



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

4.15.3

OCTOBER 5, 2021

EFFECTIVE DATE

(10-05-2021)

PURPOSE

- (1) This transmits revised IRM 4.15.3, Jeopardy/Termination Assessments, Assessment Procedures (Centralized Case Processing).

MATERIAL CHANGES

- (1) Removed references to IRM 4.4 throughout because those manuals will be obsoleted by AIMS in the future.
- (2) Material changes to the IRM are listed in the table below:

IRM Reference	Description of Change
IRM 4.15.3.1.5	Added acronyms for Automated Manual Assessment (AMA), Automated Non-Master File (ANMF), Business Master File (BMF), Centralized Case Processing (CCP), Central Standard Time (CST), Enterprise e-Fax system (EEFax), Kansas City Submission Processing Center (KCSPC), Revenue Accounting Control System (RACS), Social Security Number (SSN) and Taxpayer Delinquent Account (TDA).
IRM 4.15.3.1.6	Added Automated Non-Master File (ANMF) and Enterprise e-Fax system (EEFAX) to the Terms Table.
IRM 4.15.3.1.7	Added additional references to the Related Resources Table.
IRM 4.15.3.2	<ul style="list-style-type: none">• Updated IRM reference from IRM 4.15.2.4.1.4.1 to IRM 4.15.1.7.5 because IRM 4.15.2 will be obsoleted and consolidated with IRM 4.15.1.• Changed timeframe for assessment to be made from 24 hours to 48 hours from Area Director approval. Because of time zone issues, this change was made to facilitate any minor delay.• Added note that Non-Master File (NMF) assessments are handled by KCSPC and that NMF assessments post to ANMF system.
IRM 4.15.3.2.1	Added comment that quick assessments for NMF are transmitted to KCSPC rather than Ogden Campus Accounting.
IRM 4.15.3.2.2(1)	Added note that NMF assessments are handled by KCSPC and CCP will forward Forms 2859/2644 to KCSPC.
IRM 4.15.3.3	<ul style="list-style-type: none">• Updated Campus for Termination NMF assessments to KCSPC and added references to KCSPC throughout subsection.• Added titles for Forms 2644 and 2859.
IRM 4.15.3.3(3)	Added comment that KCSPC will issue Form 6335 for NMF assessments.
IRM 4.15.3.4	Added KCSPC throughout subsection, as they process NMF assessments now.

- (3) Editorial changes were made to this IRM to edit grammar and update references.

EFFECT ON OTHER DOCUMENTS

This material supersedes IRM 4.15.3 dated October 3, 2018.

AUDIENCE

Appeals, Large Business and International (LB&I), Small Business/Self-Employed (SB/SE), Tax Exempt and Government Entities (TE/GE) and Wage and Investment (W&I) employees.

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SE:S:DCE:E:HQ:EFCP
Small Business/Self Employed

4.15.3

Assessment Procedures (Centralized Case Processing)

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4.15.3.1
(10-03-2018)
Program Scope and Objectives

- (1) *Audience.* These procedures apply to Appeals, Large Business and International (LB&I), Small Business/Self-Employed (SB/SE), Tax Exempt Government Entities (TE/GE) and Wage and Investment (W&I), employees.
- (2) *Policy Owner.* The Director, Examination - Field and Campus Policy, which is under the Director, Headquarters Examination.
- (3) *IRM Owner.* Field Examination Special Processes (FESP), which is under the Director, Examination - Field and Campus Policy.
- (4) *Primary Stakeholders.* Stakeholders include Small Business/Self-Employed (SB/SE) and Wage and Investment (W&I) employees.
- (5) *Contact Information.* To recommend changes or make any other suggestions related to this IRM section, see IRM 1.11.6.6, Providing Feedback About an IRM Section - Outside of Clearance.
- (6) *Program Goals.* The goal of this section is to provide procedures for the preparation, assessment, and confirmation of jeopardy/termination assessments.

4.15.3.1.1
(10-03-2018)
Background

- (1) This IRM section provides examiners with information and guidance on the preparation, assessment process and confirmation of the Jeopardy/Termination Assessment.

4.15.3.1.2
(10-03-2018)
Authority

- (1) The IRS has the authority under IRC 7602, Examination of Books and Witnesses, to examine any books, papers, records or other data for the purpose of ascertaining the correctness of any return or making a return where none has been made. If the IRS believes the collection of a deficiency will be jeopardized by delay, it may make a jeopardy assessment of such deficiency, or if the tax year has not ended or the return filing date has not passed, a termination assessment of income tax, without regard to any notice of the proposed assessment usually required, under the following IRC sections:
 - IRC 6851, Termination Assessments of Income Tax.
 - IRC 6852, Termination Assessments in Case of Flagrant Political Expenditures of Section 501(c)(3) Organizations.
 - IRC 6861, Jeopardy Assessments of Income, Estate, Gift, and Certain Excise Taxes.
 - IRC 6862, Jeopardy Assessment of Taxes Other Than Income, Estate, Gift, and Certain Excise Taxes.
 - IRC 6867, Presumptions Where Owner of Large Amount of Cash is Not Identified.

Note: A jeopardy assessment or a termination assessment of income tax is to be used sparingly; see IRM 1.2.1.5.27, Policy Statement 4-88, Jeopardy Assessments to be Used Sparingly and Assessment to be Reasonable in Amount, and IRM 1.2.1.5.28, Policy Statement 4-89, Termination Assessments of Income Tax to be Used Sparingly and Assessments to be Reasonable in Amount, respectively.

4.15.3.1.3
(10-03-2018)
Roles and Responsibilities

- (1) The Director, Headquarters Examination, is the executive responsible for providing policy and guidance for SB/SE employees and ensuring consistent application of policy, procedures and tax law to effect tax administration while protecting taxpayers' rights. See IRM 1.1.16.3.5, Headquarters Examination, for additional information.
- (2) The Director, Examination - Field and Campus Policy, reports to the Director, Headquarters Examination, and is responsible for the delivery of policy and guidance that impacts the examination process. See IRM 1.1.16.3.5.1, Field and Campus Policy, for additional information.

4.15.3.1.4
(10-03-2018)
Program Management and Review

- (1) Periodic program reviews are conducted by Examination - Field and Campus Policy, to:
 - Assess the effectiveness of specific programs within Examination or across the organization,
 - Determine if procedures are followed,
 - Validate policies and procedures, and
 - Identify and share best/proven practices.

4.15.3.1.5
(10-05-2021)
Acronyms

- (1) The following table lists commonly used acronyms:

Acronym	Definition
AMA	Automated Manual Assessment
ANMF	Automated Non-Master File
BMF	Business Master File
CCP	Centralized Case Processing
CST	Central Standard Time
EEFax	Enterprise e-Fax system
FESP	Field Exam Special Processes
KCSPC	Kansas City Submission Processing Center
MF	Master File
MFT	Master File Tax
NMF	Non-Master File
RACS	Revenue Accounting Control System
SSN	Social Security Number
TDA	Taxpayer Delinquent Account
TIN	Taxpayer Identification Number

4.15.3.1.6
(10-05-2021)
Terms

- (1) The following table lists commonly used terms and associated definitions:

Term	Definition
Automated Non-Master File System (ANMF)	A stand-alone system for maintaining accounts that cannot be processed on Master File.
Enterprise e-Fax system (EEFax)	A tool that enables IRS employees to receive and send electronic fax documents directly from their workstations.
Possessor of Cash Assessment	<p>If an individual, in physical possession of cash or its equivalent in excess of \$10,000, does not claim the cash as theirs or as belonging to another person who can be easily identified and who acknowledges ownership of the cash, then for purposes of IRC 6851 and IRC 6861, it is presumed that:</p> <ul style="list-style-type: none"> a. The cash represents gross income of a single individual for the taxable year in which the possession occurs; and b. The collection of tax is presumed to be jeopardized by delay. See IRM 5.17.15.3, Presumption Regarding \$10,000 in Unclaimed Cash.

4.15.3.1.7 (10-05-2021) (1) The following table contains related resources referenced in this IRM:

Related Resources

Resources	Title
IRM 1.2.1.5.27	Policy Statement 4-88, Jeopardy Assessments to be Used Sparingly and Assessment to be Reasonable in Amount
IRM 1.2.1.5.28	Policy Statement 4-89, Termination Assessments to be Used Sparingly and Assessment to be Reasonable in Amount
IRM 3.17.46.6.12	Termination Assessments
IRM 3.17.244.3	Quick, Prompt, Jeopardy and Termination Master File Assessments
IRM 4.10.8.4.1	Individual and Corporate Cases
IRM 4.10.8.17.1	Completion of Form 5344, Examination Closing Record
IRM 4.10.9	Workpaper System and Case File Assembly
IRM 4.15.1.7.5	Securing Approval of the Report
IRM 5.1.4.4	Quick Assessment
IRM 5.17.15.3	Presumption Regarding \$10,000 in Unclaimed Cash
IRM Exhibit 20.2.1-2	Definition of Terms

4.15.3.2
(10-05-2021)

Preparing Assessments

- (1) The Chief Counsel (or the Chief Counsel's delegate) must approve a jeopardy/termination assessment. IRC 7429 (a)(1)(A), Review of Jeopardy Levy or Assessment Procedures. Counsel should sign off last on the jeopardy/termination assessment before it is submitted to the Area Director for approval. See IRM 4.15.1.7.5, Securing Approval of the Report. The office that receives the approved report signed by the Area Director must make the assessment within 48 hours. Jeopardy/termination assessments will be prepared following quick assessment procedures. Quick assessments are made on either Master File (MF) or Non-Master File (NMF).

Note: NMF are generally processed in the same manner as MF, except the numbering is different and abstract codes are needed for individual MF and Business Master File (BMF) adjustments. NMF assessments are handled by Kansas City Submission Processing Center (KCSPC) rather than Ogden Campus Accounting. NMF assessments post to the Automated Non-Master File (ANMF) system which is a stand-alone system for maintaining accounts that cannot be processed on MF.

- (2) Requests for quick assessments will be made by telephone or electronic facsimile using the Enterprise e-Fax system (EEFax). EEFax is the preferred method to request a quick assessment. Form 2644, Recommendation for Jeopardy/Termination Assessment, will be used to request quick assessments, in addition to Form 2859, Request for Quick or Prompt Assessment.

IF the request is made by:	THEN provide the following information:
Telephone	<ol style="list-style-type: none"> 1. Affirmative statement that the Area Director approved Form 2644; 2. Name, address and TIN of the taxpayer; 3. Type of tax; 4. Taxable period; 5. Amount of tax, penalties with the appropriate transaction code(s), interest to be assessed, credit adjustments and/or reference numbers; 6. Amount of payment, if any, the balance due, 23C date (see IRM Exhibit 20.2.1-2, Definition of Terms, for definition of 23C date); and 7. Document locator number (DLN).
Electronic Facsimile/EEFax	<ol style="list-style-type: none"> 1. Form 2859 for each type of tax return, with a control number; and 2. Form 3210, Document Transmittal Form, for each type of tax return. Include the name control, MFT, TIN, tax period, and Control number. In the remarks area, enter the 23C date and "FAX QUICK ASSESSMENT". Address the form to the appropriate function and include the originator's complete address, mail stop and fax number so the receipted Form 3210, Document Transmittal Form, maybe faxed back.

4.15.3.2.1
(10-05-2021)

Information Transmitted

- (1) CCP will transmit the quick assessment to Ogden Campus Accounting (MF) or KCSPC (NMF).

- (2) Faxing should be done only once each day, if possible, and prior to 12:00 p.m. CST. If there are numerous entities and returns, the information should be transmitted as early as possible.

Note: If two work days or less remain before the statute of limitations will expire, follow telephonic quick assessment procedures. See IRC 6871, Claims for Income, Estate, Gift and Certain Excise Taxes in Receivership Proceedings.

4.15.3.2.2
(10-05-2021)
How Assessment is Made

- (1) The assessment is made according to the type of assessment:
- Jeopardy- Assessment is made on MF for the full period.
Note: CCP can still process the jeopardy assessment and should then forward the package to the RACS Unit in KCSPC. If a tax year is not on MF, RACS will input the assessment on the Automated Manual Assessment (AMA). The signed Form 23C, Assessment Certificate - Summary Record of Assessments, secures the assessment. The assessment will not appear right away but it will be a legal assessment as long as there is a signed Form 23C certificate. The assessment will post once the account is established on MF.
 - Termination- Assessment is made on NMF as a short period, even though the period may be a full period. The assessment is made as a short period to differentiate between the termination period and the full period under normal filing requirements. NMF assessments are done by KCSPC. CCP will prepare and send Form 2859, Request for Quick or Prompt Assessment and Form 2644, Recommendation for Jeopardy/Termination Assessment to the RACS Unit in KCSPC. The RACS Unit will generalize the transactions and then route them to the NMF group to post the NMF assessments.
- (2) Possessor of Cash — The possessor of cash assessment is made as either a jeopardy or termination assessment, as noted above. A new taxable entity and temporary TIN is created for possessor of cash assessments.
- a. New Taxable Entity — A new taxable entity (dummy file) is created for the individual who is in physical possession of the cash. All documents requiring entity information must use "(Possessor's Name) as Possessor of Certain Cash" as the name line.
 - b. Temporary TIN — A temporary TIN must be obtained for all assessments made under IRC 6867, Presumptions Where Owner of Large Amount of Cash is not Identified, regardless of information indicating the possessor's personal TIN. Contact the campus entity function to obtain a temporary TIN. The use of the temporary TIN will enable separate tax liability treatment for the possessed cash and avoid any effect on the possessor's personal individual tax liability, which remains separate from the IRC 6867 assessment.

4.15.3.3
(10-05-2021)
Assessing Amounts

- (1) CCP must forward the following items to Ogden Campus Accounting (jeopardy assessments) and/or KCSPC (termination assessments):

- Copy of Form 2644, Recommendation for Jeopardy/Termination Assessment;
- Copy of Form 2859, Request for Quick or Prompt Assessment;
- Copy of Form 5344, Examination Closing Record, prepared in accordance with IRM 4.10.8.17.1, Completion of Form 5344, Examination Closing Record;
- Copy of Form 3198, Special Handling Notice for Examination Case Processing, prepared in accordance with IRM 4.10.9, Workpaper System and Case File Assembly;
- Copy of Pages 1 and 2 of applicable Form 4549, Report of Income Tax Examination Changes, portion of the tax computation prepared in accordance with IRM 4.10.8.4.1, Individual and Corporate Cases; and
- Copy of narrative.

Note: All forms in this section can be faxed to the respective recipients through EEFax. Ogden EEFax number for Jeopardy Assessments is 855-688-9557. Kansas EEFax number for Termination Assessments is 866-805-2235.

- (2) After the jeopardy/termination assessment information is transmitted to Ogden Campus Accounting (jeopardy assessments) or KCSPC Campus Accounting (termination assessments), respectively, will process the assessment and provide CCP with the required information showing that an assessment was made.
- (3) For MF, Ogden Campus Accounting will process the jeopardy assessment and forward Form 3552, Prompt Assessment Billing Assembly, to CCP. For NMF, KCSPC will generate Form 6335, NMF First Notice, and forward to CCP. NMF assessments will post immediately to Taxpayer Delinquent Account (TDA) and be posted to IDRS with a "N" after the taxpayer's SSN. See IRM 3.17.244.3.5, Termination Assessments, for further information.
- (4) CCP Action — After the assessment is made by Ogden Campus Accounting (Jeopardy Assessments) and/or KCSPC (Termination Assessments), CCP will return one copy of Form 2644 to the examiner.

4.15.3.4 (10-05-2021)

Confirming Assessment

- (1) After the jeopardy/termination assessment is processed by CCP, Ogden Campus Accounting will provide Form 3552, Prompt Assessment Billing Assembly, to CCP for Master File assessments. The form will be reviewed by CCP to verify the name, address, TIN, tax period and assessment information are consistent with Form 2859, Request for Quick or Prompt Assessment. KCSPC will provide Form 6335, NMF First Notice, for Non-Master File assessments.
- (2) After processing, Form 3552 (MF) or Form 6335 (NMF) and Form 2859 are faxed to the Area Office through EEFax. Form 3552 (MF) or Form 6335 (NMF) must be associated with the control copy in CCP.
- (3) Upon request, the campus will withhold manual and/or computer billing.
- (4) Verification Errors — Immediately contact Ogden Campus Accounting and/or KCSPC for issuance of a corrected bill if any errors are detected on Form 3552 (MF) or Form 6335 (NMF). If verification of the assessment is not received, the CCP Manager, or designated employee must follow-up with Ogden Campus Accounting and/or KCSPC.

- (5) CCP will follow-up in sufficient time to prevent barred assessments.
- (6) Follow-up will be done three weeks from the 23C assessment date for non-statute assessments.

Note: All forms in this section can be sent to the respective recipients through EEFax.

