



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

4.4.17

MARCH 24, 2023

EFFECTIVE DATE

(03-24-2023)

PURPOSE

- (1) This transmits revised IRM 4.4.17, Audit Information Management System (AIMS) - Validity and Consistency, Procedures and Processing Instructions, Jeopardy Assessments/Termination Assessments/Transferor-Transferee Assessments.

MATERIAL CHANGES

- (1) IRM 4.4.17 has been extensively revised throughout. Names of functional areas have been changed to reflect the current organizational structure and the IRM has been reorganized. A summary of significant changes is reflected below:

IRM Subsection	Content Change
IRM 4.4.17.1	Title was changed to Program Scope and Objectives. Information was added to clarify the IRM Purpose, Audience, AIMS Policy Owner and AIMS Program Owner.
IRM 4.4.17.2	Background information was added to clarify the procedure, which remains in this IRM and reference to procedure, no longer in this IRM.
IRM 4.4.17.3	Responsibility for procedure in this IRM is defined.
IRM 4.4.17.1	Renumbered "Introduction" to IRM 4.4.17.4.
IRM 4.4.17.2	Retitled "Jeopardy Assessments" to "Jeopardy Assessment Cases - Overview" and renumbered IRM 4.4.17.5.
IRM 4.4.17.2.1(a)	Merged "Types of Jeopardy Assessments" into "Against the Taxpayer's Correct Taxpayer Identification Number (TIN)" in IRM 4.4.17.5.1.
IRM 4.4.17.2.1(b)	Previous procedures for Types of Jeopardy Assessments for Possessor of Cash can be found in IRM 4.15.1.1.6, IRM 4.15.1.9.3.1, IRM 4.15.1.9.3.2, IRM 4.15.1.9.3.4, IRM 4.15.1.9.4, and IRM 4.15.1.10.6.
IRM 4.4.17.2.2	Renumbered IRM 4.4.17.5.1.
IRM 4.4.17.2.3	Renumbered IRM 4.4.17.5.2.
IRM 4.4.17.2.4	Renumbered IRM 4.4.17.5.3.

IRM Subsection	Content Change
IRM 4.4.17.2.5	Previous procedures for “Possessor of Certain Cash” can be found in IRM 3.13.5.79, IRM 4.8.8.7.1.3.3, IRM 4.8.8.7.1.3.4, IRM 4.15.1.1.6, IRM 4.15.1.9.3.4, IRM 4.15.1.10.6, IRM 4.15.3.1.6, and IRM 4.15.3.2.2.
IRM 4.4.17.3	Retitled “Termination Assessments” to “Termination Assessments - Overview” and renumbered IRM 4.4.17.6.
IRM 4.4.17.3.1(a)	Merged “Types of Termination Assessments” into IRM 4.4.17.6.1.
IRM 4.4.17.3.1(b)	Previous procedures for “Types of Termination Assessments” for “Possessor of Cash” can be found in IRM 4.15.1.1.6, IRM 4.15.1.9.3.1, IRM 4.15.1.9.3.2, IRM 4.15.1.9.3.4, IRM 4.15.1.9.4, and IRM 4.15.1.10.6.
IRM 4.4.17.3.1.1	Renumbered IRM 4.4.17.6.1.
IRM 4.4.17.3.1.2	Previous procedures for “Possessor of Certain Cash” can be found in IRM 3.13.5.79, IRM 4.8.8.7.1.3.3, IRM 4.15.1.1.6, IRM 4.15.1.9.3.4, IRM 4.15.1.9.4, IRM 4.15.1.10.6, and IRM 4.15.3.2.2.
IRM 4.4.17.3.2	Merged “General Processing” into IRM 4.4.17.6.
IRM 4.4.17.3.2.1	Renumbered IRM 4.4.17.6.2.
IRM 4.4.17.3.2.2	Previous procedures for “Post Termination” can be found in IRM 4.8.8.6.1, IRM 4.8.8.13, IRM 4.15.1.5, IRM 4.15.1.7, IRM 4.15.1.7.1, IRM 4.15.1.7.6, and IRM 4.15.1.9.3.4.
IRM 4.4.17.3.3	Previous procedures for “Processing the Full Year” can be found in IRM 4.8.8.7, IRM 4.8.8.7.1, IRM 4.8.7.1.1, IRM 4.8.8.7.1.3.2, IRM 4.8.8.7.13.3, IRM 4.15.1.10.2, IRM 4.15.1.10.2.1, and IRM 4.15.1.10.2.2.
IRM 4.4.17.3.4	Moved “Final Closure of Full Year” to IRM 4.4.17.6.3.
IRM 4.4.17.4	Retitled “Transferor/Transferee Cases” to “Transferor/Transferee Cases - Overview” and renumbered IRM 4.4.17.7.
IRM 4.4.17.4.1	Renumbered IRM 4.4.17.7.1.
IRM 4.4.17.4.2	Previous procedures for “General Processing Procedures” can be found in IRM 3.17.244.3.8, IRM 4.8.8.13.1, IRM 4.8.9.7, IRM 4.8.9.7.6, IRM 4.8.9.17.3, IRM 4.8.9.17.3.1, and IRM 4.10.13.3.7.

IRM Subsection	Content Change
IRM 4.4.17.4.2.1	Previous procedures for “Closing Instructions” can be found in IRM 4.8.8.5.7.5, IRM 4.8.8.13.4, and IRM 4.10.13.3.4.7.
IRM 4.4.17.4.2.2	Renumbered IRM 4.4.17.7.2.
IRM 4.4.17.4.2.3	Previous procedures for “Closing Protested to Appeals or Petitioned to Tax Court” can be found in IRM 4.8.8.5.7.2, IRM 4.8.8.7.1.1, IRM 4.8.8.13.4, IRM 4.8.9.14.4, and IRM 4.8.9.17.3.
IRM 4.4.17.4.2.4	Renumbered IRM 4.4.17.7.3.
IRM 4.4.17.4.3	Renumbered IRM 4.4.17.4.
IRM 4.4.17.4.4	Previous procedures for “Limited Liability Involving Multiple Years” can be found in IRM 4.8.8.13.1.1, IRM 4.10.13.3.5.1, and IRM 4.10.13.3.7.
IRM 4.4.17.4.5	Previous procedures for “IRC 6901(a)(2)” can be found in IRM 4.8.8.13 and IRM 4.8.8.13.1.
IRM 4.4.17.4.5.1	Previous procedures for “Processing Instructions for 6901(a)(2)” can be found in IRM 4.8.8.13.5 and IRM Exhibit 4.8.8-1.
IRM 4.4.17.5	Previous procedures for “Additional Resources” can be found in IRM 3.17.46.4.2, IRM 3.17.46.5, IRM 3.17.46.5.1, and IRM 3.17.63.7.7.
IRM Exhibit 4.4.17-1	Previous procedures for “Form 1296 - Assessment Against Transferee or Fiduciary” can be found in IRM Exhibit 4.8.8-1, IRM 4.8.8.13.2, IRM 4.8.8.13.4, and IRM 4.8.8.13.5.

EFFECT ON OTHER DOCUMENTS

This revision supersedes the previous IRM 4.4.17, dated 07-15-2011.

AUDIENCE

Large Business and International (LB&I), Wage and Investment (W&I), and Small Business/Self-Employed (SB/SE) employees.

Signed by
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Small Business/Self-Employed Division

4.4.17

Jeopardy Assessments/Termination Assessments/Transferor-Transferee Assessments

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4.4.17.1
(03-24-2023)
Program Scope and Objectives

- (1) Purpose: The procedures, which were in this IRM, pertained to the Examination Audit Process. New IRM references for the procedures previously located in this IRM are listed in the material changes. This section provides general instructions for Jeopardy , Termination , and Transferor-Transferee Assessments. The Centralized Case Processing (CCP) procedures remaining in this IRM will be included in the new IRM 4.38.1, Examining Processing, CCP, Organization and Responsibilities.
- (2) Audience: The audience for this Internal Revenue Manual (IRM) section will be Examination CCP.
- (3) Policy Owner: The Director: SB/SE Technology Solutions who is under the Director, Operations Support.
- (4) Program Owner: Examination Systems and Projects, Customer Service.
- (5) Program Goals: The goal of this section is to provide an overview of jeopardy and termination provisions of the Internal Revenue Code (IRC). Jeopardy assessments give the Commissioner specific authority to take immediate assessment and collection action in situations where it is determined that collection of tax will be endangered if regular assessment and collection procedures are followed.
- (6) IRM deviations must be submitted in writing to the Director Small Business/Self-Employed (SB/SE) Division following instructions from IRM 1.11.2.2.4, When Procedures Deviate from the IRM.

4.4.17.2
(03-24-2023)
Background

- (1) The procedures, which were in this IRM, pertained to the Examination Audit Process. The procedures do not pertain to the AIMS Information Technologies (IT) System, which is the subject of this IRM. New IRM references for the procedures previously located in this IRM are listed in the material changes. This IRM section provides examiners with information and guidance on the preparation, assessment process and confirmation of the Jeopardy Assessments, Termination Assessments, and Transferor-Transferee Assessments. CCP procedures remaining in this IRM will be included in the new IRM 4.38.1, Examining Processing, CCP, Organization and Responsibilities.

4.4.17.3
(03-24-2023)
Responsibility

- (1) Headquarter Examination is responsible for all policy and procedures related to CCP.

4.4.17.4
(03-24-2023)
Introduction

- (1) This chapter covers special types of assessments that require special handling and processing:
 - a. Jeopardy Assessment instructions - See IRM 4.4.17.5.
 - b. Termination Assessment instructions - See IRM 4.4.17.6.
 - c. Transferor/Transferee Assessment instructions - See IRM 4.4.17.7.

4.4 Audit Information Management System (AIMS) – Validity and Consistency

4.4.17.5
(03-24-2023)

Jeopardy Assessment - Overview

- (1) Jeopardy assessments allow for the collection of taxes in circumstance in which it is determined that collection of tax would be endangered if normal procedures were followed. Jeopardy assessments protects the government's interest under IRC 6861(a), Jeopardy Assessment of Income, Estate, Gift and Certain Excise Taxes. Jeopardy assessments are immediate assessments made with delay.
- (2) A jeopardy assessment must be approved by the Area Director and Area Counsel **and** be made **within 24 hours** of the Area Director's approval - See IRM 4.15.1.7.5, Secure Approval of the Report.

Reminder: Written Approval by Area Counsel is required under the provisions of the IRS Restructuring and Reform Act of 1998. Failure to do so will result in the abatement of any assessment made under IRC 6201..

- (3) Jeopardy assessments are made on Master File.

4.4.17.5.1
(03-24-2023)

Area Office Procedures - Against the Taxpayer's Correct TIN

- (1) A Jeopardy Assessment is an assessment against the Taxpayer's Correct Taxpayer Identification Number (TIN).
- (2) The Area Office must provide notice by E-mail or telephone to the CCP Field Office Resource Team (FORT) manager or the Field Liaison as soon as it is known that a jeopardy assessment is being made(**preferably within 48 hours before assessment**).

Reminder: A Jeopardy Assessment requires approval from the Area Director and Area Counsel and the assessment made within 24 hours of the approval. Therefore, the Area Office should notify CCP the same day the approval is sought so that by the time it is approved by the Area Director and Area Counsel, the Area Office is ready to EFax the preliminary paper work to the FORT manager or Field Liaison (with 48 hours).

- (3) EFax all preliminary paperwork to the FORT manager or Field Liaison:
 - a. Form 2644, Recommendation for Jeopardy/Termination Assessment (Prepare in triplicate) with the Area Director's signature;
 - b. Area Counsel's Approval Memorandum;
 - c. Completed Form 3198, Special Handling Notice for Examination Case Processing, for each year;
 - d. Completed Form 5344, Examination Closing Record, for each year;
 - e. Form 4549, Income Tax Examination Changes, with all schedules for all years, and
 - f. Specific written instructions stating to whom the FORT manager should EFax the completed Form 3552, Prompt Assessment Billing Assembly, once the assessment is made.

Note: Typically the Technical Services Manager and the Collection Officer are designated to receive the EFaxed Form 3552.

- (4) The original Form 2644 will be sent to the FORT manager via express mail.

4.4.17.5.2
(03-24-2023)
FORT Procedures

- (1) Upon receipt of the EFiled package listed in IRM 4.4.17.5.1, the following information must be provided to Ogden Campus Accounting to advise them that a jeopardy assessment is being EFiled:
- Taxpayer's name, address and TIN;
 - Taxable period;
 - Type of tax;
 - Amount of tax, penalty (with appropriate transaction codes), interest to be assessed (computed by the examiner to the likely assessment date) and credit adjustments and/or credit reference numbers;
 - Amount of payment, if any;
 - Balance due and
 - Document Locator Number (DLN) and 23C date (Date of Assessment).

Note: If the jeopardy assessment is for a delinquent return or a terminated period, it must be shown separately and called to the attention of the assessment officer.

- (2) Either the FORT Manager or employees will prepare Form 2859, "Request for Quick or Prompt Assessment", by year, using the information provided by the Area and approved by the Area Director, referenced in IRM 4.4.17.5 1(3).

Note: Form 2749, "Request for Trust Fund Recovery Penalty Assessment(s)", will be used for Trust Fund assessments.

- (3) The 23C date must be the date Form 2644 was signed by the Area Director.
- (4) "JEOPARDY ASSESSMENT" will be notated across the top of Form 3210 and include EFile instructions (as determined in IRM 4.4.17.5.1(3)) for the confirmation Form 3552.
- (5) EFile all forms received from the Area plus the Form 2859 to Ogden Campus Accounting at (855) 235-8844.
- (6) Within one day of the assessment, the following will be EFiled to the Campus Accounting Operation, Accounting Control System, Journal and Ledger Unit:
- a. The **original** and one copy of Form 2644;
 - b. Form 3198;
 - c. Form 5344 for each year;
 - d. Form 4549 and
 - e. Copy of narrative and pattern letter (with attached tax computation)
- (7) A package of the above documents listed in paragraph (6) should be mailed to the attention of the assessment officer in OIRSC (Ogden Internal Revenue Service Campus) previously contacted for verification that the correct assessment has been made.

4.4.17.5.3
(03-24-2023)
Jeopardy - OIRSC Accounting Procedures

- (1) OIRSC Accounting Control Assessment Team will make the assessment and prepare Form 3552.
- Reminder:** It is critical that the tax, penalties and interest on Form 3552 match the tax, penalties and interest on the Form 2644, Recommendation For Jeopardy/Termination (Prepare in triplicate) signed by the Area Director.

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Form 3552 also contains the assessment date and account number. A separate Form 3552 is prepared for each year in which a jeopardy assessment is being made.

- (2) The assessment officer will telephone the Technical Services Manager and the Collection Officer to acknowledge the assessment has been made.
- (3) After processing, a confirmation copy of Form 3552 and Form 2859 is EFiled to both the Technical Services Manager and the Collection Officer (per the original instructions) and must be associated with the control copy (submitted and assessed Form 2859 and Form 3552) in CCP.
- (4) Additional resources: IRM 3.17.244.2.4, Processing Time Frames for Tax Day Assessment Deadline, IRM 3.17.244.3.9, Preparation of Form 3552, Prompt Assessment Billing Assembly, IRM 3.17.244.3.10, Description of Form 3552, Prompt Assessment Billing Assembly, IRM 4.4.25.12, Quick Assessment Verification Form 3552, CCP or Campus Examination Procedures and IRM 4.4.25.12.1, Follow-up on Form 3552.

4.4.17.6 (03-24-2023)

Termination Assessments - Overview

- (1) A termination assessment is made when it is found that a taxpayer would act to prejudice, or to render wholly or partially ineffectual, the collection of income taxes for a current or immediately preceding taxable year, unless collection proceedings are brought without delay
- (2) Each termination assessment must be approved by the Area Director (or delegate) and Area Chief Counsel (or delegate).
- (3) Termination Assessment:
 - a. Against the Taxpayer's Correct TIN IRC 6851 and
- (4) A termination assessment consists of two parts:
 - a. Assessment of the short tax period (the termination period) and
 - b. Assessment of the full tax period (the taxpayer's normal tax year).

4.4.17.6.1 (03-24-2023)

Against the-Taxpayer's Correct TIN

- (1) A Termination Assessment is one of two types of an assessment.
- (2) Termination applies if a return is not yet due (including extensions) and can be a partial year.
- (3) Since a return is not yet due, the case is controlled on Non-Master File (NMF), using Form 5354, Examination Request Non-Master File.
- (4) An immediate assessment is made on the termination year.
- (5) After the assessment is made, the case is held in suspense pending action by the taxpayer.
- (6) A Transaction Code (TC) 914, "Active Criminal Investigation" is placed on the Master File account and should not be removed until a return is filed or a return is due and not filed and Master File controls are needed.

4.4.17.6.2
(03-24-2023)
**Termination of a
Taxpayer's Year**

- (1) When the assessment involves the termination of a taxpayer's year, the liability for the terminated tax period is handled as a jeopardy assessment at the time of termination - See IRM 4.4.17.5.
- (2) The package sent to the FORT by the Area is the same as described for Jeopardy Assessments IRM 4.4.17.5.1 except Form 5344 is **not** prepared.
- (3) The termination assessment is made as a short period NMF assessment.
- (4) To prevent possible forfeiture of lien rights, the original short period assessment must not at any time (prior to determination of the tax liability for the full year) be reduced to an amount less than the current tax liability for the full year.
- (5) When the case is received by Processing for assessment of the full period, the termination NMF assessment will be transferred to Master File.

4.4.17.6.3
(03-24-2023)
**Final Closure of Full
Year**

- (1) When the case is ready for final closure on the full year, process the case as follows:
 - a. After ensuring the TC 914 (Active Criminal Investigation) has been released, input TC 570 using Form 3177, Notice of Action for Entity on Master File.
 - b. Request the assessment done by Service Center Accounting on the **NMF short period** (termination assessment) be transferred to Master File using Form 3465, Adjustment Request.
- The transfer will be with a TC 290 and will maintain the 23C date (used to officially assess tax liabilities). The 23C date is the TC 150 posting date of the original termination assessment.
- If the combined termination period and full period credits exceed the combined debts, request that Accounting transfer the credits with a secondary TC 570 for \$0 to hold the credits until the TC 300 posts.

4.4.17.7
(03-24-2023)
**Transferor/Transferee
Cases - Overview**

- (1) A transferor is one who created the tax liability and transferred assets that could potentially satisfy the tax liability to another party or multiple parties. The transferor may be a corporation, an individual or an estate.
- (2) A transferee is the person(s) or entity/entities that received the assets for less than full, fair and adequate consideration and who is additionally liable for the tax due to this transfer. A transferee may be a corporation, an individual, an estate or an executor or administrator of an estate or a fiduciary or a combination of these entities.
- (3) A transferee is the person(s) or entity(ies) who received the assets for less than full, fair and adequate consideration and who is additionally liable for the tax due to this transfer.
- (4) A transferee may be a corporation, an individual, an estate or an executor or administrator of an estate or a fiduciary or a combination of these entities.
- (5) If multiple transferees exist, each transferee is controlled separately.

4.4 Audit Information Management System (AIMS) – Validity and Consistency

- (6) The transferee individual/entity will have the title "Transferee" after the transferee's name.

4.4.17.7.1
(03-24-2023)

General Instructions

- (1) IRM 4.11.52.5(3), Examining Officers Guide (EOG) - Transferee Liability Cases, instructs the field group employees (LB&I, W&I and SB/SE) to establish a transferee case as a "**DUMMY**" record.
- ERCS will not allow both a Master File and a Non-Master File (NMF) control for the same person/entity.
 - AIMS will not allow a Social Security Number (SSN) with a Business Master File (BMF) Master File Transaction (MFT) code.
 - A "DUMMY" file must be established for the transferee case using the transferee's TIN with "**-D**" ("DUMMY") and the title "Transferee" after the name to indicate transferee status.
 - Using the "**-D**" eliminates the other dashes in the TINS so both ERCS and AIMS will accept the number with the NMF MFT of the transferor.

Example: Smith, John, Transferee, 123456789-D, MFT 80, or Big Trucks, Transferee, 123456789-D, MFT 80.

4.4.17.7.2
(03-24-2023)

Closing Agreed Cases

- (1) Technical Services will:
- Prepare Form 1296, Assessment Against Transferee or Fiduciary for the transferee reflecting the transferee's TIN using the "**N**" format:
 - For individual transferees: **nnn-nn-nnnnN**
 - For non-individual transferees: **nn-nnnnnnnnN**
- Note:** If the transferee has limited liability, Form 1296 will be annotated with the date(s) the interest should begin and the amount of tax associated with each date.
- Prepare and input Form 5354 to provide CCP inventory controls on AIMS and ERCS during the assessment process.
 - Prepare Form 3198 with "TRANSFEROR" or "TRANSFEE" notated across the top. Clearly note on the Form 3198 that both the transferor and transferee files are included.
 - Close the transferor master file record and the transferee "**N**" record(s) on ERCS to CCP Status Code 51 with Disposal Code 03, 04 or 09 as appropriate.
- Note:** ERCS will update the AIMS record with the new status.
- Prepare Form 10904, Request for Record Deletion from AIMS, for the "**-D**" record to be deleted from AIMS. Forward to the local AIMS/ERCS staff for processing using Disposal Code 28 or AMNON "**D**".
- (2) If the transferor case has been previously closed and the transferee case is to be closed follow the procedures below:
- Prepare Form 1296 for the transferee reflecting the transferee's TIN using the "**N**" format as instructed in text IRM 4.4.17.7.2(1)(a).
 - Prepare and input Form 5354 to provide CCP inventory controls on AIMS and ERCS during the assessment process.

- c. Prepare Form 3198 with "TRANSFEREE" across the top.
- d. Prepare a copy of the transferee administrative file to be associated with the transferor file under the TC 421 DLN of the transferor TIN.
- e. Close the transferee NMF "N" records on ERCS to CCP Status Code 51 with Disposal Code 03, 04 or 09 as appropriate.

Note: ERCS will update the AIMS record with the new status.

- f. Prepare Form 10904 for the "-D" record to be deleted from AIMS. Forward the Form 10904 to the local AIMS/ERCS staff for processing using Disposal Code 28 or AMNON "D". Include a copy of the administrative file to be associated with the transferor file.
- g. The AIMS/ERCS unit will process the Form 10904 and will forward the transferee administrative file to the campus to be associated with the transferor file using the TC 421 DLN found on Master File.

(3) CCP will:

- a. Prepare Form 2859 to process the adjustment per Form 1296.
- b. Forward Form 2859 to Ogden Campus Accounting. The adjustment will be reflected under the "N" TIN.

Note: This assessment may be mailed, telephoned, or EFiled to Accounting.

4.4.17.7.3
(03-24-2023)
**Closing Defaulted from
90-Day**

(1) Technical Services will:

- a. Prepare Form 1296 for the transferee reflecting the transferee's TIN using the "N" and formatted as instructed in IRM 4.4.17.7.1(1). Also, if the transferee has limited liability annotate the Form 1296 as stated in IRM 4.4.17.7.2(1)(a).
- b. Prepare and input Form 5354 to provide CCP inventory controls on AIMS and ERCS during the assessment process.
- c. Prepare Form 3198 with "TRANSFEROR" or "TRANSFEREE" across the top. Clearly note on the Form 3198 that both of the transferor and transferee files are included.
- d. Close the transferor master file record and the transferee NMF "N" record(s) on ERCS to CCP Status Code 51 with Disposal Code 10 or 13 as appropriate.

Note: ERCS will update the AIMS record with the new status.

- e. Prepare Form 10904 for the "-D" record to be deleted from AIMS. Forward to the local AIMS/ERCS staff for processing using Disposal Code 28 or AMNON "D".

(2) If the transferor case has been previously closed and the transferee case is to be closed:

- a. Prepare Form 1296 for the transferee reflecting the transferee's TIN using the "N" format as instructed in IRM 4.4.17.7.1. If the transferee has limited liability see the note in IRM 4.4.17.7.2.
- b. Prepare and input Form 5354 to provide CCP inventory controls on AIMS and ERCS during the assessment process.
- c. Prepare Form 3198 with "TRANSFEREE" across the top.

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- d. Prepare a copy of the transferee administrative file to be associated with the transferor file under the TC 421 DLN of the transferor TIN.
- e. Close the transferee NMF “N” record(s) on ERCS to CCP Status Code 51 with Disposal Code 10 or 13, as appropriate.

Note: ERCS will update the AIMS record with the new status.

- f. Prepare the Form 10904 for the “-D” record to be deleted from AIMS. Forward the Form 10904 to the local AIMS/ERCS staff for processing using Disposal Code 28 or AMNON “D”. Include the copy of the transferee administrative file to be associated with the transferor file.
- g. The AIMS/ERCS unit will process the Form 10904 and will forward the transferee administrative file to the campus to be associated with the transferor file using the TC 421 DLN found on Master File.

(3) CCP will:

- a. Prepare Form 2859 based on information on Form 1296.
- b. Forward Form 2859 to Ogden Campus Accounting for assessment. The adjustment will be reflected under the “N” TIN.

Note: This assessment may be mailed, telephoned or EFiled to Accounting.

4.4.17.7.4 (03-24-2023) Form 5344

- (1) Work the transferor case file as a unit following normal procedures using the appropriate disposal code on Form 5344.

Note: The transferor whipsaw indicator will be “K”. The Whipsaw Indicator is an alpha indicator (“K” for Key Case) and (“R” for Related Return Case) that is input from Item 401 on Form 5344 which identifies records in which multiple taxpayers are assessed for the same liability. When “K” is present, the return and the Exam results are included in the AIMS tables. When “R” is present, the return is counted on the AIMS tables but the Exam results are not -

See IRM Exhibit 4.4.1-1, Reference Guide.

- (2) The transferee Form 5344 is completed as follows:

- a. Item 13: the disposal code must be an examined disposal code. It cannot be Disposal Code 28, non-master file closings.
- b. Item 35: must include the adjustment amount from Form 2859.
- c. Item 401: must reflect the whipsaw indicator “R”.