems for operations:
 - Enterprise Logistics Information Technology (ELITE)
 - Computer Assisted Publishing System (CAPS)
- (2) ELITE maintains NDC inventory, controls orders, manages account information, and provides warehouse management tools. ELITE also generates picking tickets that NDC staff uses to fill orders. ELITE is a commercial-off-the shelf (COTS) application that includes the following modules:
 - Order Management System (OMS)
 - Warehouse Management System (WMS)
 - Distribution Management System (DMS)
 - ELITE Reporting Facility
 - Forecasting Management System (FMS)
 - Resource Management System
 - ELITE Warehouse Control System (EWCS)
 - Transportation Management System (TMS)
- (3) The CAPS maintains product specification information. NDC staff enters orders for several specialty programs in CAPS and downloads them into ELITE. The Order Subscription Management System (OSMS) is an online ordering system for internal orders that operates with the CAPS.

1.18.5.2
(02-01-2021)
Order Entry

- (1) The Processing Section at the NDC receives public and internal requests for IRS products. Customers may order by phone, or mail and through the IRS intranet and Internet websites.
 - Phone number for internal orders: 800-829-2765
 - Phone number for external orders: 800-829-3676
 - efax number for internal orders: 855-473-2007
 - Website for internal orders: <http://caps-as.enterprise.irs.gov/osms/views/homePage.xhtml>
 - Website for external orders: <http://www.irs.gov/forms-instructions>

1.18.5.2.1
(01-29-2018)
Telephone Operations

- (1) Processing clerks respond to telephone messages from internal customers who place orders or request information about the status of products and orders.

1.18.5.2.2
(02-01-2021)
Customer Types

- (1) Some products and quantities are restricted to particular customers or customer groups. ELITE flags orders that exceed the quantity limits and the system generates a daily report of those orders. Analysts review the report each day and decide whether to override the limitations or reject the order.
- (2) The quantity limitations for tax products by customer are set in Electronic Status Notice (ESN) and can change: n individual ordering tax related materials.

Order Type	Description
Bank	A financial institution ordering products to meet its tax reporting requirements
Employer	A business ordering products to meet its tax-reporting requirements.
Library	<ol style="list-style-type: none"> 1. A public library acting as a third-party distributor of tax materials, usually as part of TFOP. 2. A library ordering products to meet its tax reporting requirements.
Other Government Agencies	<ol style="list-style-type: none"> 1. A federal, state, or local government or government-affiliated organization (such as schools, universities and military installations) acting as third party distributor of tax materials to the public or their employees. 2. A federal, state, or local government or government-affiliated organization (such as schools, universities and military installations) ordering products to meet its tax reporting requirements.
Post Office	<ol style="list-style-type: none"> 1. A post office acting as a third party distributor of tax materials, usually as part of the Tax Forms Outlet Program (TFOP). 2. A post office ordering products to meet its tax reporting requirements.
Taxpayer	An individual ordering tax related materials.
Tax Professional	<ol style="list-style-type: none"> 1. A person or firm that prepares tax returns for compensation. 2. A person or firm that prepares tax returns for compensation and is ordering products to meet its tax reporting requirements.

1.18.5.2.3
(01-29-2018)
Mail Receipt

- (1) NDC processing clerks open and sort incoming mail. The clerks forward misdirected mail and remittances to their correct destination.

1.18.5.2.4
(01-29-2018)
Order Receipt

- (1) NDC receives orders by:
- Mail from IRS offices, taxpayers, employers, tax professionals and other public customers
 - efax
 - email

1.18.5.2.5
(01-29-2018)
Forms 5753 – Action on Your Tax Form Order

- (1) The NDC uses Forms 5753, Action on Your Tax Form Order, to notify customers about changes in their orders. This notification includes referrals to other agencies or offices, and product information.

1.18.5.2.6
(01-29-2018)
Invalid Address

- (1) All customer addresses must comply with the U.S. Postal Service address requirements.
- (2) ELITE verifies that addresses are valid postal addresses and generates a report of all orders with unacceptable addresses.
- (3) NDC employees review the report and use reference materials and internet resources to attempt to correct addresses.

1.18.5.3
(01-29-2018)
Order Fulfillment

- (1) Processing and printing clerks process and sort orders for shipment. Order fulfillment activities include:
 - a. Fill orders containing from one to hundreds of products
 - b. Print low volume products on-demand
 - c. Spray addresses on envelopes for automated orders
 - d. Use folder and inserter equipment to fill small envelope orders
 - e. Sort orders for shipment by carrier
 - f. Close orders in the ELITE system
 - g. Generate mail and shipping manifests

1.18.5.3.1
(01-29-2018)
Types of Orders

- (1) The IRS has various methods of making tax forms and instructions available to the public. Processing clerks fill orders for the programs listed below.
- (2) The terms "order type" and "programs" are interchangeable. An order type/program indicates who is placing the order.

Programs	Users
International Program	Supplies American embassies with tax forms to meet the needs of Americans overseas
Internal Management Document Distribution System (IMDDS) Program	Manages and distributes internal documents to IRS personnel
Tax Forms Outlets Program (TFOP)	Supplies post offices, libraries, and other outlets with tax materials for distribution to the public
Prior Year Program	Supplies public and internal customers with tax products from previous years
Internal Program	Provides IRS employees with forms and publications
Taxpayer Assistance Center (TAC)	Supplies Taxpayer Assistance Centers with products for distribution to the public
Volunteer Income Tax Assistance (VITA) Program	Supplies customers with tax forms, instructions and publications

Programs	Users
Employer Program	Supplies businesses with employment tax products for employee and company use
Small Business Program	Supplies forms and publications for small business workshops and/or educate clients on federal tax obligations
Package Assembly Program	Supplies packages of tax products for conferences and trade shows administered by IRS employees

1.18.5.3.2
(02-01-2021)
Public Order Fulfillment

- (1) A public order is a request for IRS printed product(s) from a non-IRS customer. This may include an individual taxpayer, employer, tax professional or other requestor.

1.18.5.3.2.1
(01-29-2018)
Receiving Public Orders

- (1) The NDC receives initial orders by:
- Order form
 - Correspondence
 - Internet

1.18.5.3.2.2
(01-29-2018)
Picking Tickets

- (1) A picking ticket lists the products to fill an order. It includes:
- a. Name and address of the requestor/customer
 - b. Shipping container for the order
 - c. Products and ordered quantity
 - d. Product fulfillment line location
 - e. Transportation for shipping the order
 - f. Messages telling the customer some items may be back ordered or shipped separately.
- (2) ELITE generates picking tickets. Processing clerks fill orders from the picking tickets. ELITE may generate more than one picking ticket for an order based on product availability, quantity, or fulfillment line location. Each picking ticket and its associated products ships separately.

1.18.5.3.2.2.1
(01-29-2018)
Forms Clerk Fulfillment Responsibilities

- (1) The clerk must check the work station and verify that it is stocked with the correct products and product revisions before filling orders.
- (2) The clerk must pull from the products stocked on the workstation.
- (3) To complete an order, the clerk must check to verify that all products are included in the correct container, that quantity included is accurate, that the stock is in good condition, and that the customer's address is visible on the container.
- (4) After completing an order, the clerk places the container on the appropriate conveyor for transportation to the verification scales.

1.18.5.3.2.3
(01-29-2018)
Special Notices

- (1) Sometimes the IRS includes in an order items the customer did not request. Examples include information about products in a shipment, such as errata notices and Form 5753, Action On Your Tax Forms Order.
- (2) The IRS issues errata notices when printed products contain errors or late legislation minimally changes the content of the material. The IRS reprints products that contain critical errors.
- (3) Form 5753 informs the customer about changes in the order.

1.18.5.3.3
(01-29-2018)
Internal Order Fulfillment

- (1) An internal order is a request for IRS products from an IRS employee.
- (2) NDC clerks fill orders for most internal use products from a stock carousel. The carousel is a storage and retrieval device consisting of a series of linked bins mounted on an oval track. When the carousel is activated, the bins rotate to bring the required items to the operator. The operator places the product into a tub. After completing the order, the operator pushes the tub onto a conveyor that takes it to a packing station.

1.18.5.3.4
(01-29-2018)
Stocking Order Fulfillment

- (1) ELITE uses demand and minimum level parameters to replenish fulfillment stock.
- (2) Line resupply impacts productivity, quality, turnaround times, and safety.

1.18.5.3.5
(01-29-2018)
NDC Transportation Operations

- (1) NDC Transportation Staff:
 - a. Provides information for shipping orders at the Distribution Center, updates ELITE transportation tables, and maintains a system of accountability for outgoing shipments
 - b. Provides guidance to NDC employees for determining and obtaining mail and transportation services so that materials arrive at destinations timely and efficiently using the most cost effective method
 - c. Works with the Postal and Transport Policy section in M&P Distribution, Distribution Requirements branch to ensure that policies, standards, techniques, and procedures are followed when shipping printed materials
 - d. Acts as the NDC's mail Pre-sort contracting officer's representative (COR) Point of Contact (POC)

1.18.5.4
(01-29-2018)
Logistics

- (1) Logistics personnel:
 - a. Follow inventory management practices
 - b. Maintain inventory accuracy and reorder points
 - c. Receive inbound product shipments and inspect them for damage
 - d. Transport stock from the receiving dock to warehousing locations
 - e. Pull stock from warehouse locations for Order Processing use
 - f. Replenish stock
 - g. Fill bulk orders
 - h. Load outbound trucks

1.18.5.4.1
(01-29-2018)
Product Maintenance

- (1) The NDC stores and distributes appropriate revisions of printed products. Designated M&P analysts identify current, prior year, and obsolete revisions and product disposition.

- 1.18.5.4.2
(01-29-2018)
Disposals
- (1) Throughout the year, NDC employees must dispose of obsolete, revised, damaged, or unusable products. NDC employees identify and dispose of products as directed by designated M&P analysts.
- 1.18.5.4.3
(01-29-2018)
Inventory Accuracy (Cycle Counting)
- (1) The NDC maintains accurate inventory records to meet customer needs. The Distribution Center uses cycle counting to ensure their inventory records accurately reflect what is stored in the warehouse and order fulfillment areas. Cycle counting is the process of verifying inventory accuracy by manually counting products in specific locations, comparing the counts to ELITE and reconciling differences.
- 1.18.5.4.4
(01-29-2018)
Reorder Points
- (1) ELITE reorder points alert NDC and other Distribution employees that product inventory has fallen below specific quantities. A reorder point consists of a date range and quantity.
- (2) NDC Logistics Inventory Management Specialists establish a reorder point for all NDC products (with the exception of On Demand and TPDS), and update them on a monthly or annual basis to avoid stock outages and back orders, increased transportation costs, and potential work stoppages.
- 1.18.5.4.5
(01-29-2018)
Planned Shipments
- (1) Specialty program customers place annual orders for products they will need during the filing season. The NDC ships groups of products to these customers as these orders and products are received. These shipments are called planned shipments.
- (2) Contractors ship some of these orders directly to the customer. These shipments are called contractor planned shipments.
- 1.18.5.4.6
(01-29-2018)
Bulk Order Fulfillment
- (1) The NDC fills public and internal orders for full cartons of published products directly from the warehouse. Full carton orders are also called bulk orders.
- 1.18.5.5
(01-29-2018)
Specialty Programs
- (1) Specialty Programs are Distribution programs and products distributed to a specific audience with special requirements. These programs include:
- International Program
 - Tax Forms Outlets Program
 - Training Publication Distribution System
 - Internal Management Document Distribution System
 - Security Products
 - Prior Year Tax Products
 - Volunteer Income Tax Assistance (VITA) Program
 - Small Business Program
 - Package Assembly Program; including New Hire Kits
 - QuickReact Letters
 - Supply items

1.18.5.5.1 (01-29-2018) The International Program	(1) The International program supplies the American embassies, consulates, and various military legal assistance offices worldwide with sufficient tax products to meet the needs of Americans overseas. Each summer, International program analysts email to these customers a survey listing the items and quantities they used in the prior year. The customers place orders for the subsequent year and return them to a designated electronic forms mailbox.
1.18.5.5.2 (01-29-2018) Tax Form Outlets Program (TFOP)	(1) The IRS distributes tax materials to outlets that are readily accessible to the public. The NDC distributes some of the tax materials, and contractors deliver the bulk of the orders. Most Program participants are libraries or post offices, however, selected other organizations also distribute forms through the program.
1.18.5.5.3 (01-29-2018) Training Publication Distribution System (TPDS)	(1) Training Publication Distribution System (TPDS) provides training materials to IRS operating divisions worldwide. Training instructors use over 3,000 TPDS products in more than 500 courses. End users may be at IRS offices or off-site locations. Orders for training materials originate in the field offices. (2) IRS employees use OSMS to order training material from the NDC.
1.18.5.5.4 (01-29-2018) Internal Management Document Distribution System (IMDDS)	(1) The IMDDS program maintains IRS office mailing addresses and distributes various published products to IRS audiences. The author(s) of the products and the IMDDS coordinator identify the targeted audience(s), and establish automatic distribution quantities for each location.
1.18.5.5.5 (01-29-2018) Security Products	(1) Some IRS published products contain protected information or are serially numbered. These security products require specific measures for receiving, storage, shipping, and disposal. Management authorizes and designates employees within certain order points to order security products. Management identifies and authorizes which products a designated employee may order.
1.18.5.5.6 (01-29-2018) Prior Year	(1) The NDC will enter and fill orders only for current forms and publications and five-year prior forms and instructions . The NDC may elect to use on-demand printing to fill orders that extend beyond five prior years.
1.18.5.5.7 (01-29-2018) Volunteer Income Tax Assistance (VITA) Program	(1) The VITA program uses an electronic ordering process. VITA program analysts send order information electronically to CAPS for Stakeholder Partnerships, Education, and Communications (SPEC) review and approval. following SPEC approval, the analysts download the orders into ELITE for fulfillment.
1.18.5.5.8 (01-29-2018) Small Business Program	(1) The Small Business program is an established partnership with stakeholder organizations to conduct Small Business Tax Workshops (SBTWs) on behalf of the IRS to provide resource materials for the stakeholder organizations' clients and members.
1.18.5.5.9 (01-29-2018) Package Assembly Program	(1) The NDC assembles packages of printed products as a service to IRS employees only.

- (2) Package Assembly Program requests include a list of cataloged products for use in workshops, conferences, trade shows, or one-time events. This program also includes New Hire Kits for IRS employees.

1.18.5.5.10
(01-29-2018)
QuickReact Letters

- (1) The NDC receives data files and correspondence files from IRS organizations to create personalized letters for taxpayers and /or IRS employees. The NDC prints, folds, and ships the correspondence.

1.18.5.5.11
(01-29-2018)
Supply Items

- (1) The NDC receives and fills IRS internal customer orders for supply items such as bubble mailers, boxes, and secure shipping supplies IRS offices order through OMS.

