



MANUAL TRANSMITTAL

Department of the Treasury
Internal Revenue Service

4.17.2

JULY 23, 2025

EFFECTIVE DATE

(07-23-2025)

PURPOSE

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

MATERIAL CHANGES

- (1) Material changes to the IRM are listed in the table below:

IRM Reference	Description of Changes
4.17.2.1	Subsection changed from Introduction. Subsections added to address program background, authority, responsibilities, program management and review, program controls, acronyms, terms, and related resources.
4.17.2.2	Content previously contained in IRM 4.17.2.1 moved to IRM 4.17.2.2. Content wording modified.
4.17.2.3	Content previously contained in IRM 4.17.2.2 moved to IRM 4.17.2.3. Content wording modified.
4.17.2.4	Content previously contained in IRM 4.17.2.3 moved to IRM 4.17.2.4. Content wording modified.
4.17.2.5	Content previously contained in IRM 4.17.2.4 moved to IRM 4.17.2.5.
4.17.2.6	Content previously contained in IRM 4.17.2.5 moved to IRM 4.17.2.6.
4.17.2.7	LB&I, Compliance Planning & Analytics (CP&A) Research Manager removed.
4.17.2.7	Content previously contained in IRM 4.17.2.6 moved to IRM 4.17.2.7.

IRM Reference	Description of Changes
4.17.2.8	LB&I CIP Oversight Committee removed.
4.17.2.8	Content previously contained in IRM 4.17.2.10 moved to IRM 4.17.2.8.
4.17.2.9	LB&I Risk Identification Control Board (RICB) removed.
4.17.2.9	Content previously contained in IRM 4.17.2.11 moved to IRM 4.17.2.9.
4.17.2.10	Content previously contained in IRM 4.17.2.12 moved to IRM 4.17.2.10.
Exhibit 4.17.2-1	Removed exhibit.
Throughout IRM	IRS Style changes.

EFFECT ON OTHER DOCUMENTS

IRM 4.17.2 dated April 25, 2017 is superseded.

AUDIENCE

Compliance employees within all Operating Divisions who oversee the initiation and completion of Compliance Initiative Projects.

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CTCO:S:E:HQ:ECS
Small Business/Self-Employed Division

4.17.2
Responsibilities

Table of Contents

- 4.17.2.1 Program Scope and Objective
 - 4.17.2.1.1 Background
 - 4.17.2.1.2 Authority
 - 4.17.2.1.3 Roles and Responsibilities
 - 4.17.2.1.4 Program Management and Review
 - 4.17.2.1.5 Program Controls
 - 4.17.2.1.6 Acronyms
 - 4.17.2.1.7 Terms
 - 4.17.2.1.8 Related Resources
- 4.17.2.2 Overview of Compliance Initiative Projects Program
- 4.17.2.3 CIP Coordinator
- 4.17.2.4 SB/SE CIP Headquarters Analyst Position
- 4.17.2.5 Program/Function Manager Duties
- 4.17.2.6 Other Managers, Directors Significantly Impacted by the CIP
- 4.17.2.7 Communications & Liaison (C&L) Managers/Directors
- 4.17.2.8 HQ Disclosure Policy Analyst
- 4.17.2.9 Research Function
- 4.17.2.10 Director, Examination Case Selection and TE/GE CPC Director (EO, EP, GE/SS)

4.17.2.1
(07-23-2025)
Program Scope and Objective

- (1) Purpose: This IRM section serves as a guide to the responsibilities of individuals who administer, oversee, review, and approve of Compliance Initiative Projects (CIP).
- (2) Audience: These procedures apply to compliance employees across all Operating Divisions.
- (3) Policy Owner: Director, Examination Case Selection.
- (4) Program Owner: Field Case Selection, under the Director, Examination Case Selection.
- (5) Primary Stakeholders: SB/SE Examination.
- (6) Contact Information: To recommend changes or make other suggestions related to this IRM section, see IRM 1.11.6.5, Providing Feedback About an IRM Section - Outside of Clearance.

4.17.2.1.1
(07-23-2025)
Background

- (1) CIPs are authorized activities outside of the planned strategies involving taxpayer contact for the purpose of correcting noncompliance that meet the mission, standards, and resources of the Internal Revenue Service (IRS).

4.17.2.1.2
(07-23-2025)
Authority

- (1) By law, the IRS has the authority to conduct examinations under Title 26, Internal Revenue Service, Subtitle F - Procedure and Administration, Chapter 78, Discovery of Liability and Enforcement of Title, Subchapter A, Examination and Inspection, which includes, but is not limited to: IRC 7602, Examination of Books and Witnesses.

4.17.2.1.3
(07-23-2025)
Roles and Responsibilities

- (1) The Director, Examination Headquarters, is the executive responsible for providing policy and guidance for field employees, and ensuring consistent application of policy, procedures, and tax law to effect tax administration while protecting taxpayer's rights. See IRM 1.1.16.5.5, Examination Headquarters, for additional information.
- (2) The Director, Examination Case Selection, reports to the Director, Examination Headquarters, and is responsible for providing guidance on selection of cases and delivery of inventory, input on the work plan, and setting direct assignment criteria for routing of examination work. See IRM 1.1.16.5.5.3, Exam Case Selection, for additional information.
- (3) Field Case Selection, under the Director, Examination Case Selection, is the group responsible for providing policy guidance on the selection of cases and delivery of inventory for field examination. See IRM 1.1.16.5.5.3.1, Field Case Selection.

4.17.2.1.4
(07-23-2025)
Program Management and Review

- (1) The following are systems or reports that may be used to monitor the classification and delivery of inventory:
 - AIMS Centralized Information System (A-CIS)
 - Examination Returns Control System (ERCS) Tableau
- (2) The National CIP Database will be utilized to track open and terminated CIPs.

4.17.2.1.5
(07-23-2025)

Program Controls

- (1) At the conclusion of the CIP, the Program Analyst reviews audit results to make decisions to improve program quality and selection methods.

4.17.2.1.6
(07-23-2025)

Acronyms

- (1) The following table list acronyms commonly used throughout this IRM and their definitions:

Acronym	Definition
A-CIS	AIMS Centralized Information System
CIP	Compliance Initiative Project
CP&C	Compliance Planning & Classification
DOR	Data Overview Report
ERCS	Examination Returns Control System
FCS	Field Case Selection
IRS	Internal Revenue Service
TE/GE	Tax Exempt & Government Entities
TS	Taxpayer Services
SB/SE	Small Business & Self Employed

4.17.2.1.7
(07-23-2025)

Terms

- (1) The following table list commonly used terms and associated definitions reference throughout this IRM:

Term	Definition
External Data	Taxpayer specific data collected from public and private sources outside of IRS. External data does not include non-sensitive data such as electronic asset locator and people locator services, newspaper articles, periodicals, taxpayer websites, and so on.

Term	Definition
Internal Data	Information that is required to be filed with the IRS, produced within the IRS, or is furnished to the IRS and incorporated into its data systems. An example is information received from other government agencies as part of an agreement.
National CIP Database	An Access database which contains information on past and present CIPs. This database contains a brief description of the activities and/or issues that each CIP addresses. The database has historical and current CIP information that is available for research by IRS personnel. TE/GE will maintain its own record keeping system of CIPs.
Taxpayer	Relates to the primary return identified under an approved CIP. This does not include related returns or prior subsequent year returns.
Taxpayer Specific Data	Any information that contains taxpayer identifiers or can be traced back to a specific taxpayer. Examples are name, address, taxpayer identification number, driver's license number, telephone number, or coding used in place of another identifier that can ultimately be traced to a specific taxpayer.

4.17.2.1.8
(07-23-2025)

Related Resources

(1) The following table lists related resources:

Resource	Title
IRM 4.17.1	Compliance Initiative Projects, Overview of Compliance Initiative Projects
IRM 4.17.3	Compliance Initiative Projects, Requirements
IRM 4.17.4	Compliance Initiative Projects, Procedures

Resource	Title
IRM 4.31.1	SB/SE Emerging Issues

4.17.2.2
(07-23-2025)

Overview of Compliance Initiative Projects Program

- (1) Each Area Planning and Special Programs (PSP) Territory Manager will designate staff members to coordinate on an area basis all SB/SE compliance activity related to CIPs.

4.17.2.3
(07-23-2025)

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
Collection	Collection Inventory Delivery & Selection
TE/GE	TE/GE Compliance Planning & Classification (CPC&C)

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

- Work with Headquarters SB/SE CIP Analyst to support National CIPs.
- Establish and classify CIP returns where appropriate.
- Assign project codes, tracking codes, freeze codes and aging reason codes for monitoring purposes when applicable.
- Provide 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.
- Ensure 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 4.17.4.7, Extension of Project, and IRM 4.17.4.8, Project Termination and Report regarding audits after project completion date and/or termination.

- Monitor progress on projects and report issues or concerns to the appropriate management.
 - Coordinate workload delivery with other divisional analysts.
- (3) TE/GE Specific Duties: TE/GE specific duties are located in the respective IRMs. See IRM 4.70.5, Issue Identification and Research, for additional information.

4.17.2.4

(07-23-2025)

**SB/SE CIP Headquarters
Analyst Position**

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

Duties
Prepare CIP authorization requests, status reports and termination reports to ensure the requirements are met. See IRM 4.17.3.3, Research of Existing Data, Similar Projects, IRM 4.17.4.4, Part One CIP Authorization Request, and IRM 4.17.4.5, Part Two CIP Authorization Request.
Ensure data used to develop a project is clearly identified and evaluated for accuracy.
Ensure technical issues have been coordinated with Office of Appeals and Chief Counsel, if applicable. Document results in the authorization request.
Review content of projects to ensure approved appropriate authorization is received. See IRM 4.17.4.4.5, Review, Concurrence, and Approval Part One Only, and IRM 4.17.4.5.4, Review, Concurrence, and Approval for Part Two Authorization Requests.
Maintain CIP authorization and termination reports and provide upon request.
Provide guidance, assistance, oversight, and monitoring for all SB/SE CIP activity to ensure actions are completed timely, procedures are followed, and objectives met.
Maintain ROTERS for each project and make them available for status reports, termination reports, and special reports when necessary.
Conduct periodic teleconferences with CIP coordinators and managers. Conduct follow up with questions on outstanding CIP issues.
Prepare and regularly review monitor CIP progress and results. It can be used to analyze the compliance risk of the issues by the CIP using business metrics such as no change rates and assessments.
Update, review, and maintain an accurate National CIP Database. The National CIP Database should be reviewed periodically (with minimum of one review per year).
Maintain the CIP program's web presence (SharePoint site, and so on).
Research and coordinate with other divisions and their CIP representatives when a CIP crosses divisions.
Conduct CIP Assistance and Operational reviews on an as needed basis.

4.17.2.5 (07-23-2025) Program/Function Manager Duties	<p>(1) The Field Case Selection Program Manager, Taxpayer Services (TS) Policy and Program Management Program Manager, respective TE/GE Compliance Program Manager, or equivalent will:</p> <ul style="list-style-type: none"> Review CIP authorization requests, status reports, and termination reports to ensure CIPs are consistent with procedures and IRS policies. Review 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. Ensure proper alternative treatments are included in the authorization request. Conduct annual reviews of the CIP process.
4.17.2.6 (07-23-2025) Other Managers, Directors Significantly Impacted by the CIP	<p>(1) The managers and/or directors of functions or units significantly impacted by the CIP will:</p> <ul style="list-style-type: none"> Provide information for the preparation of the project authorization, if requested. Review project authorizations to ensure time frames are reasonable, resources are available when needed, and actions are completed according to schedule.
4.17.2.7 (07-23-2025) Communications & Liaison (C&L) Managers/Directors	<p>(1) The managers and/or directors from the (C&L) function will:</p> <ul style="list-style-type: none"> Coordinate with the function/unit that originates the project to determine what involvement by C&L is appropriate. Provide information for the preparation of project authorization, if requested. Review authorization requests to ensure C&L time frames are reasonable and resources can be available when needed. Provide guidance and suggestions on alternative treatments.
4.17.2.8 (07-23-2025) HQ Disclosure Policy Analyst	<p>(1) The HQ disclosure policy analyst will review CIP authorization requests to ensure they comply with privacy, security, and disclosure requirements.</p> <p>(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.</p>
4.17.2.9 (07-23-2025) Research Function	<p>(1) The duties of the SB/SE Research function include providing data and special assistance (for example, developing measures, developing methodology, providing statistical or other analysis, and so on) if requested by the originating function.</p>
4.17.2.10 (07-23-2025) Director, Examination Case Selection and TE/GE CPC Director (EO, EP, GE/SS)	<p>(1) The Director, Examination Case Selection and respective TE/GE CPC Director will:</p> <ul style="list-style-type: none"> Coordinate the approval of any CIPs within or involving their Operating Unit as provided in IRM 4.17.4.4.5, Review, Concurrence and Approval of Part One CIP Only, or IRM 4.17.4.5.4, Review, Concurrence, and Approval for Part Two Authorization Requests.

- Establish 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, and so on.

