EFFECTIVE DATE

(06-27-2022)

PURPOSE

(1)   This transmits a revised IRM 4.7.5, Examination Returns Control System (ERCS), Group and Territory.

MATERIAL CHANGES

(1)   Due to the move of the ERCS server from Solaris to Linux logins based on the user names are no longer used. The login is now the user's Standard Employee Identifier (SEID) in lower case letters.

(2)   Due to the move to Linux access to ERCS is through Active Directory and passwords are no longer used. References to passwords have been removed.

(3)   The IRS replaced the Online 5081 (OL5081) system with the Business Entitlement Access Request System (BEARS). References to OL5081 have been replaced with BEARS.

(4)   Content from the AIMS/ERCS website was required to be moved to the Virtual Library. ERCS content was moved to the ERCS book under the Exam Systems Knowledge Base. References to the AIMS/ERCS website have been replaced with the ERCS book.

(5)   Significant changes to this IRM are reflected in the table below:

Reference	New Reference	Description
N/A	4.7.5.2 (5)	"Security": Added new (5), per IRS security requirements, IT employees are not permitted to have access to taxpayer data.
4.7.5.3 (3)	4.7.5.3 (3)	"Permissions": Added Note: TMs may also be granted first level approval for the groups in their territory to approve items when managers are unavailable.
4.7.5.3 (8)	4.7.5.3 (8)	"Permissions": Added that managers may request a report from their local A/E staff to monitor permissions granted to users in their groups.
4.7.5.5.3 (9)	4.7.5.5.3 (9)	"Approving/Disapproving Actions": Clarified that if changes are pending approval to returns in an acting or temporary manager's inventory they will not display on the first level approval screen. Only a user with second level approval, usually the TM, can approve these updates.
4.7.5.6 (13)	4.7.5.6 (13)	"Employee Records": Clarified that when a user's ERCS employee record is inactivated and end date is added to the employee's permission records.

Reference	New Reference	Description
4.7.5.7.3 (3)	4.7.5.7.3 (3)	"Transfers and Closings": Added Note: Time charges on non-examined closures should not be removed unless DC 38 and time is being transferred to the spouse's return as required.
4.7.5.7.3 (6)	4.7.5.7.3 (6)	"Transfers and Closings": Updated paragraph to the following: During the closing process, information entered into ERCS should be complete and accurate, including the electronic case file designation. Managers should disapprove closures with incomplete or missing information. Once the manager approves returns closed to Status Codes 21, 41 or 51, establish control must be used to pull the return back to a group status code on ERCS in order to correct missing or incorrect data.
4.7.5.7.3 (9)	4.7.5.7.3 (9)	"Transfers and Closings": Removed DC 29 from the table of non-examined Disposal Codes as it is no longer to be used for closing Source Code 45 returns. Added under DC 33: Cannot be used if a claim amount is present. Removed under DC 45: Reference to closing electronically filed returns with DC 33 as these should now be closed with DC 45.
4.7.5.7.3 (13)	4.7.5.7.3 (13)	"Transfers and Closings": Removed paragraph as specific penalty closing procedures don't need to be in this IRM. Remaining paragraphs renumbered.
4.7.5-7	4.7.5-7	"Suspense Types": Removed 207, 208, 209 and 210 as these pertained to offices closed due to COVID-19 and are no longer being used.

(6)   Editorial changes have been made throughout this IRM and some items were reworded for clarity. Website addresses and IRM references were reviewed and updated as necessary.

EFFECT ON OTHER DOCUMENTS

IRM 4.7.5 dated June 20, 2020 is superseded.

AUDIENCE

Small Business/Self Employed (SB/SE), Large Business and International (LB&I), and Tax Exempt & Government Entities (TE/GE) shared administrative support employees who use ERCS.

Lori L. Roberts
Director, Technology Solutions
Small Business/Self-Employed

4.7.5
Group and Territory

Table of Contents

4.7.5.1
(06-27-2022)
Program Scope and Objectives

(1) This IRM section contains Examination Returns Control System (ERCS) information and procedures for consistency across the business units.

(2) **Purpose:** To provide guidance needed by groups, territories, areas, and practice areas.

(3) **Audience:** Employees in SB/SE, LB&I, and TE/GE shared administrative support employees, who monitor inventory, enter examination time, add new records or update existing records on ERCS. Employees include:

- Group Managers
- Team Managers
- Territory Managers (TM)s
- Area Directors
- Directors of Field Operations (DFO)s
- Practice Area Directors
- Employees reporting to a manager listed above including revenue agents, tax compliance officers, tax examiners, audit accounting aides, administrative support staff and shared administrative support staff

(4) **Policy Owner:** The SB/SE Deputy Director, Examination, who is under the SB/SE Director, Examination.

(5) **Program Owner:** SB/SE Director, Technology Solutions.

(6) **Primary Stakeholders:** LB&I

4.7.5.1.1
(06-27-2022)
Background

(1) This IRM provides an overview of the ERCS responsibilities group and territory employees should understand and apply in the performance of their duties.

(2) Users must be aware of the potential for Unauthorized Access of Taxpayer Accounts (UNAX) violations from the use of ERCS. Data from ERCS should be accessed only for IRS business purposes. Users should promptly retrieve ERCS reports from printers or fax machines in order to prevent unintentional disclosure. Audit trails are created and subject to review for all user accesses of taxpayer data. For more information about UNAX, see IRM 10.5.5, IRS Unauthorized Access, Attempted Access or Inspection of Taxpayer Records (UNAX) Program Policy, Guidance, and Requirements.

4.7.5.1.2
(06-27-2022)
Authority

(1) IRM 1.4.1, Management Roles and Responsibilities.

(2) IRM 1.4.40, SB/SE Field and Office Examination Group Manager.

4.7.5.1.3
(06-27-2022)
Roles and Responsibilities

(1) **TMs** have overall responsibility for territory operations which include ensuring appropriate internal controls are established and maintained; and the goals, policies, and directives of the Headquarters (HQ) Office as well as the area or practice area are followed.

(2) Responsibilities of the TM include, but are not limited to:

- Ensuring the territory accomplishes the Exam Plan.
- Ensuring the accuracy of the ERCS and AIMS database by confirming group requirements are completed timely and accurately.
- Assisting with issues elevated by the Group or Team Manager and/or the AIMS/ERCS (A/E) staff.

- Ensuring statute control is maintained on all returns in the territory.
- Ensuring technical time is entered in ERCS accurately and no later than the close of business on the last day of each reporting cycle for technical employees within the territory.
- Ensuring technical time is entered in ERCS weekly by limited access users.
- Ensuring all updates requiring second level approval are processed timely, including updates made by managers.
- Ensuring employees in the territory requiring ERCS access have the appropriate level of permissions.

(3) **Group or Team Managers** have overall responsibility for group operations which include ensuring appropriate internal controls are established and maintained; and the goals, policies, and directives of the HQ Office as well as the area or practice area are followed.

(4) Responsibilities of the Group or Team Manager include, but are not limited to:

- Reviewing ERCS employee records and work schedule profiles (WSP)s periodically to ensure they are current.
- Notifying the administrative support staff of updates needed to employee records and WSPs.
- Ensuring employee records are added and updated timely so accurate information is rolled up at the end of the reporting cycle.
- Ensuring the accuracy of the information on the forms used to request or update returns on AIMS and ERCS prior to input.
- Ensuring updates requiring managerial approval are timely processed.
- Ensuring return requisitions are approved or disapproved prior to time being applied.
- Notifying the TM when updates need second level approval.
- Keeping informed of ERCS changes and releases.
- Ensuring updates and corrections to returns have been made on ERCS prior to time being applied.
- Ensuring technical time is entered accurately and timely and no later than the close of business on the last day of each reporting cycle.
- Ensuring technical time is entered at least weekly by limited access users.
- Utilizing ERCS reports to monitor activity in the group, to monitor priority and overage cases, and to ensure the accuracy of the data.
- Ensuring ERCS to AIMS rejects, AIMS Error Reports, and other data issues are worked and resolved.
- Ensuring continuous statute controls are maintained in the group and ERCS statute listings are reconciled with AIMS Table 4.1, Returns with Statute Date Pending, per IRM 25.6.23, Examination Process - Assessment Statute of Limitations Controls.
- Ensuring Form 895, Notice of Statute Expiration, is generated, returned timely and maintained per IRM 4.7.3, Statute of Limitations.
- Ensuring ERCS 100 percent inventory listings are reconciled to the AIMS 100 percent Inventory Validation Listing (IVL) and the physical returns or electronic case files per IRM 4.4.16, AIMS Procedures and Processing Instructions - Inventory Control.
- Ensuring cases are reviewed and time reconciled prior to group closure.
- Monitoring the In-Transit Report to ensure returns are timely received at their destination.

- Ensuring all employees in the group have completed the required annual UNAX briefing.
- Ensuring all ERCS users in the group are aware of ERCS security issues such as password protection, browsing, and protecting personally identifiable information (PII).
- Ensuring all employees in the group are instructed to promptly retrieve ERCS reports and documents from printers in order to prevent unauthorized disclosure.
- Ensuring acting managers have been briefed in the Business Entitlement Access Control System (BEARS) approval process and security rules.
- Ensuring employees in the group are aware of their ERCS role and responsibilities.
- Ensuring all employees in the group are aware of resource material including ERCS IRMs, the *ERCS book* under the Exam Systems Knowledge Base, ERCS user handbooks, and locally developed job aids.

(5) **Technical employees** include revenue agents, tax compliance officers, tax examiners, etc., required to input technical time and who may be assigned an inventory of cases or may assist in the examination of cases assigned to another technical employee. Technical employees may also be limited access users who input their own technical time. Technical employees in the group initiate many actions that affect the ERCS database.

(6) Responsibilities of technical employees include, but are not limited to:

- Completing all forms for input into ERCS accurately and submitting them to the manager for review and approval, if required.
- Reviewing ERCS inventory and statute reports, to assure the data is accurate and all records are properly controlled.
- Submitting time reports on a regular basis in order to meet local and national time input deadlines.
- Inputting technical time at least weekly if a limited access user.
- Submitting time reports whenever a case is closing from the group in order that all time applied to the case may be input on ERCS before the ERCS record is closed.
- The Issue Management System (IMS) team coordinator should make sure all time is in IMS and the coordinating agents have synchronized their time with the server prior to closing the case.

(7) **Administrative support staff** are an integral part of the ERCS support team. Their assistance is essential to ensure the smooth operation of the group. The administrative support staff often serves as the liaison between the employees in the group and the A/E staff. They are the last person to verify data prior to input into ERCS. By making sure updates are input accurately, they ensure the validity of the data.

(8) Responsibilities of administrative support employees include, but are not limited to:

- Ensuring security of the system.
- Inputting requisitions and updates into ERCS.
- Generating and distributing reports.
- Maintaining the accuracy of the ERCS database.
- Updating employee records and WSPs when notified of a change.
- Providing assistance to the manager.

- Inputting technical time for employees in the group.
- Verifying time imported into ERCS from IMS, if in a group that uses IMS to input time.
- Notifying the manager if there are pending updates that need approval.
- Notifying the A/E staff when their assistance is needed in order to resolve ERCS or AIMS issues.
- Reconciling ERCS statute listings with AIMS Table 4.1, per IRM 25.6.23, Examination Process - Assessment Statute of Limitations Controls.
- Reviewing the Related Returns Report (RRR), 100 percent IVL and other reports.
- Reconciling the AIMS 100 percent IVL with the ERCS IVL.
- Returning updated forms/documents to technical employees for association with case files.

4.7.5.1.4
(07-20-2020)
Program Management and Review

(1) Reports are available that allow management to monitor inventory, statutes, closures, time input, and employee records. See IRM 4.7.6, Reports, for more information.

4.7.5.1.5
(07-20-2020)
Program Controls

(1) ERCS creates audit trails for selected changes to returns, employee records, and permission records. A special audit trail is also created when users enter a taxpayer identification number (TIN) or a taxpayer name on ERCS. See IRM 4.7.2, Security, for more information. IRM 4.7.2.3.4, Audit Trails, has a list of the changes in ERCS that produce an audit trail.

(2) There are security checks within ERCS to ensure unauthorized users do not access programs and authorized users are kept within the boundaries of their permissions. These checks are performed automatically and silently each time a user attempts to access ERCS. The user has no ability to prevent the checks. For more information about permissions in ERCS, see IRM 4.7.2.3.2, Permissions.

4.7.5.1.6
(07-20-2020)
Acronyms

(1) See Exhibit 4.7.5-1, Acronyms and Definitions, for acronyms used in this IRM.

4.7.5.1.7
(06-27-2022)
Related Resources

(1) For questions regarding ERCS security and instructions for gaining access to ERCS refer to IRM 4.7.2, Security.

(2) For general responsibilities of the Group or Team Manager, refer to IRM 1.4, Resource Guide for Managers.

(3) The instructions for ERCS users at the territory level and above for navigating the ERCS programs can be found in the *ERCS Territory Handbook.*

(4) The instructions for users at the group level for navigating the ERCS programs can be found in the *ERCS Group Handbook*.

4.7.5.2
(06-27-2022)
Security

(1) In order to access ERCS an employee must have an active login which is granted via the Business Entitlement Access Request System (BEARS).

(2)   For security issues concerning Record of Tax Enforcement Results (ROTER) information, see the *Section 1204* website. IRM 1.5, Managing Statistics in a Balanced Measurement System, provides further guidelines for the appropriate use of statistics by managers and employees.

(3)   Users must be aware of the potential for UNAX violations from the use of ERCS. Data from ERCS should be accessed only for IRS business purposes. Users should promptly retrieve ERCS reports from printers or fax machines in order to prevent unauthorized disclosure. For more information about UNAX, see IRM 10.5.5 , IRS Attempted Access or Inspection of Taxpayer Records (UNAX) Program Policy, Guidance and Requirements.

(4)   Audit trails are created when records are researched, added, updated, or deleted. Research should be limited to a user's official business needs in order to prevent unnecessary disclosure. Audit trails are also created for potential UNAX violations. These audit trails include when a user:

- Inputs their own social security number (SSN).
- Inputs the SSN of a spouse.
- Attempts to view an IRS employee's return without permission for the return.
- Attempts to update a return without permission for the return.
- Inputs a name search that matches an employee's name.

(5)   Per IRS security requirements, IT employees are not permitted to have access to taxpayer data. No IT employee should be approved for ERCS access and any user transferred or detailed to an IT position must submit a Remove Access request to have all permission records removed.

(6)   For security issues concerning ERCS, including prerequisites for ERCS access, information on completing a BEARS request to request ERCS access, requesting temporary permission, and employee audit security features see IRM 4.7.2, Security.

4.7.5.3
(06-27-2022)
Permissions

(1)   ERCS uses a combination of permission records and programming to restrict a user's access to taxpayer and employee data. Permission records are granted by the AIMS assignee code (AAC) needed by the user in order to perform official duties. Users assisting another group or territory may be given permissions for other AACs or territory codes. ERCS programming also restricts access to returns based on the status code on the record.

Note: The AAC is a 12-digit number consisting of the primary business code (PBC), the secondary business code (SBC), and the employee group code (EGC).

Note: For the purposes of this IRM "user" refers to an employee with ERCS access.

(2)   Permissions are granted by the A/E staff. Temporary permissions may be delegated by the TM, the group manager, or the team manager to an ERCS user. The manager must have the same permanent permission in order to grant it to another user. See IRM 4.7.5.5.4, Delegating Permissions, for more information.

Example: A group manager has read and first level approval permission, only read and first level approval permission can be delegated. Temporary permission may be granted up to 30 days, but should be limited to the length of time the user needs the permission.

(3) There are four types of user permissions: read, write, first level approval and second level approval.

- First level approval is available to front line managers and acting managers to approve work performed in their group.
- Second level approval is available to TMs to approve updates or requisitions input by managers and acting managers, and updates to an acting manager's inventory.

    Note: TMs may also be granted first level approval for the groups in their territory to approve items when managers are unavailable.

(4) All users are given read permission. Users with read permissions can:

- Generate reports for any AAC they have been granted access.
- Research and display records.

(5) Generally only administrative support staff are given write permissions. Users with write permissions can perform the following tasks for any AAC they have been granted access:

- Add or update employee records and WSPs
- Add, update, transfer, or close inventory records
- Input examination technical time for employees
- Generate a Form 895
- Generate a Form 3210, Document Transmittal

    Note: A group or team manager may be given write permission if the TM approves the BEARS request where write permissions are requested and the TM is an ERCS user with second level approval permission.

(6) Users with permanent first level approval permissions can:

- Approve updates for any AAC they have been granted access.
- Delegate temporary first level approval permission to other users.

(7) Permission records should be deleted as soon as the need for them has expired. Employees should notify the manager if they have permission records that are no longer needed for business purposes.

(8) Managers should ensure that technical employees with inventory are not routinely given write permission during a temporary acting assignment and must not be given permanent write permissions. Write permission compromises separation of duty. Managers may request a report from their local A/E staff to monitor permissions granted to users in their groups. Permanent changes to ERCS permissions should only be granted via a Modify Access BEARS request which is routed to the manager for approval.

(9) Technical employees with ERCS access may serve as a temporary acting manager. These employees should be familiar with the Security, Role and Responsibilities of the Group Manager, and Managerial Approval sections of this

IRM. The temporary acting manager should brief the manager concerning any actions made to ERCS during the temporary assignment.

(10)   For technical employees the first point of contact for ERCS or AIMS questions should be the group manager. If the group manager needs assistance with ERCS or AIMS questions they should contact their local A/E analyst. The A/E staff should be able to resolve most ERCS and AIMS issues. They also can elevate issues, if necessary, to the HQ ERCS analysts for assistance.

4.7.5.4
(06-27-2022)
User Abilities

(1)   ERCS determines what menu options a user sees and what abilities a user has on the system by the "user type" assigned and the permission records given. All user types are listed in IRM 4.7.2.3.2.1, Recommended Permissions.

Example: Area or DFO users do not have the ability to update returns or to approve updates, so they do not see menu options related to those tasks.

Example: A Group user does not have the authority to generate reports at the territory level, so Group users do not see the menu option for Territory Reports.

(2)   If a user has access to more than one type of permission records, i.e. Group and Territory, the user has the ability to change between the user types while in ERCS. This is done through the Examination Main Menu option Select User Group. The current user type is displayed in the upper, right hand corner of the header on the ERCS menu screens.

(3)   ERCS allows groups to maintain the accuracy of the inventory through reports and updates made to records in the ERCS database.

(4)   All users can generate reports and research return information.

(5)   All users can view employee records and WSPs for employees in any AAC they have been granted access.

(6)   Group and Territory users with write permission can:

- input time for employees.
- add or update employee records and WSPs.
- add or update returns in any AAC they have been granted access.

(7)   TMs, with second level approval, can approve updates made by the managers in their territory and updates made to inventory of temporary acting managers. Managers can approve updates made by users in their group or any AAC they have been granted first level approval access.

4.7.5.4.1
(06-27-2022)
Administrative Support Staff

(1)   The administrative support staff should be familiar with and have access to the *ERCS User Handbooks*, *ERCS IRMs*, and the *ERCS book* under the Exam Systems Knowledge Base in the virtual library.

(2)   Information from ERCS employee records and returns is used in a variety of applications. Administrative support staff should update ERCS as soon as changes are known to ensure the data extracted for reports and uploads to other systems is current.

(3)   The administrative support staff generates and distributes Forms 895, and alerts management if the forms are not returned timely. When completed forms are received they must be acknowledged in ERCS within three days of the manager's approval, and then kept in the Form 895 Log File. If the manager maintains the log file, the forms will be returned to the manager. See IRM 4.7.3, Statute of Limitations for more specific information on statute control.

(4)   Changes to employee records and WSPs must be input before time is applied for the pay period.

(5)   It is recommended that time be input on a daily basis for tax compliance groups to avoid overage purge dates. The prior day's time should be input before printing the current Tax Auditor Daily for the employees in the group. It is recommended that time be input on a weekly basis for field groups to ensure time is completed by the end of the cycle. See IRM 4.7.5.8 (3) for the deadline for time input.

(6)   If any information on the time input document is questionable, illegible or invalid, the administrative support staff should contact the examiner or the manager, if the examiner is not available, for clarification.

(7)   Administrative support staff generate and distribute reports based on the guidance in IRM 4.7.6, Reports, and as requested by management.

(8)   It is essential to maintain the accuracy of the ERCS database to ensure the data extracted is reliable. ERCS provides reports designed to assist in identifying possible issues. These reports must be worked timely to resolve identified issues. The reports include but are not limited to the following:

- Check AIMS Results - updates, requisitions, or closures that rejected on AIMS
- AIMS Error Reports - discrepancies between AIMS and ERCS
- Overage Requisition Report - ERCS requisitions that are not fully established on AIMS
- RRR - a list of the group's inventory, sorted and grouped by related returns, with potential errors identified

    Note: The RRR is not generated on ERCS, but contains ERCS data. The A/E staff generates and distributes to the groups they support.

4.7.5.5
(07-20-2020)
Managerial Approval

(1)   ERCS provides a way for managers to review and approve requisitions, closures and selected updates before they become permanent changes on ERCS and before the updates are sent to AIMS.

(2)   When returns need to be added, updated, transferred, or closed on ERCS, the appropriate form should be completed by the examiner. The manager is required to review and either sign or initial the form prior to input into ERCS, except for Form 5345-D, Examination Request-ERCS (Examination Returns Control System) Users, which does not require a manager's signature. The following forms are used to update ERCS and AIMS:

- Form 5345-D is used to request Master File and Non-master File AIMS controls, and to control Penalty Investigations, Non-AIMS direct examination time (DET) Items and Collateral Examinations on ERCS

- Form 5348, AIMS/ERCS Update (Examination Update), is used to request updates on ERCS and/or AIMS, return transfers to another group or function, AIMS freeze codes be added or removed, follow-ups for requested original returns and re-establishment of closed cases on ERCS and/or AIMS
- Form 5349, Examination Correction Request, is used to correct AIMS data on a closed case for a single return. To request a change the group should complete the form and submit it to the A/E staff for input on AIMS
- Form 5351, Examination Non-Examined Closings, is used for survey closings to Centralized Case Processing (CCP) in Status Code 51
- Form 10904, Request for Record Deletion from AIMS, is used to request non-examined closings with Disposal Codes (DC) 28, 33, 36, 37, 38, 39, 40, and 41 on ERCS and/or AIMS. SB/SE and LB&I cases are transferred to the A/E staff in Status Code 41 for closure

Note: Forms 5348 requesting AIMS freeze codes to be set or released and re-establishment for closed AIMS cases are not processed in the group, but are forwarded to either Planning and Special Programs (PSP) or the A/E staff for input, following local procedures.

(3)   It is recommended that managers access ERCS at least every two days to check for updates pending managerial approval. When a manager logs into ERCS a message is displayed if there are requisitions or updates that require approval.

(4)   All requisitions with time charges must be approved or disapproved prior to the end of each reporting cycle. When a requisition with time applied is disapproved, the time is moved to a below the line activity code. If disapproved after the time applied is transmitted in the SETTS file, corrections cannot be made and hours will be inflated on the tables.

(5)   The manager should review cases prior to closure on ERCS. After the review is complete, cases should be closed and approved on ERCS. Once the status code update is reflected on AIMS the cases should be shipped to the receiving function within three business days.

(6)   Normally updates to returns on ERCS requiring approval are performed by the administrative support staff and approved by the manager. However, if a manager or temporary acting manager updates a return, the action may require the TM to approve the work.

(7)   When an update is pending approval, many ERCS screens and reports display a "p" next to the item to denote the update is "pending". When an update is approved or disapproved, the "p" is removed.

(8)   For detailed information about the Managerial Approval program, options and screens, see the *Managerial Approval* chapter of the ERCS Group Handbook for Group and Team Managers and the *Managerial Approval* chapter of the ERCS Territory Handbook for TMs.

4.7.5.5.1 (06-27-2022) **Actions Requiring Approval**	(1) Only selected updates on ERCS require managerial approval, including several Bipartisan Budget Act (BBA) fields. Some updates require approval no matter who the user is. Some updates do not require approval if they are input by a manager. Changes by Group users requiring managerial approval include the following and items marked with an asterisk (*) require TM approval if input by a manager:

- Master File and Non-master File requisitions*
- NAP date (BBA)
- PPA date (BBA)
- Modification request received date (BBA)
- Modification waiver date (BBA)
- Elect out of BBA (BBA)
- 6235(a)(1) date (BBA)
- FPA waiver date (BBA)
- Statute date generating an update to AIMS*
- Statute date on ERCS Penalty and non-AIMS items that require a statute
- Status code, excluding 10 to 12
- Technical Services Code (TSC) or Processing Campus Code (PCC) associated with the status code change
- Project Code
- Aging Reason Code (ARC), when associated with a change in employee identification (ID) number
- Employee ID
- Transfers to another practice area generating an update to AIMS (LB&I)
- Changes to the SBC or EGC on returns (transfers to another group within the Area)

4.7.5.5.2 (06-27-2022) **Reversing Actions Prior to Managerial Approval**	(1) If an update or closure is input incorrectly on ERCS, depending on the update, it may be reversed (set back to the previous value) by the user prior to the manager approving the update.

(2) If a statute is updated incorrectly and is still pending managerial approval, it can be changed back to the previous statute which will remove the managerial approval record. The user can then update the return with the correct statute which will create a new managerial approval record.

Caution: Expired statutes updated to an alpha statute cannot be updated back to an expired statute on ERCS.

(3) Although a requisition cannot be reversed by the user, if data was input incorrectly on a requisition the data can be corrected prior to the manager approving the requisition.

Reminder: The TIN, MFT, tax period and taxpayer name can be corrected through the Correct a Single Tax Return option on the Correct or Display Records menu.

(4) Transfers to another practice area (LB&I) on returns controlled on AIMS cannot be reversed prior to manager approval. If input in error, the user should alert the manager to disapprove the transfer.

(5) Status code updates input in error can be reversed back to the previous status code prior to approval.

- Group status codes should be updated to the previous status code using either the Correct a Single Tax Return or Correct Multiple Tax Returns option under the Correct or Display Records menu.
- The option Establish Control under the Transfer, Close, Establish Control menu must be used to update Status Codes 21, 41 or 51 to their previous status.

(6) Changes to the employee ID, if input incorrectly, may be reversed using either the Correct a Single Tax Return or Correct Multiple Tax Returns option under the Correct or Display Records menu.

(7) Changes to the SBC or EGC may only be reversed if the user has write permissions for both the old and new codes and the original change was made in the Correct or Display Records menu. The reversal can be made in the Correct or Display Records menu option. If the user does not have permission for both AACs, the user should alert the manager to disapprove the transfer.

4.7.5.5.3
(06-27-2022)
Approving/Disapproving Actions

(1) When a manager executes the program to approve all returns in an AAC, all the returns matching the AAC and pending approval are locked. This prevents another user with approval permission for the group from accessing the same returns on the approval screen. The returns are unlocked when the program runs to completion.

Note: Contact your A/E staff if there are problems with locked returns pending managerial approval.

(2) Updates requiring approval are grouped by the following categories:

- Requisitions
- Non-Master File to Master File Conversions
- Updates and/or Short Closures
- Items Related to Approver's Own Inventory (only for acting and temporary managers)

(3) When approving a requisition, the manager should ensure the information on the screen is correct. If any of the information is incorrect on the approval screen, the manager should skip the return and have the information corrected. Then the requisition can be approved.

Reminder: When approving requisitions the statute date is also being approved.

(4) When a requisition is disapproved, the record is closed to Status 90 on ERCS. If there is any time applied to the record, the user is prompted to enter a below the line activity code, and the time is moved to the activity code entered.

(5) When approving a Non-master File to Master File conversion, a Master File requisition is forwarded to AIMS. The examiner should complete Form 10904, and forward it to the A/E staff to close the Non-master File AIMS record with DC 28.

(6) When a Non-master File to Master File conversion is disapproved, the Non-master File record is restored to the previous values.

(7) When a requisition, update, or closure impacting AIMS is approved, AIMS is updated when the daily ERCS to AIMS uploads are run.

(8) When an update or closure is disapproved, the change is reversed back to the previous value.

(9) If changes are pending approval to returns in an acting or temporary manager's inventory they will not display on the first level approval screen. Only a user with second level approval, usually the TM, can approve these updates.

4.7.5.5.4
(06-27-2022)
Delegating Permissions

(1) A manager can grant temporary permission for any AAC to which they have first level approval, to another user through the option Grant Temporary Permission, providing the following requirements are met:

- The employee has an active ERCS login
- This is not the first time the user has been granted ERCS permission

    Note: The A/E staff must grant a user's permissions for the first time, which allows access to the database.

- The manager has permanent permission for the same type of permission the user is being given

    Example: A manager with permanent read and first level approval permissions, but not write permission, can only grant another user read and first level approval permissions.

(2) The manager should only delegate a user permission for the length of time the permission is needed, not to exceed 30 days. Technical employees should not routinely be given write permission during a temporary assignment.

4.7.5.6
(06-27-2022)
Employee Records

(1) Employee records are usually added by the administrative support staff in the group. When setting up the employee record, special care must be taken when entering the standard employee identifier (SEID) to ensure the correct employee is associated with the data from Discovery Directory.

(2) It is essential that managers advise administrative support staff when updates are needed to employee records or new employees need to be added. The administrative support staff will timely and accurately add and input changes when advised. Values from the ERCS employee records are used for time reporting, inventory assignment, determining staffing needs, determining if managerial approval is required for updates, protecting an employee's tax return from unauthorized access, and in the creation of audit trails. The following values must be keep current:

- Employee name
- AAC
- Post of duty
- Position code
- Grade
- Login name
- WSP

(3) Employees are added to ERCS in a PBC, a SBC, and an EGC. These three codes make up the AAC of the employee's permanent group assignment on ERCS.

(4)   The post of duty (POD) should be the POD of the employee's official duty station. See the *ZIP/POD Access Database* for the POD associated with each zip code to find the employee's correct POD.

(5)   The position code is used for a number of checks including:

- Determining if the employee is required to charge time on ERCS.
- Validating the employee's time charges.
- Determining if an employee is a manager and can perform certain changes to returns without requiring managerial approval.
- Determining if the employee's tax return can be audited in the area.
- Determining the recipient of system email created when an IRS employee's tax return is accessed.

Note: Refer to Document 6036, Examination Division Reporting System Codes Booklet, for a list of position codes. For more information about how position codes are used for employee audit security see the *Security* chapter of the ERCS Technical Reference Manual.

(6)   ERCS users must have a login name on their employee record. The login name is used to verify a user has permission to access ERCS and in the creation of the audit trails. Employees who fill in for their managers are given temporary ERCS access and assigned a login. The login name should not be removed from the ERCS employee record when the assignment is complete, since audit trails may have been created during the employee's assignment.

(7)   The WSP contains the employee's tour of duty (TOD) information and the number of hours the employee is scheduled to work each day. This information is used when time is input for the employee on ERCS. Each technical employee, manager, and the territory managers in LB&I must account for the number of hours they are scheduled to work each day. The WSP is also used to determine when an employee is required to charge holiday time on ERCS. When entering the WSP the user must enter their employment type, full time or part time, and TOD. Part time employees default to enter hours for the Part-TIme TOD, full time employees can be under one of five possible TODs. The following are the six choices for the TOD:

- Part-Time - employee works 32 to 64 hours per pay period
- Regular - employee works 5 eight-hour days per week with no option for working credit hours
- Flexitour - employee works 5 eight-hour days per week with an option for working credit hours
- 5/4/9 - (five four nine) employee works 8 nine-hour days, 1 eight-hour day, and 1 day off per pay period with no option for working credit hours
- 4/10 - (four ten) employee works 4 ten-hour days and 1 day off per week with no option for working credit hours
- Maxiflex - employee works a pre-determined number of hours each day, but the number of hours can vary from day to day during the pay period. The total hours per pay period must equal 80 hours. The employee may work credit hours

(8)   The WSP records are in two-week cycles that correspond with Single Entry Time Reporting (SETR) cycles. The employee's scheduled work days and the number of hours the employee is scheduled to work each day in the WSP should match the employee's information on the SETR system.

Note: A Maxiflex WSP can include partial hours in half hour increments.

(9)   Since the WSP is used in validating time, changes to the WSP must be made at the beginning of the two-week pay period, before time has been applied on ERCS.

(10)   ERCS employee records should be inactivated when the employee leaves the IRS or transfers within the IRS to a non-ERCS position. If an employee inputs time on ERCS, the inactivation date must be entered as the last day the employee is required to charge time on ERCS. If the employee record contains a login name, it should not be removed when the employee record is inactivated.

(11)   Problems correcting an ERCS employee record or WSP should be reported to the group's local A/E contact.

(12)   Additional information on adding an employee record to ERCS can be found in the *Employee Records* chapter of the ERCS Territory Handbook for Area/ Practice Area, DFO, and Territory users and the *Employee Records* chapter of the ERCS Group Handbook for Group users.

(13)   When a user's ERCS employee record is inactivated an end date is added to the employee's permission records.

4.7.5.6.1
(07-20-2020)
Employee Transfers

(1)   For the purpose of this IRM **Transfer** refers to the following:

- Permanent reassignments to another group or function
- Rotational assignments from one to five years in length
- Details out of the Area expected to last longer than one year

(2)   When updates are required to the ERCS employee record, fields that may need to be updated include the AAC, position code, grade, POD and start date.

(3)   When an **administrative support employee** transfers to another group, CCP, or PSP, their ERCS employee record must be updated to the new AAC, along with any additional fields as needed. The start date should be the first day the employee reports to the new group.

- When transferred to a new position that does not use ERCS, the ERCS employee record must be inactivated.
- The end date will be the last day worked in the old group.

(4)   When an **audit account aide or tax examiner** transfers to another group, CCP, or PSP, their ERCS employee record must be updated to the new AAC, along with any additional fields as needed. The start date for the new group should be the next day after the last day time was applied in the old group.

Example: If the last day time was applied in the old group is Thursday and Friday is the employee's regular day off, the start day in the new group should be Friday.

- If the employee has inventory in the old group it must be re-assigned. The employee should not continue working on the old inventory.
- When transferred to a new position that does not use ERCS, the ERCS employee record must be inactivated.

- The end date will be the last day time was charged in the old group.

Exception: Tax examiners in TS are not required to apply time, however, the same guidelines apply for entering the start and end dates as if time were being charged.

(5)   When a **group or team manager** transfers to another group, CCP, or PSP, their ERCS employee record must be updated to the new AAC, along with any additional fields as needed. The start date for the new group should be the next day after the last day time was applied in the old group.

Note: If the employee transfers to an SB/SE TM position, time is not required to be charged, contact the A/E staff to turn on the ignore SETTS flag.

- When transferred to a new position that does not use ERCS, the ERCS employee record must be inactivated.
- The end date will be the last day time was charged in the old group.

(6)   For detailed information regarding field and office examiner transfers, see Exhibit 4.7.5-2, Field Examiner Transfers, and Exhibit 4.7.5-3, Office Examiner Transfers. For any other situations concerning employee transfers not covered here or in the exhibits, the user should contact their local A/E staff for guidance.

4.7.5.6.2
(06-27-2022)
Employee Details

(1)   For the purpose of this IRM **Detail** refers to the following:

- Temporary reassignments to another group or function for less than one year, and is expected to return to the original group
- Acting as a group manager (including employee's own group) which involves a change in grade, position, and/or group assignment
- Details out of the Area expected to last less than one year

(2)   When updates are required to the ERCS employee record, fields that may need to be updated include the AAC, position code, grade, POD and start date.

(3)   When a technical employee is detailed to another exam group within SB/SE or LB&I and the employee's position code does not change, an ERCS detail record can be created which allows the employee to temporarily keep inventory in both groups. Inventory and time reports may be pulled for the employee in both the employee's permanent group and the employee's detailed group. During the length of the detail, the detailed group is responsible for the employee's time input on ERCS.

(4)   When an employee required to input technical time is detailed outside of SB/SE and LB&I the employee's permanent group is responsible for the employee's time input on ERCS. Time is to be charged to the appropriate "Details out of Division or Area" activity code. A list of miscellaneous examination activity codes with definitions can be found in IRM 4.9.1 Exhibit 4.9.1-1, Definitions of Miscellaneous Examination Activity Codes..

(5)   When an **administrative support employee** transfers to another group, CCP, or PSP, their ERCS employee record must be updated to the detailed AAC, along with any additional fields as needed. The start date should be the first day the employee reports to the new group.

> - When detailed to a new position that does not use ERCS, the ERCS employee record must be inactivated.
> - The end date will be the last day worked in the old group.

(6) When a **group or team manager** is detailed to another group, CCP, or PSP, their ERCS employee record must be updated to the new AAC, along with any additional fields as needed. The start date for the new group should be the next day after the last day time was applied in the old group.

Note: If the employee is detailed to an SB/SE TM position, time is not required to be charged, contact the A/E staff to turn on the ignore SETTS flag.

> - When detailed to a position that does not use ERCS, the ERCS employee record should remain unchanged.
> - For the duration of the detail, the manager will submit technical time reports to their permanent group for input.

(7) For detailed information regarding field and office examiner details, see Exhibit 4.7.5-4, Field Examiner Details, and Exhibit 4.7.5-5, Office Examiner Details. For any other situations concerning employee details not covered here or in the exhibits, the user should contact their local A/E staff for guidance.

4.7.5.6.3
(07-20-2020)
Employee Temporary Acting Assignments

(1) For the purpose of this IRM **Temporary Acting Assignment** refers to the following:

> - Technical employee retains work assignments and inventory, while temporarily acting as manager of their own group
> - Manager is on leave or otherwise out of the office
> - There is no change of grade or group assignment

(2) If an employee is on a temporary acting assignment:

> - The employee record should remain unchanged.
> - The employee can keep any assigned inventory and be assigned new inventory.
> - The employee should charge time to the activities performed which may include applying time to returns and applying time to management activities.

4.7.5.7
(06-27-2022)
Inventory Control

(1) One of the primary purposes of ERCS is to provide inventory control for returns under examination. Users may request, update, transfer, and close records on ERCS. As data is entered, it is validated and checked against other codes for consistency. Updates made on ERCS are sent to AIMS daily. Records on ERCS are also compared to AIMS records each week and differences are either resolved or reported for users to resolve.

(2) Inventory is controlled by the AAC, ERCS employee ID and status code on the return. These codes together with the permissions granted to a user determine which returns are included on reports. Most reports are run by AAC or employee ID, and except for a few instances, returns must also be in a group status to be included on reports generated by Group or Territory users.

(3) Returns may be associated with multiple examiners in addition to the primary examiner. When an examiner applies time for the first time to a return owned by another examiner, the return is added to the assisting examiner's inventory.

The Multiple Examinations menu option in ERCS can be used to add or remove a return from the assisting examiner's reports. This menu option can also be used to generate reports.

(4) In addition to the codes that can be associated with the return on ERCS and AIMS such as project code, tracking code, and ARC, etc., ERCS also has several ERCS only codes that can aid in monitoring inventory in the group. Refer to Exhibit 4.7.5-6, Action Codes, and Exhibit 4.7.5-7, Suspense Types, for information on action codes and suspense types.

4.7.5.7.1
(06-27-2022)
Requesting ERCS
Controls and Incoming
Inventory

(1) Returns can be received in the group from the Campus, PSP, or from another group. The group can also request to establish controls of a previously closed case. Returns that are already on ERCS may be "claimed" into the group from the Campus or from PSP. Claiming a return establishes ERCS control, but additional steps are needed to secure the return or case file and to update AIMS. See IRM 4.7.5.7.1 (16) for more information on claiming returns.

Note: To establish control of a closed AIMS Master File or Non-master File record the return must still be on AIMS in Status Code 90.

Note: Form 5348, to reopen a Penalty Investigation or Collateral record, must be sent to the A/E staff for processing.

(2) Before applying time to a new case on ERCS or IMS, the statute, source code, project code, tracking code, claim amount, and ARC should be verified.

(3) Form 5345-D, is used to establish a record on ERCS. The examiner should give the completed form along with the appropriate transcripts, AMDISA, IMFOLT/BMFOLT, IMFOLR/BMFOLR, INOLES/INOLET and TRDBV, to the manager for review.

Note: Form 5809, Preparer Penalty Case Control Card, is required to be completed by the examiner for preparer penalty cases. It can be used to establish control of the preparer penalty record on ERCS.

(4) When completing Form 5345-D, users should pay special attention to ensure the values used to identify the return on ERCS and AIMS, the statute, and the values used in reporting time charges are correct. These values include the following:

- TIN
- MFT
- Tax Period
- Statute Date
- Activity Code
- Source Code
- Tracking Code
- Project Code
- Claim Amount
- ARC

(5) Input errors of the TIN, MFT, and tax period fields will cause delays in getting the proper controls on ERCS and AIMS.

(6)   On a Master File requisition of a filed return, the default statute on the ERCS request screen should not be changed unless the user has verified the statute on Form 5345-D against IMFOLT or BMFOLT to ensure it is correct. When the record is fully established on AIMS (the record has been processed against Master File and the Master File statute has come down to AIMS), the AIMS statute will be compared to the ERCS statute. The AIMS statute will overwrite the ERCS statute if either of the following are true:

- ERCS has a default statute based on a timely filed return.
- The return was not timely filed, and the Master File statute is earlier than the ERCS statute.

Note: There are instances where the default statute should not be retained such as when an alpha code is needed. The examiner should consult with the manager if there are questions about using a statute other than the default statute on the requisition of a filed return.

(7)   For requisitions of Non-master File, Non-filers, and ERCS only records requiring a statute, the default statute on the requisition screen should be corrected if the return was not timely filed or if an alpha code is needed.

(8)   There are a number of reasons why it is critical to get the activity code correct or at least the best guess on an ERCS requisition.

- Even though the activity code on Master File will overwrite the activity code on ERCS for filed returns when the return is fully established on AIMS, it may take up to two weeks. In the meantime if time is applied to the return, the time charges are recorded using the activity code on ERCS when the time is applied. Even if the activity code is updated later, the time charges will still reflect the original activity code.
- The activity code is used to set a default statute which is displayed on the ERCS requisition screen. The default statute is calculated based on a timely filed return using the tax period and the activity code entered. An incorrect activity code could result in an incorrect default statute.
- Penalty controls are monitored based on the activity code and MFT on ERCS. These two codes indicate which penalty section is being con-trolled. An incorrect activity code on a penalty control will slot the record with the wrong penalty sections.

(9)   The tracking code should be checked for accuracy prior to input. If input incor-rectly, it requires assistance from PSP or the A/E staff to change it.

(10)   Some codes on returns such as source, tracking, project, and aging reason are not associated with the time charges until the end of the cycle when the time data is extracted from ERCS. So as long as corrections are made to these codes prior to the end of the cycle, the correct data will be sent forward.

(11)   The claim amount is used to determine if protection of revenue base (P of RB) codes "P" or "R" are valid for time applied to the return. If the taxpayer has requested a claim for refund and the issues will be worked on the requested return, a claim amount must be entered.

(12)   If the return is part of a related case the key case information must be entered on Form 5345-D.

(13)   Once the manager's review of Form 5345-D has been completed, the adminis-trative support staff should review the transcripts prior to input into ERCS. A review of the AMDISA ensures the return is not already on AIMS. A review of the INOLES shows the exact input of the name or name control.

(14)   After the requisition is input on ERCS and approved by the manager, it is sent to AIMS. The Check AIMS Results menu option should be used daily to check for rejects. The Overage Requisition Report can also be used to monitor the status of requisitions and should be checked weekly.

(15)   ERCS has different options for different types of requisitions. If the requisition will be sent to AIMS, users should utilize the Request Return option. If the user needs to add a penalty control, the Control Penalty Investigation option should be used. For other types of non-AIMS controls, the Control Non-AIMS DET Item option should be used. The Control Collateral Examination option should only be used if directed to do so by HQ.

(16)   A return already on ERCS and AIMS may be "claimed" into the group's inventory from PSP or the Campus by changing the AAC or by applying time to the return. When claiming a return from the Campus the group should follow local procedures to get control of the return. In order to claim a return on ERCS certain rules apply such as:

- The return must be in Status Code 09 or below.
- If the return is in transit, Status Codes 07 or 09, it must not have any time applied.
- The return must either be in a Campus AAC or a PSP AAC.
- The PBC on the return must match the group's PBC if the return is on AIMS.

(17)   When the group claims ERCS control of a return, no updates are sent to AIMS. It is the group's responsibility to ensure the owner of the return, either the Campus or PSP, transfers AIMS control of the return to the group. The AAC Difference Report should be used to monitor the status of the transfer on AIMS.

(18)   Any inventory coming into the group, regardless of the source, should be checked for accuracy on ERCS. Once a requisition is fully established, it should be checked for any changes that may have been overwritten by the values on AIMS.

Note: The weekly AIMS Error Reports should be used to verify changes to ERCS made during weekend AIMS to ERCS processing are correct.

4.7.5.7.2
(06-27-2022)
Updates

(1)   When updates or changes to the ERCS record are required, the examiner should complete Form 5348 and give it to the manager for approval. Updates should be made as soon as it is determined there are changes to the return and prior to charging time to the return.

(2)   The administrative support staff should review Form 5348 prior to updating ERCS. Any questions or concerns should be brought to the manager's attention.

(3)   Changes to returns are uploaded to AIMS by the A/E staff usually twice a day. Most changes are immediately ready for uploading to AIMS, some require the

manager's approval on ERCS before the change is sent. Other updates must wait for additional actions to occur first, such as second level approval.

(4)   Some updates can only be sent to AIMS if the record is fully established. The following updates to skeletal records on ERCS are held until the AIMS record is fully established.

- Claim Amount
- North American Industry Classification System (NAICS) Code
- POD
- Source Code
- Statute Date

(5)   If the AAC on ERCS and AIMS are different, updates are held until the differences are resolved and the AACs match.

Reminder: The AAC Difference Report should be run weekly to monitor and resolve AAC differences between ERCS and AIMS.

(6)   Occasionally an update made on ERCS will reject when sent to AIMS. When users access ERCS the following message appears on the Main Menu screen if there are uploading issues that need to be resolved: "There are ERCS-AIMS Uploading results to check. Use the 'Check AIMS Results' selection to View/ Print or Delete results file(s)". These reports must be worked daily and issues resolved timely. Once all issues from a report have been resolved, the user should delete the report.

(7)   Items to consider when requesting updates:

- For substitutes for returns (SFRs), the opening activity code is an estimate of the correct code. If it is determined the activity code on ERCS is incorrect, it must be updated.
- A tracking code can be input by the group, but not updated. If a change is needed to a tracking code, it can only be updated by PSP or the A/E staff.
- Suspense types are designed to aid in determining when follow-up action is required on returns that have been placed in suspense. While some suspense codes are required, most are optional. For a list of valid suspense types and definitions, see Exhibit 4.7.5-7, Suspense Types.
- Refer to the *Source Code Job Aid* and the *Source Code Quick Reference Guide* when determining the correct source code for returns and related pickups.
- If an AIMS freeze code needs to be released, added or changed on a case, complete Form 5348 and forward it to the appropriate contact based on local procedures.

4.7.5.7.3
(06-27-2022)
Transfers and Closings

(1)   When a return is ready to be closed on ERCS, it is recommended that the examiner's time sheet be completed to date with all time applied to the return and given to the administrative support staff for input. If the time applied to the return is entered into ERCS prior to closure, it will make it easier for the administrative support staff to compare the time on the ERCS closing screen to the hours on the Form 5344, Examination Closing Record, to ensure they match. A Case Time Analysis report should be run to reconcile hours charged prior to submitting the case for closure. Discrepancies in the time on ERCS and the time on Form 5344 should be reported to the manager.

Reminder: Limited access users have the ability to input their own technical time in ERCS and should generate a Case Time Analysis report.

(2)   The manager should review the return for closure while it is still in a group status. Once the manager has approved the closure, the returns should be closed on ERCS.

(3)   When reviewing and approving a return to be closed using a non-examined DC, the manager should check for time applied to the return to make sure it is not excessive. The amount of time considered to be excessive is to be determined by the local area or practice area office.

Note: Time charges on non-examined closures should not be removed unless DC 38 and time is being transferred to the spouse's return as required.

(4)   When reviewing and approving a return to be closed using an examined DC, the manager should check for time applied to the return on ERCS to make sure it matches the time on Form 5344.

Note: Time applied to returns by tax examiners and co-ops is not added to the total time charged to the return on ERCS and should not be included on Form 5344.

(5)   If an examined return is not an ERCS penalty, collateral, or a non-AIMS control record, it must be fully established on AIMS prior to closure.

(6)   During the closing process, information entered into ERCS should be complete and accurate, including the electronic case file designation. Managers should disapprove closures with incomplete or missing information. Once the manager approves returns closed to Status Codes 21, 41 or 51, establish control must be used to pull the return back to a group status code on ERCS in order to correct missing or incorrect data.

(7)   Once the closing status and DC are entered, ERCS determines what other data items are required. If dollar amounts for deficiency, penalty, adjustments, or interest are required they should be entered accurately. This information may be monitored and compared with AIMS or Master File data to check for input errors.

(8)   The following chart shows the statuses and forms used when closing returns using examined DCs:

Disposal Code	Receiving Function	Form(s)	Description	Additional Information
01	CCP - Status 51 (unless the program requires PSP review)	5344 and 3198	No Change with Adjustment	Cannot have a deficiency amount.
02	CCP - Status 51 (unless the program requires PSP review)	5344 and 3198	No Change	Cannot have a deficiency amount.

Disposal Code	Receiving Function	Form(s)	Description	Additional Information
03	CCP - Status 51 (unless the program requires PSP review)	5344 and 3198	Agreed (Prior to the issuance of a 30 Day or 60 Day letter)	Requires deficiency or penalty information.
04	CCP - Status 51 (unless the program requires PSP review)	5344 and 3198	Agreed (After issuance of 30 Day or 60 Day letter)	Requires deficiency or penalty information.
07	TS - Status 21 (unless the program requires otherwise)	5344 and 3198	Appealed (Prior to issuance of a 90 Day letter)	Requires deficiency or penalty information.
08	TS - Status 21 or CCP - Status 51 (unless the program requires PSP review)	5344 and 3198	Other	Requires deficiency or penalty information.
12	TS - Status 21 or CCP - Status 51 (or Status 41 - PSP if the case requires PSP review)	5344 and 3198	Other (Not listed)	The correct closing status depends on the reason Disposal Code 12 is used. See Document 6209, IRS Processing Codes and Information, for more information. Requires deficiency or penalty information.

(9) The following chart shows the statuses and forms used when closing returns with non-examined DCs:

Note: Employment Tax, Estate and Gift (E&G), and Excise groups, collectively referred to as Specialty, should follow procedures in their respective IRMs for closing non-filer, non-examined returns, DCs 36, 37, 38, 39, 40 and 41.

Disposal Code	Receiving Function	Form	Description	Additional Information
28	PSP A/E Unit - Status 41	10904	Non-Master File Closings	Only valid for NMF records. Cannot be used if a claim amount is present.
31	CCP - Status 51	5351	Survey Before Assignment	Only use if no contact has been made with taxpayers. Cannot be used if a claim amount is present. Survey Reason Code required on SB/SE and LB&I returns.

Disposal Code	Receiving Function	Form	Description	Additional Information
32	CCP - Status 51	5351 and 1900	Survey After Assignment	Only use if no contact has been made with taxpayers. Cannot be used if a claim amount is present. Survey Reason Code required on SB/SE and LB&I returns.
33	PSP A/E Unit - Status 41	10904	Error Accounts with No Returns	Should be rarely used and have no time applied. Cannot be used if a claim amount is present.
34	CCP - Status 51	5344 and 3198	Surveyed Claims	Use of this DC will allow the claim in full. Not valid with Source Code 31.
36	PSP A/E Unit - Status 41	10904	No Return Filed (Taxpayer not liable, little or no tax due)	Cannot be used if a claim amount is present.
37	PSP A/E Unit - Status 41	10904	Taxpayer Previously Filed	Cannot be used if a claim amount is present.
38	PSP A/E Unit - Status 41	10904	No Return Filed (Taxpayer previously filed with spouse on joint return)	Cannot be used if a claim amount is present. If the joint return is under exam, time charges must be transferred prior to closing.
39	PSP A/E Unit - Status 41	10904	No Return Filed (Taxpayer no longer liable)	Cannot be used if a claim amount is present.
40	PSP A/E Unit - Status 41	10904	No Return Filed (Taxpayer unable to locate)	Cannot be used if a claim amount is present.
41	PSP A/E Unit - Status 41	10904	No Return Filed (Taxpayer due refund)	Cannot be used if a claim amount is present.
42	CCP - Status 51	5351	Return Filed (Taxpayer unable to locate)	---
43	CCP - Status 51	5351	Accepted After Monitoring	LB&I only
45	CCP - Status 51	5351	Reference and Information Returns	Only valid for Source Code 45. Cannot be used if a claim amount is present. Use if the original paper return was received.

Reminder: When closing returns with Form 10904, the return must be closed to Status Code 41 and approved by the group manager prior to sending to the A/E staff.

(10)   A valid NAICS code is required when closing some types of returns with examined DCs. If a valid NAICS code is required, it must be updated before the case may be closed.

(11)   If the amount claimed is $1, it should be updated to the correct amount prior to closing the return.

   Note: Under some circumstances, $1 may be the correct entry. For example: If a loss year is being examined to determine if a claim for refund against a carryback year will be allowed, time should be applied to P of RB code "P" when working the claim issues. A claim amount of $1 must be entered on the loss year in order to properly code the time charges.

(12)   After the data is input for the closure, the user enters the information to create the Form 3210. If there is an error or change needed in an address listed the user may update the address on the Form 3210 being generated. The user should contact the A/E staff to make permanent changes to the addresses.

(13)   Once a return is closed on ERCS, the administrative support staff should notify the manager the closure is ready for approval on ERCS. The closure should be approved within two business days. When the status code update is reflected on AIMS the cases should be shipped to the receiving function within three business days. See Document 13056, Shipping Procedures for Personally Identifiable Information (PII), for packaging procedures for returns.

   Reminder: Returns should not be shipped to another group or function if the closure is still pending the manager's approval on ERCS. Full ERCS control is not relinquished to the new group or function until the manager approves the transfer or closure.

(14)   The group remains responsible for the returns while they are in transit (Status Codes 21, 41, and 51) and must follow-up on any unacknowledged Form 3210 after 21 calendar days for Status Codes 21 and 41, and 30 calendar days for Status Code 51. When the Form 3210 is acknowledged or when ERCS and AIMS are updated to another status code within these functions, the responsibility for the returns shifts to the receiving function.

(15)   For transfers out of area or practice area, users should refer to local procedures. LB&I and Specialty administrative support staff must be granted permission for DC 30 in order to transfer returns to another area or practice area.

4.7.5.8
(06-27-2022)
Applying Time

(1)   ERCS captures time for technical employees by the activities an employee performs each day. When time is input into ERCS it is immediately available on ERCS screens and reports. The time is used by management to monitor issues such as high time on cases, cases in Status Code 12 with no time applied, and inactive cases. At the end of each reporting cycle the time is summarized and transmitted to the Martinsburg Computing Center (MCC) where it is used for National reports, in planning and creating the Examination Plan, and for monitoring each area or practice area to ensure the plan will be met.

(2)   When applying time to returns on ERCS or IMS, the examiner should ensure it is applied to the return being worked so the total time for the return will match the total time on Form 5344 when the return is closed.

(3) Time is due in ERCS by close of business on the last day of the reporting cycle unless local procedures require it to be input earlier.

(4) Technical employees, their managers and LB&I TMs are required to account for their time on ERCS. IMS is used by LB&I and Specialty to input time which is imported into ERCS.

(5) ERCS determines which employees are required to input time based on the position code on the ERCS employee record, so it is critical the position code is correct.

(6) IMS time is sent to ERCS every Thursday night. Users in each LB&I and Specialty group should run the Verify Imported Time option each Friday to import time and correct any errors.

Note: Limited access users have the ability to run Verify Imported Time for their own time input.

(7) Managers may not charge time to returns or activities related to the examination of returns. They may only charge time to Activity Codes in the 600 to 899 range.

(8) The group should ensure any updates or corrections to returns have been made on ERCS prior to applying time on ERCS or IMS. In particular, prior to charging claim time to P of RB code "P", the examiner should ensure that a claim for refund amount has been entered on the ERCS record. Claim time should only be charged when the examiner is working issues involving a release of money from the Treasury that has not already been paid to the taxpayer. This will guarantee time charges are sent forward at the end of the cycle with the correct codes.

(9) Employees must account for the daily number of hours matching the employee's WSP on ERCS. The WSP may be updated through the Employee Records program.

(10) Employees on flexible work schedules who work over the number of hours scheduled for the day must apply the additional hours worked to the returns or activities performed. The additional time should also be recorded using Activity Code 840 with the appropriate leave code describing how the employee will be compensated; credit hours, comp time, or overtime. The leave codes for Activity Code 840 correspond with the time codes on SETR. Refer to *Leave Codes for ERCS 4502 Entries* for a list of the ERCS alpha leave codes associated with Activity Code 840.

Example: Leave Code OT (overtime) on ERCS corresponds with Time Code 2 on SETR.

(11) Employees who work less than the hours scheduled on their WSP for the day must record the time as leave using Activity Code 830 (leave) or 831 (leave without pay) with a leave code describing the type of leave taken. The leave codes for Activity Codes 830 and 831 correspond with the program codes on SETR. Refer to *Leave Codes for ERCS 4502 Entries* for a list of the ERCS alpha leave codes associated with Activity Codes 830 and 831.

Example: Leave Code A (annual leave) on ERCS corresponds with Program Code 59501 on SETR.

(12) Employees scheduled to work on a holiday are required to input holiday time or leave without pay time on that day. Holiday time is charged using Activity Code 830 and Leave Code H. Leave without pay time is charged using Activity Code 831 and the associated leave code.

(13) Full-time employees not scheduled to work, according to the employee's WSP, on the holiday must charge holiday or leave without pay time on the employee's in lieu of holiday (ILOH). In most instances, the ILOH is the employee's last work day preceding the holiday. However, if the holiday falls on a Sunday, the ILOH is the employee's **next work day** after the holiday. Refer to IRM 6.610.1.2.6, Federal Holidays, for more information.

   Example: A holiday falls on Friday. According to James Trout's WSP, he is not scheduled to work on Friday, but he is scheduled to work on the preceding Thursday. James' ILOH is Thursday.

   Example: A holiday falls on Sunday. The ILOH is the following Monday for employees scheduled to work on Monday. However Barbara Bluebird, who is a full-time employee, is not scheduled to work on Monday. Her next scheduled work day is the following Tuesday, so Barbara's ILOH is Tuesday.

   Example: A holiday falls on Monday. James is scheduled to work on Monday, so his holiday is Monday. However Barbara, who is a full-time employee, is not scheduled to work on Monday, but she is scheduled to work on the preceding Friday. Barbara's ILOH is Friday.

(14) An employee may not work credit hours during regularly scheduled duty hours on a holiday or ILOH. See IRM 6.610.1.5.2.2.1.4, Credit Hours, for more information. If an employee, with the manager's pre-approval, works on the day designated as the ILOH, the employee's time should be charged on ERCS as follows:

   • Charge the employee's allotted number of holiday hours to Activity Code 830 and Leave Code "H"
   • Charge time to the returns or activities worked
   • Charge time to show how the employee is to be compensated for the time using Activity Code 840 with the appropriate leave code for comp time or overtime.

      Note: Comp time and overtime must be pre-approved by the manager.

(15) After the time from ERCS transmitted to MCC at the end of the cycle, corrections made to ERCS time charges have no impact on the national reports and the tables already extracted. Significant changes to the time data in a prior cycle should be reported to the A/E staff.

(16) Refer to IRM 4.9.1, Outline of System, for further information concerning technical time reporting.

4.7.5.9
(06-27-2022)
Reports

(1) ERCS contains various reports and research options that provide management ways to monitor issues such as the length of time returns have been in Status 10, excessive time applied to cases, returns with short statutes, etc. ERCS reports contain real time data which means when a report is run, the information is as current as the last input or time charge in the system.

(2) Reports are available on ERCS at various levels based on the user's permissions and user type. Group users may generate reports at the group level. Territory users may generate reports for individual groups within their territory or for the entire territory. DFO users may generate reports at the group, territory or DFO level. Area users may generate reports at the group level, the territory level, or for the entire area. Practice area users may generate reports at the group level, the territory level, or the DFO level as well as for the entire practice area.

(3) Reports are designed to meet the needs of specific user groups; therefore, some reports may not have an option to be generated by a single group and other reports may not have an option to be generated by the entire area.

(4) In addition to inputting their own technical time, Limited Access users have the ability to generate the following:

- Agent Input document
- Agent Analysis
- Overage IVL
- Case Time Analysis
- Inactive Case Report
- Check Employees with Uncharged Time
- Tax Auditor Daily Report (TCOs only)

(5) For information on available reports, generating and printing ERCS reports, and the data included on each report refer to the *ERCS Group Handbook* for Group users, the *ERCS Limited Access Handbook* for Limited Access users, and to the *ERCS Territory Handbook* for Territory, DFO, Area, and Practice Area users.

(6) Refer to IRM 4.7.6, Reports, for detailed descriptions of ERCS reports, recommended uses for the reports, and the recommended frequency for running the reports.

This Page Intentionally Left Blank

Exhibit 4.7.5-1   (06-27-2022)
Acronyms and Definitions

Acronym	Definition
AAC	AIMS Assignee Code
A/E	AIMS/ERCS
AIMS	Audit Information Management System
ARC	Aging Reason Code
ATTI	Abusive Transactions and Technical Issues
BBA	Bipartisan Budget Act
BEARS	Business Entitlement Access Request System
CCP	Centralized Case Processing
DFO	Director of Field Operations
DC	Disposal Code
DET	Direct Examination Time
ECD	Estimated Completion Date
EGC	Employee Group Code
ERCS	Examination Returns Control System
HQ	Headquarters
ID	Identification
ILOH	In Lieu of Holiday
IMS	Issue Management System
IMT	Issue Management Team
IVL	Inventory Validation Listing
LB&I	Large Business and International
MCC	Martinsburg Computing Center
MFT	Master File Tax (account codes)
P of RB	Protection of Revenue Base
PBC	Primary Business Code
PCC	Processing Campus Code
PII	Personally Identifiable Information
POD	Post of Duty
PSP	Planning and Special Programs
ROTER	Record of Tax Enforcement Results

Exhibit 4.7.5-1 (Cont. 1) (06-27-2022)
Acronyms and Definitions

Acronym	Definition
RRR	Related Returns Report
SBC	Secondary Business Code
SB/SE	Small Business/Self Employed
SEID	Standard Employee Identifier
SETR	Single Entry Time Reporting
SETTS	Summary Exam Time Transmittal System
SSN	Social Security Number
TE/GE	Tax Exempt & Government Entities
TIGTA	Treasury Inspector General for Tax Administration
TIN	Taxpayer Identification Number
TM	Territory Manager
TOD	Tour of Duty
TS	Technical Services
TSC	Technical Services Code
UNAX	Unauthorized Access of Taxpayer Accounts
WSP	Work Schedule Profile

Exhibit 4.7.5-1   Internal Revenue Manual   Cat. No. 30419J (06-27-2022)

Exhibit 4.7.5-2   (06-27-2022)
Field Examiner Transfers

Use the table below to determine how to update the ERCS employee record and inventory when a Field Examiner **transfers** to another group or function.

Note: For the definition of "transfers" see IRM 4.7.5.6.1.

When updates are required to the ERCS employee record, fields that may need to be updated include the AAC, position code, grade, POD and start date.

Employee	Transfers To	Then
Field Examiner	New AAC as Field Examiner	• Update employee record • Start date should be the next day after the last day time was applied in the old group • No new inventory should be assigned in the old group • Inventory in the old group must either be reassigned or, if both prior and new managers are in agreement, the employee may continue to work on the inventory in the old group until it is closed (Inventory reports in the old group will need to be pulled by AAC and not by the employee's ERCS ID number)
Field Examiner	New AAC as Office Examiner	• Update employee record • Start date should be the next day after the last day time was applied in the old group • No new inventory should be assigned to the employee in the old group • The inventory in the old group must be reassigned if it can only be worked by a field examiner • For other assigned inventory, if both prior and new managers are in agreement, the employee may continue to work on the inventory in the old group until it is closed (Inventory reports in the old group need to be pulled by AAC and not by the employee's ERCS ID number)
Field Examiner	New AAC as Support (includes transfers to analyst positions, Position Code 400)	• Update employee record • Start date should be the next day after the last day time was applied in the old group • Inventory in the old group must be reassigned • Work should not continue on the old inventory
Field Examiner	New AAC as Manager	• Update employee record • Start date should be the next day after the last day time was applied in the old group • Inventory in the old group must be reassigned • Work should not continue on the old inventory

Exhibit 4.7.5-2 (Cont. 1) (06-27-2022)
Field Examiner Transfers

Employee	Transfers To	Then
Field Examiner	New AAC as Reviewer/ Coordinator in TS	• Update employee record • Start date should be the next day after the last day time was applied in the old group • Inventory in the old group must be reassigned • If both prior and new managers are in agreement, the employee may continue to work on the inventory in the old group until it is closed
Field Examiner	New AAC in PSP or CCP (includes details to Sample Review)	• Update employee record • Start date should be the next day after the last day time was applied in the old group • Inventory in the old group must be reassigned • Work should not continue on the old inventory
Field Examiner	IRS Position Outside of ERCS	• Inactive employee record • End date should be the last day time was applied in the old group • Inventory in the old group must be re-assigned • Work should not continue on the old inventory

Exhibit 4.7.5-2   Internal Revenue Manual   Cat. No. 30419J (06-27-2022)

Exhibit 4.7.5-3   (06-27-2022)
Office Examiner Transfers

Use the table below to determine how to update the ERCS employee record and inventory when an Office Examiner **transfers** to another group or function.

Note: For the definition of "transfers" see IRM 4.7.5.6.1.

When updates are required to the ERCS employee record, fields that may need to be updated include the AAC, position code, grade, POD and start date.

Employee	Transfers To	Then
Office Examiner	New AAC as Field Examiner	• Update employee record • Start date should be the next day after the last day time was applied in the old group • No new inventory should be assigned in the old group • Inventory in the old group must either be reassigned or, if both prior and new managers are in agreement, the employee may continue to work on the inventory in the old group until it is closed (Inventory reports in the old group will need to be pulled by AAC and not by the employee's ERCS ID number)
Office Examiner	New AAC as Office Examiner	• Update employee record • Start date should be the next day after the last day time was applied in the old group • No new inventory should be assigned to the employee in the old group • Inventory in the old group must either be reassigned or, if both prior and new managers are in agreement, the employee may continue to work on the inventory in the old group until it is closed (Inventory reports in the old group will need to be pulled by AAC and not by the employee's ERCS ID number)
Office Examiner	New AAC as Support (includes transfers to analyst positions, Position Code 400)	• Update employee record • Start date should be the next day after the last day time was applied in the old group • Inventory in the old group must be reassigned • Work should not continue on the old inventory
Office Examiner	New AAC as Manager	• Update employee record • Start date should be the next day after the last day time was applied in the old group • Inventory in the old group must be reassigned • Work should not continue on the old inventory
Office Examiner	New AAC as Reviewer/ Coordinator in TS	• Update employee record • Start date should be the next day after the last day time was applied in the old group • Inventory in the old group must be reassigned • If both prior and new managers are in agreement, the employee may continue to work on the inventory in the old group until it is closed

Exhibit 4.7.5-3 (Cont. 1) (06-27-2022)
Office Examiner Transfers

Employee	Transfers To	Then
Office Examiner	New AAC in PSP or CCP (includes transfers to Sample Review)	• Update employee record • Start date should be the next day after the last day time was applied in the old group • Inventory in the old group must be reassigned • Work should not continue on the old inventory
Office Examiner	IRS Position Outside of ERCS	• Inactive employee record • End date should be the last day time was applied in the old group • Inventory in the old group must be reassigned • Work should not continue on the old inventory

Exhibit 4.7.5-3   Internal Revenue Manual   Cat. No. 30419J (06-27-2022)

Exhibit 4.7.5-4   (06-27-2022)
Field Examiner Details

Use the table below to determine how to update the ERCS employee record and inventory when a Field Examiner is **detailed** to another group or function.

Note: For the definition of "detail" see IRM 4.7.5.6.2

When updates are required to the ERCS employee record, fields that may need to be updated include the AAC, position code, grade, POD and start date.

Technical time input is still required when detailed to an IRS position outside of ERCS. Time is to be charged to the appropriate "Details out of Division or Area" activity code. A list of miscellaneous examination activity codes with definitions can be found in IRM 4.9.1, Outline of System.

Employee	Details To	Then
Field Examiner	New AAC as Field Examiner	• Employee record remains unchanged • An ERCS detail record should be created • Start date for the detail record should be the next day after the last day time was applied in the old group • The end date for the detail record should be the day prior to the date the employee will charge time in the old group when the detail is over • New inventory may be assigned in either group • When the detail is over, if both permanent and detail managers are in agreement, the employee may continue to work on the inventory in the detailed group until it is closed
Field Examiner	New AAC as Office Examiner	• Update employee record • Start date should be the next day after the last day time was applied in the old group • No new inventory should be assigned to the employee in the old group • The inventory in the old group must be reassigned if it can only be worked by a field examiner • For other assigned inventory, if both permanent and detail managers are in agreement, the employee may continue to work on the inventory in the old group until it is closed (Inventory reports in the old group need to be pulled by AAC and not by the employee's ERCS ID)
Field Examiner	New AAC as Support (includes transfers to analyst positions, Position Code 400)	• Update employee record • Start date should be the next day after the last day time was applied in the old group • Inventory in the old group must be reassigned • Work should not continue on the old inventory
Field Examiner	New AAC as Manager (includes acting in examiner's group with a change in grade and/or position)	• Update employee record • Start date should be the next day after the last day time was applied in the old group • Inventory in the old group must be reassigned • Work should not continue on the old inventory

Exhibit 4.7.5-4 (Cont. 1) (06-27-2022)
Field Examiner Details

Employee	Details To	Then
Field Examiner	New AAC as Reviewer/ Coordinator in TS	• Update employee record • Start date should be the next day after the last day time was applied in the old group • Inventory in the old group must be reassigned • If both permanent and detail managers are in agreement, the employee may continue to work on the inventory in the old group until it is closed (Inventory reports in the old group need to be pulled by AAC and not by the employee's ERCS ID)
Field Examiner	New AAC in PSP or CCP (includes details to Sample Review)	• Update employee record • Start date should be the next day after the last day time was applied in the old group • Inventory in the old group must be reassigned • Work should not continue on the old inventory
Field Examiner	IRS Position Outside of ERCS (includes details to HQ under one year)	• Employee record should remain unchanged • If both permanent and detail managers are in agreement, the employee may continue to work on the inventory in the old group until it is closed

Exhibit 4.7.5-4   Internal Revenue Manual   Cat. No. 30419J (06-27-2022)

Exhibit 4.7.5-5   (06-27-2022)
Office Examiner Details

Use the table below to determine how to update the ERCS employee record and inventory when an Office Examiner is **detailed** to another group or function.

Note: For the definition of "detail" see IRM 4.7.5.6.2

When updates are required to the ERCS employee record, fields that may need to be updated include the AAC, position code, grade, POD and start date.

Technical time input is still required when detailed to a IRS position outside of ERCS. Time is to be charged to the appropriate "Details out of Division or Area" activity code. A list of miscellaneous examination activity codes with definitions can be found in IRM 4.9.1, Outline of System.

Employee	Details To	Then
Office Examiner	New AAC as Field Examiner	• Update employee record • Start date should be the next day after the last day time was applied in the old group • No new inventory should be assigned to the employee in the old group • The inventory in the old group should either be re-assigned or if both permanent and detail managers are in agreement, the employee may continue to work on the inventory in the old group until it is closed (Inventory reports in the old group need to be pulled by AAC and not by the employee's ERCS ID)
Office Examiner	New AAC as Office Examiner	• Employee record remains unchanged • An ERCS detail record should be created • Start date for the detail record should be the next day after the last day time was applied in the old group • The end date for the detail record should be the day prior to the date the employee will charge time in the old group when the detail is over • New inventory may be assigned in either group • When the detail is over, if both permanent and detail managers are in agreement, the employee may continue to work on the inventory in the detailed group until it is closed
Office Examiner	New AAC as Support (includes transfers to analyst positions, Position Code 400)	• Update employee record • Start date should be the next day after the last day time was applied in the old group • Inventory in the old group must be reassigned • Work should not continue on the old inventory
Office Examiner	New AAC as Manager (includes acting in examiner's group with a change in grade and/or position)	• Update employee record • Start date should be the next day after the last day time was applied in the old group • Inventory in the old group must be reassigned • Work should not continue on the old inventory

Exhibit 4.7.5-5 (Cont. 1) (06-27-2022)
Office Examiner Details

Employee	Details To	Then
Office Examiner	New AAC as Reviewer/ Coordinator in TS	• Update employee record • Start date should be the next day after the last day time was applied in the old group • Inventory in the old group must be reassigned • If both permanent and detail managers are in agreement, the employee may continue to work on the inventory in the old group until it is closed (Inventory reports in the old group need to be pulled by AAC and not by the employee's ERCS ID)
Office Examiner	New AAC in PSP or CCP (includes details to Sample Review)	• Update employee record • Start date should be the next day after the last day time was applied in the old group • Inventory in the old group must be reassigned • Work should not continue on the old inventory
Office Examiner	IRS Position Outside of ERCS (includes details to HQ under one year)	• Employee record should remain unchanged • If both permanent and detail managers are in agreement, the employee may continue to work on the inventory in the old group until it is closed

Exhibit 4.7.5-6   (07-20-2020)
Action Codes

Action codes are used on ERCS to add another level of inventory control for tax compliance groups. The action code is an ERCS only code that tells the next action due in an examination. Some codes are nationally defined and some are available for local definition. When an action code is input on a return, a purge date is either set by the ERCS program or input by the user. Action Codes 01 and 02 also require an appointment time to be input by the user.

Action codes may be added or updated on returns in the Tax Auditor menu, the Correct or Display Records menu, or when applying time to returns. Reports in the Tax Auditor menu display records using these codes. The Daily Report and the Group Purge Report can be modified by the A/E staff to include (or exclude) returns with particular action codes. However, any changes to these reports impact the entire area. Refer to the *Codes* chapter of the ERCS Group Handbook for more information about these codes.

Action Code	Definition	Purge Date
01	First Appointment - Initial Interview	Set by the user
02	Subsequent Appointment	Set by the user
03	Request for Appeals Conference	Today plus 7 days
04	Issue 15 Day Letter	Today plus 15 days
05	In Overnight Status	Today
06	Schedule Pre-audit	Set by the user
07	Closed Unagreed	Set by the user
08	Follow-up Action	Set by the user
09	Conference with Manager	Set by the user
10	Call Back Letter	Set by the user
11	Manager Review and Protests	Today
12	Case is Ready to be Closed	Today plus 5 days
13–20	Local Definition	Set by the user

Exhibit 4.7.5-7   (06-27-2022)
Suspense Types

Suspense types are used in conjunction with action dates in ERCS when follow-up is necessary, but the action may not take place for days, weeks or months. When a suspense type is added to a return, the return may be updated to a status code and the action date may be set based on the number of days as shown in the table below. If the program does not set the action date, the user must enter it. Refer to the *Codes* chapter of the ERCS Group Handbook for more information about the suspense type. Refer to the *Inventory Reports* chapter of the ERCS Group Handbook for information about the Suspense Report which is used to monitor returns in these codes.

Note: Group suspense types are in the 200 to 299 range.

Suspense Type	Definition	Status Code	Number of Days	Use
200	Group Suspense	13	30	General 30 day suspense
201	30 - Day Letter	13	37	30 Day Letter suspense
202	Request for Exam Assistance from Appeals (pilot)	---	60	Used to monitor collateral records established on ERCS when Exam assistance is requested from Appeals and Appeals has case control
203	Civil Penalty Case In-Transit to Appeals	---	14	Used to monitor MFT P5, P6, P7 and PB penalty records in-transit to Appeals
205	30 - Day Letter Civil Fraud	---	37	30 Day Letter suspense, allows return to remain in current status (17)
206	Unagreed Case Purge	---	180	---
211	Unstarted Inventory	10	90	---
212	Assigned Inventory	12	---	---
213	No Current Agreement-New Agreement	---	---	---
214	Tip Rate Determination Agreement (TRDA) (Current Agreement)	---	---	---
215	Disaster Suspense	---	---	---
218	Estate & Gift 18 Month Filing Cases	---	---	---
220	Civil Settlement from Tech Services	17	---	---
221	Probation Cases	17	---	---
222	Fraud Development	17	---	---

Exhibit 4.7.5-7   Internal Revenue Manual   Cat. No. 30419J (06-27-2022)

Exhibit 4.7.5-7 (Cont. 1) (06-27-2022)
Suspense Types

Suspense Type	Definition	Status Code	Number of Days	Use
250	Abusive Transactions and Technical Issues (ATTI) Non-Issue Management Team (IMT) Initial Estimated Completion Date (ECD)	---	---	---
251	ATTI Non-IMT Revised ECD 1	---	---	---
252	ATTI Non-IMT Revised ECD 2	---	---	---
253	ATTI Non-IMT Revised ECD 3	---	---	---
260	ATTI IMT Initial ECD	---	---	---
261	ATTI IMT Revised ECD 1	---	---	---
262	ATTI IMT Revised ECD 2	---	---	---
263	ATTI IMT Revised ECD 3	---	---	---
270	Non-Filer Initial ECD	---	---	---
271	Non-Filer Revised ECD 1	---	---	---
272	Non-Filer Revised ECD 2	---	---	---
273	Non-Filer Revised ECD 3	---	---	---
280	All Other Cases Initial ECD	---	---	---
281	All Other Cases Revised ECD 1	---	---	---
282	All Other Cases Revised ECD 2	---	---	---
283	All Other Cases Revised ECD 3	---	---	---