



# MANUAL TRANSMITTAL

Department of the Treasury  
Internal Revenue Service

4.17.2

APRIL 25, 2017

## EFFECTIVE DATE

(04-25-2017)

## PURPOSE

- (1) This transmits revised IRM 4.17.2, *Compliance Initiative Projects, Responsibilities*.

## MATERIAL CHANGES

- (1) This revision incorporates the following significant changes:
- a. IRM 4.17.2.2 –Outlined where CIP coordinators report. Separated SB/SE, LB&I and TE/GE specific duties. Added classification of returns as a duty.
  - b. IRM 4.17.2.3 –Changed section to reflect only SB/SE HQ CIP Analyst duties.
  - c. IRM 4.17.2.4 –Added W&I and TE/GE.
  - d. IRM 4.17.2.7 –Added LB&I CP&A Manager duties.
  - e. IRM 4.17.2.8 –Updated LB&I CIP Oversight Committee role.
  - f. IRM 4.17.2.9 –Added LB&I Risk Identification Control Board duties.
  - g. IRM 4.17.2.10 –Clarified Disclosure Office is only required to be involved when sharing internal data with third parties.
  - h. IRM 4.17.2.11 –Added TE/GE Research duties.
  - i. IRM 4.17.2.12 –Clarified a Director only authorizes CIP's within their own function, unless it is cross-functional.

## EFFECT ON OTHER DOCUMENTS

IRM 4.17.2 dated 02-25-2010 is superseded.

## AUDIENCE

Compliance employees within all Operating Divisions.

Deborah Ngo  
Acting Director, Exam Case Selection  
Small Business/Self-Employed Division



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4.17.2

Responsibilities

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- 4.17.2-1 Data Overview Report



- 4.17.2.1 (02-25-2010) **Overview**
- (1) This section describes the responsibilities of individuals who administer, oversee, review, and approve Compliance Initiative Projects (CIP).

- 4.17.2.2 (04-25-2017) **CIP Coordinator**
- (1) CIP Coordinators will be assigned to the following groups:

Division/Operating Unit/Function	Group
SB/SE Field	Area PSP Territory
Specialty Tax	Specialty Function Workload Selection and Delivery (WSD)
Campus Exam and AUR	Return Selection and Delivery
LB&I	Industry or Headquarters Offices
Collection	Collection Inventory Delivery & Selection
TE/GE	Exempt Organization Entity (EOE) or Employee Plans (EP) Analyst Group, or Government Entities/Shared Services (GE/SS) Functional CPMs

- (2) The CIP Coordinator's duties include:

- Reviewing CIPs for content and ensure all appropriate individuals have approved and concurred with the CIP. See IRM 4.17.4.3.5, *Review, Concurrence and Approval Part One CIP Only*, IRM 4.17.4.3.6, *LB&I Review Concurrence and Approval*, IRM 4.17.4.4, *Review, Concurrence and Approval for Part II Authorization Requests*.
- Classifying CIP returns where appropriate.
- Assigning project codes, tracking codes, freeze codes and aging reason codes for monitoring purposes when applicable.
- Preparing CIP authorization requests, status reports, and termination reports to ensure requirements are met. See IRM 4.17.3.3, *Research of Existing Data, Similar Projects*, IRM 4.17.4.3, *Part One CIP Authorization Request* and IRM 4.17.4.4, *Part Two CIP Authorization Request*.
- Providing guidance, assistance, oversight, and monitoring for all CIP activity within the exam operating unit to ensure actions are completed timely, procedures are followed, and objectives are met.
- Ensuring data used to develop the project is clearly identified, available, and evaluated for accuracy.
- Establishing returns and ensuring the sample does not exceed size limitations.
- Ensuring data is timely returned or disposed of properly when the project is terminated.

**Note:** This is related to data for returns less than status 10. Cases built and placed in the audit pipeline in status 10 or greater, do not need to be returned to PSP. See IRM 4.17.4.6, *Extension of a Project* and IRM 4.17.4.7, *Project Termination and Report* regarding audits after project completion date and/or termination.

- Maintaining ROTERS for each project and provide metrics for status reports, termination reports, and special reports when necessary.

- Monitoring progress on projects and report issues or concerns to the appropriate management per IRM 4.17.2.2 (1), *CIP Coordinator*.
- Ensuring technical issues have been coordinated with Appeals and Counsel, if appropriate, and results are documented in the authorization request.
- When required or appropriate, coordinating workload identification and delivery with the other divisional analysts.
- Analyzing CIP inventory using the CIP Data Overview Report (DOR).

**Note:** This report is for monitoring CIP progress and results. It can be used to analyze the compliance risk of the issue identified by the CIP using business metrics such as no change rate and assessments. Review of the report may provide indicators a CIP should be refined, terminated or expanded. It is recommended this report be reviewed regularly as part of the monitoring process. TE/GE will use established monitoring reports for these purposes.

- Forwarding a signed copy of the CIP to all parties once the CIP is final/approved.

(3) LB&I Specific Duties:

- Securing a signed, completed Workload Selection Form from the CIP Contact/Project Coordinator.
- Coordinating with the LB&I CIP Headquarters Analyst to ensure the LB&I Oversight Committee considers the CIP when applicable.
- Ensuring both the LB&I CIP Headquarters Analyst and CP&A Research Manager review and sign off on the CIP prior to presenting the CIP to the LB&I CIP Oversight Committee.

(4) TE/GE Specific Duties:

- TE/GE specific duties are located in the respective IRMs. See IRM 4.17.1.1, *Overview*.

4.17.2.3  
(04-25-2017)

**SB/SE CIP Headquarters  
Analyst Position**

(1) The SB/SE CIP Headquarter Analyst duties will include:

- Reviewing CIPs for content and ensure all appropriate individuals have approved or concurred with the CIP.
- Providing guidance, assistance, oversight, and monitoring for all SB/SE CIP activity to ensure actions are completed timely, procedures are followed, and objectives are met.
- Maintaining ROTERS for each project and make them available for status reports, termination reports, and special reports when necessary.
- Conducting periodic teleconferences with CIP coordinators, and follow up with questions on outstanding CIP issues.

**Note:** Generally, conference calls will be held at least quarterly.

- Preparing and reviewing monthly CIP DOR Report.
- Updating, reviewing, and maintaining an accurate National CIP Database.

**Note:** The National CIP Database should be reviewed periodically (with a minimum of one review per year).

- Maintaining the CIP program's web presence (SharePoint site, etc.).

- Helping with research and coordinate with other divisions and their CIP representatives when a CIP crosses divisions.
- Conducting CIP Assistance and Operational reviews on an as needed basis.

4.17.2.4  
(04-25-2017)  
**Program/Function  
Manager Duties**

- (1) The duties of the PSP Territory Manager, Field Case Selection Program Manager, LB&I Director of Field Operations, W&I Policy and Program Management Program Manager, respective TE/GE Compliance Program Manager, or equivalent include:
- Designating a CIP Coordinator who will report to said manager or designee.
  - Reviewing CIP authorization requests, status reports, and termination reports to ensure CIPs are consistent with procedures and Service policies.
  - Reviewing CIP authorization requests, status reports, and termination reports to ensure proper coordination has occurred and agreement has been reached with all significantly impacted functions or units, and their activities can be accomplished within the necessary time frames.
  - Ensuring proper alternative treatments are included in the authorization request.
  - Conducting annual reviews of the CIP process.

4.17.2.5  
(02-25-2010)  
**Other Managers,  
Directors Significantly  
Impacted by the CIP**

- (1) The duties of managers and/or directors of functions or units significantly impacted by the CIP include:
- Providing information for the preparation of the project authorization, if requested.
  - Timely reviewing project authorizations to ensure time frames are reasonable, resources are available when needed, and actions are completed according to schedule.

4.17.2.6  
(02-25-2010)  
**Communications and  
Stakeholder Outreach  
(CSO)  
Managers/Directors**

- (1) The duties of managers and/or directors from the (CSO) function include:
- Coordinating with the function/unit that originates the project to determine what involvement by CSO is appropriate.
  - Providing information for the preparation of project authorization, if requested.
  - Timely reviewing authorization requests to ensure CSO time frames are reasonable and resources can be available when needed.
  - Providing guidance and suggestions on alternative treatments.

4.17.2.7  
(04-25-2017)  
**LB&I, Compliance  
Planning & Analytics  
(CP&A) Research  
Manager**

- (1) The duties of the LB&I CP&A Research Manager include:
- Providing oversight direction and review to ensure guidelines and procedures are followed.
  - Providing data and special assistance if requested by the originating function.
  - Ensuring workload selection methods proposed by the CIP are consistent with established IRS policy and procedure.
  - Reviewing expired CIP's and report out on CIP results and any useful workload selection methods/issues for future use.

- 4.17.2.8  
(04-25-2017)  
**LB&I CIP Oversight Committee**
- (1) The CIP Oversight Committee consists of LB&I Executive/Directors. It includes two levels: The Directors of Field Operations (DFO's) and the Executive Governance Board (EGB). Each level of the committee meets monthly and is responsible for providing guidance and making decisions with regards to LB&I operations. The LB&I CIP Oversight Committee responsibilities include:
- Reviewing and make recommendation on approval for all CIPs.
  - Reviewing and approve extensions, modifications and terminations.
  - Determining if a CIP affects another division and will require concurrence/approval.
  - Documenting decisions and share information with affected parties via appropriate channels.
- 4.17.2.9  
(04-25-2017)  
**LB&I, Risk Identification Control Board (RICB)**
- (1) The duties of RICB are to ensure resources are used effectively, assist in allocating CP&A resources and managing the suite of risk identification methods. RICB participates in the CP&A review of CIP requests and considers the following factors:
- Alignment of risk being addressed with organizational priorities.
  - Consistency with risk identification strategy and available resources.
  - Likelihood of success.
- 4.17.2.10  
(04-25-2017)  
**HQ Disclosure Policy Analyst**
- (1) The duties of the HQ disclosure policy analyst include reviewing CIP authorization requests to ensure they comply with privacy, security, and disclosure requirements.
- (2) Disclosure is only required to be involved when the CIP will involve sharing internal taxpayer information with the third parties. Receiving data from third parties alone does not require involvement from the HQ disclosure policy analyst.
- 4.17.2.11  
(04-25-2017)  
**Research Function**
- (1) The duties of the SB/SE Finance Research and Strategy (FR&S) function or TE/GE Research include providing data and special assistance (for example, developing measures, developing methodology, providing statistical or other analysis, etc.) if requested by the originating function.
- 4.17.2.12  
(04-25-2017)  
**Director, Exam Case Selection and TE/GE Functional Director (EO, EP, GE/SS)**
- (1) The duties of the Director, Exam Case Selection and respective TE/GE Functional Director include:
- Approving all CIPs within or involving their Operating Unit as provided in IRM 4.17.4.3.5, *Review, Concurrence and Approval of Part One CIP Only* or IRM 4.17.4.4.4, *Review, Concurrence and Approval for Part Two Authorization Requests*.
  - Setting divisional standards and policies for the authorization and implementation of CIPs.
- (2) The Director or designee will:
- Provide oversight direction and review to ensure guidelines and procedures are followed.
  - Provide assistance to the field offices if needed.
  - Keep field functions informed about new issues, current projects, etc.



## Exhibit 4.17.2-1 (04-25-2017)

### Data Overview Report

Project Code	Tracking Code	CIP Name	Part 1 or 2	Terminated	Project Completion Date	Status 06	Status 08	Status 10	Status 12/13	Status 17/18	Status 19 & Above
0234		Test	1	N		10	3	8	1	0	2

Total Pipeline	Total Closed	Total Dollars Recommended	\$ per Return	\$ per hour	% No change	Primary Return Count	Surveyed Returns
24	10	\$102,530	\$10,253	\$676	3%	45	3

